Cipla Limited

Financial Statements of Subsidiaries as on 31st March 2024

Sr. No	Name of the Subsidiaries of Cipla Limited	Country of Incorporation
India		
1.	Cipla Digital Health Limited	India
2.	Cipla Health Limited	
3.	Cipla Pharmaceuticals Limited	
4.	Cipla Pharma and Life Sciences Limited	
5.	Goldencross Pharma Limited	
6.	Jay Precision Pharmaceuticals Private Limited	
7.	Medispray Laboratories Private Limited	
8.	Meditab Specialities Limited	
9.	Sitec Labs Limited	
Europe		
10.	Cipla (EU) Limited	Netherlands
11.	Cipla Holding BV	Belgium
12.	Cipla Europe NV	United Kingdom
Emerging Markets		
13.	Cipla Algérie	Algeria
14.	Cipla Australia Pty Limited	Australia
15.	Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda	Brazil
16.	Cipla (China) Pharmaceutical Co., Ltd.	China
17.	Cipla (Jiangsu) Pharmaceutical Co., Ltd.	
18.	Cipla Colombia SAS	Colombia
19.	Cipla Malaysia Sdn. Bhd.	Malaysia
20.	Meditab Holdings Limited	Mauritius
21.	Cipla Maroc SA	Morocco
22.	Cipla Philippines Inc.*	Philippines
23.	Breathe Free Lanka (Private) Ltd.	Sri Lanka
24.	Cipla Gulf FZ-LLC	UAE
25.	Mexicip S.A. de C.V#	Mexico
South Africa and Global Access (SAGA)		
26.	Cipla Medpro South Africa (Pty) Limited	South Africa
27.	Cipla Dibcare (Pty) Limited**	
28.	Cipla Medpro Distribution Centre (Pty) Limited	
29.	Cipla Medpro Manufacturing Pty Ltd (Formerly known as Cipla Life Sciences (Pty) Limited)	
30.	Cipla-Medpro (Pty) Limited	
31.	Cipla Select (Pty) Limited (Formerly known as Cipla OLTP (Pty) Limited)	
32.	Medpro Pharmaceutica (Pty) Limited	
33.	Mirren (Pty) Limited	
34.	Actor Pharma (Pty) Limited	
35.	Cipla Medpro Botswana (Pty) Limited	Botswana
36.	Cipla Kenya Ltd.	Kenya
USA		
37.	InvaGen Pharmaceuticals Inc.	USA
38.	Cipla Technologies LLC^	

39.	Cipla Therapeutics Inc.	
40.	Cipla USA Inc.	
41.	Exelan Pharmaceuticals Inc.	
42.	Aspergen Inc.	

Note:

*Dissolved w.e.f 31st March, 2024

**Dissolved w.e.f 26th June, 2024

^ Merged with Cipla USA Inc. w.e.f 31st March 2024

Mexicip S.A. de C.V incorporated w.e.f 22nd January 2024

Actor Pharma (Pty) Limited incorporated w.e.f 7th February 2024

Cipla Digital Health Limited
Financial Statements for Financial Year 2023-24

Independent Auditors' Report
To the Members of Cipla Digital Health Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Cipla Digital Health Limited** (*"the Company"*) which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and comprehensive income), 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 (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have nothing to report in this regard.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the "Management Discussion and Analysis" and "Director'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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Responsibility 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.

Report on Other Legal and Regulatory Requirements

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.

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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"

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:

1. the Company has no material pending litigations as on balance sheet date;

2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

4. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recoded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("funding parties"), with the understanding, whether recoded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

i) Based on examination which included test checks, the Company in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software other than the audit trail feature was not enabled at database level for accounting software SAP to log any direct data change. Further, during the course of our audit we did not come across any instance of audit trail features being tampered with in respect of the accounting software where such feature was enabled.

For NGST & Associates
Chartered Accountants
Firm Regn. No. 135159W

NGST & ASSOCIATES ★ Chartered Accountants ★ MUMBAI

Bhupendra S Gandhi
Partner
Mem. No. 122296
UDIN – 24122296BKBLUV9957

Place: Mumbai
Date: 30 April 2024

ANNEXURE – A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of Cipla Digital Health Limited ("the Company") on the Financial Statements for the year ended 31st March, 2024, we report that:

i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) According to the information and explanation given to us, all the property, plant and equipment have been physically verified by the management during the year and we are informed that the management on such verification has noticed no material discrepancies. In our opinion the frequency of verification is reasonable.

(c) There are no immovable properties held in the name of the company.

(d) The Company has not revalued its property, plant and equipment during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. There are no inventories in the company and hence this clause is not applicable.

iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013 ('the Act'). Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. The Company has not accepted any deposits from the public.

vi. To the best of our knowledge and belief and according to the information and explanation given to us, no cost records are required to be maintained by the Company under the Companies (Cost Audit Rules), 2014.

vii. a. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, value added tax, duty of customs, service tax, Goods and Service Tax, cess and other material statutory dues applicable to it.

b. There were no material undisputed amounts payable in respect of provident fund, income tax, value added tax, duty of customs, service tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no material dues of provident fund, income tax, value added tax, duty of customs, service tax, Goods and Service Tax, cess which have not been deposited with the appropriate authorities on account of any dispute.

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viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (43 of the 1961).

ix. a. The company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the order is not applicable.

b. The company has not been declared willful defaulter by any bank or financial institution or government or government authority.

c. The company has not taken any term loan therefore reporting under clause 3(ix)(c) and (d) of the order is not applicable.

d. On an overall examination of the financial statements of the company, the company does not have any subsidiary, associate or joint venture and therefore clause 3(ix)(e) and (f) of the order is not applicable.

x. a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) of the Order is not applicable.

b. The Company has made preferential allotment of shares during the year. As per the information and explanation given to us, requirements of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.

xi. a. According to the information and explanations given to us, no material fraud by company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

b. During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. In our opinion and according to the information and explanation given to us, internal audit is not applicable to the company considering the size and nature of its business.

xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xvi) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvii) of the Order is not applicable.

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xvii. Based on examination of records, the company has incurred cash losses of Rs. 1408.27 lakhs in current year and Rs. 980.51 lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) 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 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. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For NGST & Associates
Chartered Accountants
Firm Regn. No 135159W

NGST & ASSOCIATES ★ Chartered Accountants ★ MUMBAI

Bhupendra S Gandhi
Partner
Mem. No. 122296
UDIN – 24122296BKBLUV9957

Place: Mumbai
Date: 30 April 2024

ANNEXURE – B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Cipla Digital Health Limited** ('the company'), as of 31 March 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

NGST & ASSOCIATES MUMBAI Chartered Accountants

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 NGST & Associates
Chartered Accountants
Firm Regn. No 135159W

Bhupendra S Gandhi
Partner
M. No. 122296
UDIN – 24122296BKBLUV9957

Place: Mumbai
Date: 30 April 2024

Cipla Digital Health Limited
Balance sheet as at 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	1	14.78	0.28
(b) Right-of-use asset		-	-
(c) Capital work-in-progress		-	-
(d) Intangible assets		-	-
(e) Financial assets			
- Other financial assets		-	-
(f) Income tax assets (net)		-	-
(g) Deferred tax assets (net)		-	-
(h) Other non-current assets		-	-
		14.78	0.28
2. Current assets			
(a) Inventories		-	-
(b) Financial assets			
- Investments	2	894.96	475.26
- Trade receivables		-	-
- Cash and cash equivalents	3	0.96	18.26
- Other financial assets	4	21.27	70.83
(c) Other current assets	5	170.02	66.07
		1,087.21	630.43
Total assets		1,101.99	630.70
B. Equity and liabilities			
1. Equity			
(a) Share capital	6	3,000.00	1,350.00
(b) Other equity	7	(2,416.42)	(1,000.94)
Total equity		583.58	349.06
2. Non-current liabilities			
(a) Financial liabilities			
- Lease Liabilities		-	-
(b) Provisions	8	9.54	7.39
		9.54	7.39
3. Current liabilities			
(a) Financial liabilities			
- Trade payables			
(i) Total outstanding dues of Micro enterprises and Small enterprises	9	62.76	52.29
(ii) Total outstanding dues of creditors other than Micro enterprises and Small enterprises	9	314.84	135.64
- Lease Liabilities		-	-
- Other financial liabilities	10	5.10	0.73
(b) Other current liabilities	11	41.64	23.60
(c) Provisions	8	84.53	61.99
(d) Current tax liabilities (net)		-	-
		508.86	274.25
Total equity and liabilities		1,101.99	630.70

The accompanying notes form an integral part of these financial statement.

As per our report date of even date

For NGST & Associates
Chartered Accountants
Firm's Registration No.: 135159W

Bhupendra Gandhi
Partner
Membership No. 122296

NGST & ASSOCIATES ★ Chartered Accountants ★ MUMBAI

Place: Mumbai
Date: 30th April 2024

CIPLA DIGITAL HEALTH LIMITED
Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013.

For and on behalf of **the Board of Directors**

DINESH R. JAIN
Director
(DIN: 00058069)

RAJENDRA CHOPRA
Director
(DIN: 06942295)

ARJUN MUKHERJEE
CFO

ASHISH VIG
CEO

NAVYA YERAMILLI
CS

Place: Mumbai
Date: 30th April 2024

Cipla Digital Health Limited
Statement of profit and loss for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Revenue from operations			
(a) Revenue from sale of products and services		1.83	-
(b) Other income	12	32.65	9.47
Total revenue		**34.49**	**9.47**
Expenses			
(a) Cost of materials consumed		-	-
(b) Purchase of stock-in-trade		-	-
(c) Changes in inventories of finished goods , work-in-progress and stock-in-trade		-	-
(d) Employee benefit expenses	13	791.51	540.63
(e) Finance cost		-	-
(f) Depreciation, impairment and amortisation expense	14	2.28	0.04
(g) Other expenses	15	651.24	449.35
Total expenses		**1,445.03**	**990.02**
Profit / (Loss) before tax		**(1,410.54)**	**(980.56)**
Tax expenses (net)			
Current tax		-	-
Deferred tax credit		-	-
Profit / (Loss) for the year (I)		**(1,410.54)**	**(980.56)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of post employement benefit obligation		(4.94)	-
(ii) Income tax relating to these items		-	-
Other comprehensive income for the year (II)		**(4.94)**	**-**
Total comprehensive income for the year (I+II)		**(1,415.48)**	**(980.56)**
Earnings per equity share of face value of Rs. 10 each			
Basic and diluted (in Rs.)	16	(7.61)	(16.69)

The accompanying notes form an integral part of these financial statement.

As per our report date of even date

For NGST & Associates
Chartered Accountants
Firm's Registration No.: 135159W

Bhupendra Gandhi
Partner
Membership No. 122296

NGST & ASSOCIATES ★ MUMBAI ★ Chartered Accountants

Place: Mumbai
Date: 30th April 2024

For and on behalf of **the Board of Directors**

DINESH R. JAIN
Director
(DIN: 00058069)

RAJENDRA CHOPRA
Director
(DIN: 06942295)

ARJUN MUKHERJEE
CFO

ASHISH VIG
CEO

CIPLA DIGITAL HEALTH LIMITED ★ Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013. ★

NAVYA YERAMILLI
CS

Place: Mumbai
Date: 30th April 2024

Cipla Digital Health Limited
Statement of cash flows for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash flow from operating activities		
Profit/(Loss) before tax	(1,415.48)	(980.56)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on property, plant and equipment	2.28	0.04
Amortisation of intangible assets	-	-
Impairment of property, plant and equipment	-	-
Unrealised foreign exchange (gains)/losses (net)	-	-
Net (gain)/loss on sale/disposal of property, plant and equipment	-	-
Fair value gain on financial instruments at fair value through profit or loss	(9.59)	(0.28)
Sundry balances written off/ (written back)	-	-
Interest expense on lease liability (refer note 4.1)	-	-
Interest income	-	(0.30)
Net gain on sale of current investments	(20.92)	(8.88)
(Reversal)/ provision for expected credit loss	-	-
Operating profit/(Loss) before working capital changes	**(1,443.71)**	**(989.98)**
Adjustments for :		
Decrease/ (Increase) in trade receivables		-
(Increase) / Decrease in inventories		-
(Increase) / decrease in other current and non current assets	(54.38)	(136.91)
Increase in trade payables, other current and non-current liabilities and provisions	236.76	261.26
Working capital adjustments	**182.38**	**124.35**
Cash flow from operations	**(1,261.33)**	**(865.63)**
Income tax paid (including TDS) (net)		-
Net cash flow from operating activities (a)	**(1,261.33)**	**(865.63)**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment		-
Purchase of property, plant and equipment, Intangibles and Capital work-in- progress	(16.78)	(0.32)
Investment in mutual funds (net)	(410.12)	(474.98)
Profit on sale of investment	20.92	8.88
Interest received	-	0.30
Net cash flow (used in) / generated from investing activities (b)	**(405.97)**	**(466.11)**
Cash flow from financing activities		
Proceeds from issue of share Capital	1,650.00	1,300.00
Payment of lease liability (including interest expense on lease liability)	-	-
Payment of interim dividend	-	-
Net cash flow from financing activities (c)	**1,650.00**	**1,300.00**
Net increase/(decrease) in cash and cash equivalents (a+b+c)	**(17.30)**	**(31.74)**
Cash and cash equivalents at the beginning of the year	18.26	50.00
Cash and cash equivalents at the end of the year	**0.96**	**18.26**

Note: The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS-7)-Statement of Cash Flows.

The accompanying notes form an integral part of these financial statement.

As per our report of even date

For NGST & Associates
Chartered Accountants
Firm's Registration No.: 135159W

Bhupendra Gandhi
Partner
Membership No. 122296

NGST & ASSOCIATES ★ Chartered Accountants ★ MUMBAI

CIPLA DIGITAL HEALTH LIMITED ★ Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013. ★

Place: Mumbai
Date: 30th April 2024

For and on behalf of **the Board of Directors**

DINESH R. JAIN
Director
(DIN: 00058069)

RAJENDRA CHOPRA
Director
(DIN: 06942295)

ARJUN MUKHERJEE
CFO

ASHISH VIG
CEO

NAVYA YERAMILLI
CS

Place: Mumbai
Date: 30th April 2024

Cipla Digital Health Limited
Statement of changes in equity for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	1,350.00	50.00
Changes in equity share capital during the year	1,650.00	1,300.00
Balance at the end of the year	**3,000.00**	**1,350.00**

(b) Other equity (refer note 7)

Particulars	Reserves and surplus					Total other equity
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	
Balance as at 1 April 2022	-	-	-	-	(20.38)	(20.38)
Profit / (Loss) for the year	-	-	-	-	(980.56)	(980.56)
Other comprehensive income / (Loss)	-	-	-	-	-	-
Balance as at 31 March 2023	-	-	-	-	(1,000.94)	(1,000.94)
Profit / (Loss) for the year	-	-	-	-	(1,410.54)	(1,410.54)
Other comprehensive income / (Loss)	-	-	-	-	(4.94)	(4.94)
Dividend paid during the year (including DDT)	-	-	-	-	-	-
Balance as at 31 March 2024	-	-	-	-	(2,416.42)	(2,416.42)

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

As per our report of even date

For NGST & Associates
Chartered Accountants
Firm's Registration No.: 135159W

Bhupendra Gandhi
Partner
Membership No. 122296

NGST & ASSOCIATES ★ MUMBAI ★ Chartered Accountants

For and on behalf of **the Board of Directors**

DINESH R. JAIN
Director
(DIN: 00058069)

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CIPLA DIGITAL HEALTH LIMITED
Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013.

Place: Mumbai
Date: 30th April 2024

Cipla Digital Health Limited
Summary of significant accounting policies as at and for the year ended 31 March 2024

Note 1: Corporate information

Cipla Digital Health Ltd. ('the Company') (CIN no. U72900MH2022PLC377512) is a company domiciled in India and is incorporated on 25 February 2022 under the provisions of Companies Act applicable in India. Cipla Digital Health Ltd. is a wholly owned subsidiary of Cipla Limited. The registered office of the Company is Tower A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai Maharashtra India - 400013.

Note 2: Significant accounting policies and key accounting estimates and judgements

2.1 Basis of preparation

(i) Compliance with Indian Accounting Standards (Ind-AS)

The financial statements of the Company as at and for the year ended 31 March 2024 have been prepared and presented in accordance with Indian Accounting Standards ("Ind-AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], as amended from time to time and other relevant provisions of the Act and accounting principles generally accepted in India.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2024.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis and on accrual basis, except financial assets and liabilities are measured at fair value or at amortised cost depending on classification.

(iii) Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee (INR) 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 lakhs or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than INR 500/- is presented as INR 0.00 lakhs.

2.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, *Presentation of Financial Statements*.

Assets:
An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of non-current assets and liabilities, respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

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2.3 Use of estimates and judgements

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical estimates:

(i) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4 Impairment of non-financial assets

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

2.5 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.

(i) Current income tax:

Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax:

Deferred tax is recognized using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

2.7 Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Financial instruments

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

(i) Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) Initial recognition and measurement

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

(c) Subsequent measurement

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

- Debt instruments at amortized cost.

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- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(d) De-recognition

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

(e) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset or a Group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an expected 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(ii) Financial liabilities

(a) Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

(b) Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

(c) Subsequent measurement

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

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

hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

(d) De-recognition

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

(iii) Offsetting financial instruments

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

2.8 Revenue Recognition

The company generates revenue from offering digital therapeutics to its customers in the form of subscription. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated towards that performance obligation. The transaction price of goods sold and services rendered is net of any taxes collected from customers, which is remitted to government authorities and variable consideration on account of various discounts offered by the Company. The transaction price is an amount of consideration to which the entity expects to be entitled in exchange for transferring promised services. Where performance obligation is satisfied over time, Company recognizes revenue over the offering period.

Revenue is recognized net of any taxes collected from customers, which are remitted to governmental authorities.

Note 3. Recent accounting pronouncements

The amendments in IND-AS are not expected to have any significant impact on company's financial statements.

CIPLA DIGITAL HEALTH LIMITED
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Chartered Accountants

Cipla Digital Health Limited
Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Note 1 : Property Plant & Equiments and Intangibles

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Property, plant and equipment	14.78	0.28
(b) Right of Use Assets	-	-
(c) Capital work-in-progress	-	-
(d) Investment properties	-	-
(e) Goodwill	-	-
(f) Other intangible assets	-	-
(g) Intangible assets under development	-	-
	14.78	**0.28**

Details of Property, Plant and Equipments

Particulars	E.P.D Machinery	Office Equipments	Total
Gross block			
Balance as at 1 April 2022	-	-	-
Additions for the year	-	0.32	0.32
Deletions and adjustments during the year	-	-	-
Balance as at 31 March 2023	-	**0.32**	**0.32**
Additions for the year	12.58	4.20	16.78
Deletions and adjustments during the year	-	-	-
Balance as at 31 March 2024	**12.58**	**4.52**	**17.10**
Accumulated depreciation and impairment			-
Balance as at 1 April 2022	-	-	-
Additions for the year		0.04	0.04
Deletions and adjustments during the year	-	-	-
Balance as at 31 March 2023	-	**0.04**	**0.04**
Additions for the year	1.93	0.35	2.28
Deletions and adjustments during the year	-	-	-
Balance as at 31 March 2024	**1.93**	**0.39**	**2.32**
Net book value			
As at 31st March 2024	10.66	4.12	14.78
As at 31st March 2023	-	0.28	0.28

Note 2 : Current Investments

Particulars	As at 31 March 2024	As at 31 March 2023
Investments - mutual funds (unquoted) (Carried at fair value through profit and loss)	894.96	475.26
	894.96	**475.26**
Aggregate amount of unquoted investments	894.96	475.26

Note 3 : Cash and Cash Equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with Banks		
In current accounts	0.96	18.26
In deposit accounts (original maturity less than 3 months)	-	-
	0.96	**18.26**

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CIPLA DIGITAL HEALTH LIMITED Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013.

Note 4 : Other Financial Assets-Others

Particulars	As at 31 March 2024	As at 31 March 2023
(Carried at amortised cost, except otherwise stated)		
Other receivables		
Considered good	21.27	70.83
Considered doubtful	-	-
Less: Allowance for doubtful advances	-	-
	21.27	**70.83**

Note 5 : Other Current Assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advance to Suppliers	11.30	12.27
Considered doubtful	-	-
Less: Allowance for doubtful advances		
Prepaid Expenses	4.27	0.09
GST Balance with Revenue Authority	150.15	49.83
Others	4.30	3.88
	170.02	**66.07**

Note 8 : Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Provision for Employee Benefits		
Leave Encashment	9.54	7.39
	9.54	**7.39**
Current		
Provision for Employee Benefits		
Gratuity	10.31	7.52
Leave Encashment	2.89	-
Employee Health Insurance Payable	-	-
Performance bonus	71.32	54.47
	84.53	**61.99**

Note 10 : Other Financial Liabilities (Current)

Particulars	As at 31 March 2024	As at 31 March 2023
Employee Dues	5.10	0.73
	5.10	**0.73**

Note 11 : Other Current Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Other Payables:		
Statutory Dues	41.27	23.60
Others	0.38	
	41.64	**23.60**

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Note 6: Share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of Rs. 10 each	3,00,00,000	3,000.00	2,00,00,000	2,000.00
	3,00,00,000	3,000.00	2,00,00,000	2,000.00
Issued				
Equity shares of Rs. 10 each	3,00,00,000	3,000.00	1,35,00,000	1,350.00
	3,00,00,000	3,000.00	1,35,00,000	1,350.00
Subscribed and paid-up				
Equity shares of Rs. 10 each fully paid up	3,00,00,000	3,000.00	1,35,00,000	1,350.00
	3,00,00,000	3,000.00	1,35,00,000	1,350.00

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024	As at 31 March 2023
No. of shares outstanding at the beginning of the year	1,35,00,000	5,00,000
Add: Allotment during the year	1,65,00,000	1,30,00,000
No. of shares outstanding at the end of the year	3,00,00,000	1,35,00,000

Details of shareholders holding more than 5 percent shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holdings	Number of shares	% of holdings
Cipla Ltd. (Holding Company including 6 equity shares held by nominees)	3,00,00,000	100%	1,35,00,000	100%
	3,00,00,000	100%	1,35,00,000	100%

Terms/ rights attached to equity shares

The Company has only one class of equity shares having face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 shareholders.

Aggregrate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preeceding the reporting date.

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preeceding the reporting dale.

Note 7: Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Retained earnings	(2,416.42)	(1,000.94)
	(2,416.42)	(1,000.94)

NGST & ASSOCIATES ★ Chartered Accountants ★ MUMBAI

CIPLA DIGITAL HEALTH LIMITED ★ Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013. ★

Cipla Digital Health Limited
Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Note 9 : Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Total outstanding dues of micro enterprises and small enterprises	62.76	52.29
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises*	314.84	135.64
	377.60	**187.93**

Trade Payable ageing schedule:

As at 31 March 2024	Unbilled	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
a)Undisputed trade payable								-
- MSME	-	62.76	-	-	-	-	-	62.76
- Others	130.37	184.47	-	-	-	-	-	314.84
b)disputed trade payable								-
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
								-
Total	130.37	247.23	-	-	-	-	-	377.60

As at 31 March 2023	Unbilled	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
a)Undisputed trade payable								-
- MSME	-	52.29	-	-	-	-	-	52.29
- Others	118.62	17.02	-	-	-	-	-	135.64
b)disputed trade payable								-
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
								-
Total	118.62	69.31	-	-	-	-	-	187.93

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

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount remaining unpaid	62.76	52.29
- Interest amount remianing unpaid	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED		
The amount of interest accrued and remaining unpaid at the end of each accounting year		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006		

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

Cipla Digital Health Limited
Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Note 12 : Other Income

Particulars	As at 31 March 2024	As at 31 March 2023
Interest Income		
Bank Deposit	-	0.30
Net Gain on Foreign Currency Transaction and Translation	0.03	(0.00)
Net Gain on Sale of Investment		
Net Gain on Sale of Investments (Realised)	20.92	8.88
Net Gain on Sale of Investments (MTM)	9.59	0.28
Miscellaenous Income	2.12	
	32.65	**9.47**

Note 13 : Employee Benefit Expense

Particulars	As at 31 March 2024	As at 31 March 2023
Salaries and Wages	741.77	491.22
Contribution to Provident and Other Funds	26.67	16.50
Employee Stock Option Scheme	-	-
Staff Gratuity Expense	2.85	7.52
Staff Welfare Expenses	20.23	25.39
	791.51	**540.63**

Note 14 : Depreciation, impairment and amortization expense

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation on Property, Plant and Equipment	2.28	0.04
Depreciation on Investment Properties	-	-
Amortization of Intangible Assets	-	-
Impairment of Property, Plant and Equipment	-	-
Impairment of Intangibles	-	-
	2.28	**0.04**

Note 15 : Other Expenses

Particulars	As at 31 March 2024	As at 31 March 2023
Sales promotion expenses	56.61	44.99
Rates and taxes	0.11	0.08
Contractual services	89.93	65.11
Travelling and conveyance	5.29	2.44
Professional fees	246.31	144.55
Payment to auditors		
Audit Fees	0.25	0.15
Telephone, Postage & Telegram	0.50	-
Printing and Stationary	0.08	4.57
Research Expenses	0.41	-
IT expenses	236.27	185.07
License & Filing Fees	10.25	-
Miscellaneous expenses	5.23	2.40
	651.24	**449.35**

CIPLA DIGITAL HEALTH LIMITED
Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013.

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Note 16 : Earnings per share (EPS)

Disclosure as required by Indian Accounting Standard (Ind AS) 33 Earnings Per Share

Particulars	As at 31 March 2024	As at 31 March 2023
Profit attributable to equity holders for basic and diluted EPS	(1,410.54)	(980.56)
Weighted average number of equity shares for basic and diluted EPS	1,85,41,667	58,75,000
Basic and Diluted EPS	(7.61)	(16.69)

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MUMBAI
Chartered Accountants

Note 17 : Related party Transactions

List of related parties and nature of control where control exists:

A. Holding company
1. Cipla Limited

B. Key Management Personnel
1. Mr. Ashish Vig - CEO
2. Mr. Arjun Mukherjee - CFO
3. Mr Rajendra Chopra - Director
4. Mr Dinesh Jain - Director
5. Ms Anisha Udeshi - Director
6. Mr Achin Gupta - Director
7. Ms Navya Yeramilli - Company Secretary (Appointed wef - 2nd May 2023)

C. Trust over which entity has significant influence:
Cipla Digital Health Limited Employees Gratuity Fund (wef - 1st March 2024)

Summary of transactions with related parties during the period:

Name of party and nature of transaction	Year ended 31st March 2024	Year ended 31st March 2023
Cipla Limited		
Capital contribution received	1,650.00	1,300.00
Business support services	147.87	87.29
Reimbursement of expenses incurred on behalf of subsidiary company	4.36	2.35
Royalty	0.04	-
Remuneration to Key Management Personnel (Ashish Vig - CEO)	207.27	266.40

Summary of closing balances with related parties

Name of party and nature of balances	As at 31st March 2024	As at 31st March 2023
Cipla Limited		
Trade payable	255.04	109.97

Note 18 : Other significant notes

(i) The Company does not have any such 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).
(ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
(iii) The Company does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act,
(iv) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(vi) The Company has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity 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 on behalf of the Company,
(vii) The Company has not received any fund from any person or entity, 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
(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

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CIPLA DIGITAL HEALTH LIMITED Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013.

Cipla Digital Health Limited
Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Note 19 : Key Financial Ratios

Ratio	Numerator	Denominator	Current Period	Reason for Variance
Current ratio	1,087.21	508.86	2.14	
return on equity ratio	(1,410.54)	583.58	(2.42)	
Trade payables turnover ratio	1.83	282.76	0.01	
Net capital turnover ratio	1.83	583.58	0.00	
Return on capital employed				
Pre Tax	(1,410.54)	583.58	(2.42)	
Post Tax	(1,410.54)	583.58	(2.42)	

Note 20: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorisation of these Financial Statements.

Note 21 : Authorization of financial statements

The financial statements for the year ended 31 March 2024 were approved by the board of directors on 30 April 24.

As per our report of even date

For NGST & Associates
Chartered Accountants
Firm's Registration No.: 135159W

Bhupendra Gandhi
Partner
Membership No. 122296

NGST & ASSOCIATES * MUMBAI * Chartered Accountants

For and on behalf of the Board of Directors

DINESH R. JAIN
Director
(DIN: 00058069)

RAJENDRA CHOPRA
Director
(DIN: 06942295)

ARJUN MUKHERJEE
CFO

ASHISH VIG
CEO

NAVYA YERAMILLI
CS

CIPLA DIGITAL HEALTH LIMITED * Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013. *

Place: Mumbai
Date: 30th April 2024

Cipla Health Limited
Financial Statements for Financial Year 2023-24

Walker Chandiok & Co LLP
16th Floor, Tower III,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400 013
Maharashtra, India

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Independent Auditor's Report

To the Members of Cipla Health Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Cipla Health Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 specified under section 133 of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. 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

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of Board of Directors' 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.

10. 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.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

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

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, including the manner prescribed in Rule 3(1) of Companies (Accounts) Rules, 2014, except that the audit trail feature was not enabled at the database level as further stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

c) The financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the maintenance of accounts and other matters connected therewith refer to our comments in paragraph 13(b) above on reporting under Section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under rule 11(g) of the of the Companies (Audit and Auditors) Rules, 2014 (as amended).

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, as detailed in note 34 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024.;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 49 (viii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 49 (ix) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2024; and

vi. Based on examination which included test checks, the Company in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level of the accounting software and the same has been 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 such audit trail features being tampered with. The Audit trail feature (edit log) at the database level for the direct changes was not enabled, however, the Company had adequate controls in the accounting software such as strict user rights and access of administrator log in through the application layer.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCI5019

Place: Mumbai
Date: 7 May 2024

Annexure I referred to in paragraph 12 of the Independent Auditor's Report of even date to the members of Cipla Health Limited on the financial statements for the year ended 31 March 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) (a) and (b) of the Order is not applicable to the Company.

(c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (Rs. In lakhs)	Amount paid under Protest (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Gujarat Value Added Tax	Value Added Tax and Central Sales Tax	16.16	-	FY 2018-19	The Ld. Deputy Commissioner Appeal- 2, Ahmedabad
The Central Sales Tax Act	Central Sales Tax	7.71	-	FY 2017-18	The Ld. Deputy Commissioner Appeal- 2, Ahmedabad
Income Tax Act, 1961	Income Tax	172.43	-	AY 2018-19	Commissioner of Income Tax (Appeal), Mumbai
Income Tax Act, 1961	Income Tax	971.32	-	AY 2020-21	Commissioner of Income Tax (Appeal), Mumbai
Central Excise Act, 1944	Service Tax (including penalty)	25.15	2.21	FY 2016-17	CESTAT (West Zonal Bench) Maharashtra
Goods and Services Act, 2017	Goods and Services Tax (including interest and penalty)	17.07	2.14	October 2019-March 2020	Goods and Services Tax Appellate Tribunal, Andhra Pradesh

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Name of the statute	Nature of dues	Gross Amount (Rs. In lakhs)	Amount paid under Protest (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
Goods and Services Act, 2017	Goods and Services Tax (including interest and penalty)	66.81	9.12	April 2020-February 2021	Goods and Services Tax Appellate Tribunal, Andhra Pradesh
Goods and Services Act, 2017	Goods and Services Tax (including penalty)	9.00	0.82	FY 2019-20	Goods and Services Tax Appellate Tribunal, Telangana
Goods and Services Act, 2017	Goods and Services Tax (including interest)	17.33	-	March 2020-May 2020	Goods and Services Tax Appellate Tribunal, Chandigarh (U.T.)
Goods and Services Act, 2017	Goods and Services Tax (including penalty)	110.66	10.06	FY 2017-2020	Commissioner (Appeals)- Goods and Services Tax, Uttar Pradesh
Goods and Services Act, 2017	Goods and Services Tax (including interest and penalty)	12.72	0.61	FY 2017-18	Commissioner (Appeals)- Goods and Services Tax, Delhi
Goods and Services Act, 2017	Goods and Services Tax (including interest and penalty)	12.45	0.59	FY 2017-18	Commissioner (Appeals)- Goods and Services Tax, Bihar
Goods and Services Act, 2017	Goods and Services Tax (including penalty)	40.69	3.71	FY 2017-2020	Commissioner (Appeals)- Goods and Services Tax, Kerala
Goods and Services Act, 2017	Goods and Services Tax (including interest and penalty)	9.91	0.46	FY 2017-18	Commissioner (Appeals)- Goods and Services Tax, Karnataka
Goods and Services Act, 2017	Goods and Services Tax (including interest and penalty)	43.19	1.99	FY 2017-18	Jt/Additional Commissioner-Goods and Services Tax, Tamil Nadu
Goods and Services Act, 2017	Goods and Services Tax (including interest and penalty)	38.49	-	FY 2020-21	Commissioner (Appeals)- Goods and Services Tax, Maharashtra
Goods and Services Act, 2017	Goods and Services Tax (including penalty)	40.74	3.70	FY 2017-18	Commissioner (Appeals)- Goods and Services Tax, Gujarat
Employees' State Insurance Act, 1948	Employees' State Insurance	345.03	-	FY 2019-20	Assistant Director, Regional Office, Mumbai

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(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix)(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilization during the current year.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(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 made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one unregistered CIC as part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(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 in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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) According to the information and explanations given to us, the Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: **24508835BKFFCI5019**

Place: Mumbai
Date: 7 May 2024

Annexure II to the Independent Auditor's Report of even date to the members of Cipla Health Limited on the financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Cipla Health Limited** ('the Company') as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') ('the Guidance Note'). 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCI5019

Place: Mumbai
Date: 7 May 2024

Cipla Health Limited
Balance Sheet as at 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	2	450.40	314.11
(b) Right of use asset	33	610.74	866.71
(c) Other intangible assets	3	6,438.34	7,396.65
(d) Financial assets			
(i) Other financial assets	4	306.23	234.36
(e) Income tax assets (net)	5	-	27.31
(f) Deferred tax assets (net)	6	5,266.40	8,094.92
(g) Other non-current assets	7	10.57	42.64
Total non-current assets		**13,082.68**	**16,976.70**
(2) Current assets			
(a) Inventories	8	12,610.69	15,847.93
(b) Financial assets			
(i) Investments	9	8,577.27	9,240.28
(ii) Trade receivables	10	15,586.98	7,150.01
(iii) Cash and cash equivalents	11	1,310.03	591.06
(c) Other current assets	12	2,583.93	4,275.82
Total current assets		**40,668.90**	**37,105.10**
Total assets		**53,751.58**	**54,081.80**
Equity and liabilities			
(1) Equity			
(a) Share capital	13	232.53	232.53
(b) Other equity	14	27,001.48	16,500.02
Total equity		**27,234.01**	**16,732.55**
(2) Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	5,020.00	12,808.50
(ii) Lease liabilities	33	408.05	627.25
(iii) Other financial liabilities	18	-	884.84
(b) Provisions	16	482.08	293.05
Total non-current liabilities		**5,910.13**	**14,613.64**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	17		
Total outstanding dues of micro and small enterprises		2,003.66	2,838.59
Total outstanding dues of creditors other than micro and small enterprises		7,135.50	11,390.68
(ii) Lease Liabilities	33	289.47	297.84
(iii) Other financial liabilities	18	1,334.35	1,730.86
(b) Other current liabilities	19	772.00	1,091.19
(c) Current tax liabilities	20	39.62	-
(d) Provisions	16	9,032.84	5,386.45
Total Current Liabilities		**20,607.44**	**22,735.61**
Total Liabilities		**26,517.57**	**37,349.25**
Total equity and liabilities		**53,751.58**	**54,081.80**
Basis of Preparation, Measurement, Key accounting estimates and judgements and Material accounting policy information.	1		
The accompanying notes form an integral part of these financial statements.	2-50		

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835
Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Achin Gupta
Director
(DIN:09491674)

Shivam Puri
Whole Time Director and
Chief Executive Officer
(DIN:09552961)

Sukhdev Jaluka
Chief Financial Officer
Place: Mumbai
Date: 7 May 2024

Siddharth Jain
Company Secretary

Cipla Health Limited ★ Mumbai ★

Cipla Health Limited
Statement of Profit and Loss for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
(1) Income			
(a) Revenue from operations			
(i) Revenue from sale of products	21	1,04,455.70	99,189.28
(ii) Other operating income	22	73.44	70.66
		1,04,529.14	**99,259.94**
(b) Other income	23	746.71	307.81
Total income		**1,05,275.85**	**99,567.75**
(2) Expenditure			
(a) Cost of materials consumed	24	7,167.77	15,766.07
(b) Purchases of stock-in-trade	25	36,475.29	32,484.35
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	2,967.22	(4,130.30)
(d) Employee benefits expense	27	10,256.63	9,205.74
(e) Finance costs	28	751.04	786.16
(f) Depreciation, impairment and amortisation expense	29	1,303.66	880.19
(g) Other expenses	30	34,783.91	33,269.26
		93,705.52	**88,261.47**
(3) Profit before tax		**11,570.33**	**11,306.28**
(4) Tax expenses	31		
(a) Current tax		68.62	1,479.00
(b) Deferred tax charge		2,866.01	1,368.09
(5) Profit for the year		**8,635.70**	**8,459.19**
(6) Other comprehensive income for the year			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of post employment benefit obligation		(148.96)	(32.48)
(ii) Income tax relating to these items		37.49	7.64
Other comprehensive income for the year		**(111.47)**	**(24.84)**
(7) Total comprehensive income for the year		**8,524.23**	**8,434.35**
(8) Profit per equity share of face value of INR. 10 each	32		
Basic and Diluted (in INR.)		371.39	363.80
Diluted (in INR.)		360.11	357.31
Basis of Preparation, Measurement, Key accounting estimates and judgements and Material accounting policy information.	1		
The accompanying notes form an integral part of these financial statements.	2-50		

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Achin Gupta
Director
(DIN:09491674)

Shivam Puri
Whole time Director and
Chief Executive Officer
(DIN:09552961)

Sukhdev Jaluka
Chief Financial Officer

Siddharth Jain
Company Secretary

Place: Mumbai
Date: 7 May 2024

Cipla Health Limited ★ Mumbai ★

Cipla Health Limited
Statement of Cash Flows for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities :		
Profit before tax	**11,570.33**	**11,306.28**
Less: Profit pertaining to interest under common control	-	(5,872.59)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, impairment and amortisation expense	1,303.66	880.19
Fair value gain on financial instruments at fair value through profit or loss	(35.46)	(53.02)
Net gain on sale of current investments	(547.83)	(158.68)
Interest income	(8.07)	(13.61)
Allowances for expected credit loss/written off	111.45	62.25
Employee share based payment expense	2,106.61	1,556.97
Sundry balance written back	(8.35)	(23.15)
Bad debts written off	-	1.04
Sundry balance written off	27.67	-
Derecognition of lease	-	(7.33)
Rent Concessions received	-	(5.36)
Interest on borrowings	582.55	631.78
Interest expense on lease liability	85.07	104.23
Interest cost - others	83.42	50.15
Profit on sale of Property, plant and equipment	(0.72)	-
Operating profit before working capital changes	**15,270.33**	**8,459.15**
Adjustments for:		
Increase in trade receivables	(8,576.10)	(1,376.87)
Decrease/ (Increase) in inventories	3,237.24	(1,846.56)
Decrease/ (Increase) in loans and other assets	1,622.09	(932.01)
(Decrease)/ Increase in trade payables	(5,081.77)	6,914.36
Decrease in provisions	3,686.46	1,268.71
(Decrease)/ Increase in other current liabilities	(319.19)	94.49
(Decrease)/ Increase in other financial liabilities	(246.14)	187.56
Cash inflow from operations	**9,592.93**	**12,768.83**
Income tax (refunds received)/ paid, net of advance tax and tax deducted/ collected at source	(1.69)	46.79
Net cash generated from operating activities	**9,591.24**	**12,815.62**
Cash flow from investing activities :		
Purchase of property, plant and equipment (including capital work-in progress and capital advances)	(196.85)	(202.69)
Purchase of intangible assets (including capital creditors)	(1,248.00)	(6,017.99)
Sale of property, plant and equipment	3.96	-
Proceeds from sale of investment in mutual fund (Net)	1,246.30	(6,681.14)
Interest received	6.01	7.16
Net cash flow used in investing activities	**(188.58)**	**(12,894.66)**
Cash flow from financing activities :		
Proceeds from borrowings	-	6,520.00
Repayment of borrowings	(7,788.50)	(5,200.00)
Interest paid	(582.55)	(631.78)
Payment of lease liability	(312.64)	(301.13)
Net cash flow (used in)/ generated from financing activities	**(8,683.69)**	**387.09**
Net change in cash and cash equivalents	**718.97**	**308.05**
Cash and cash equivalents, beginning of year	591.06	283.01
Cash and cash equivalents, end of year (Refer note 11)	**1,310.03**	**591.06**

Note:
a) The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS-7)-Statement of Cash Flows.
The accompanying notes form an integral part of these financial statements.
b) Refer note 39.3 for net debt reconciliation movement.
done
As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 7 May 2024

For and on behalf of the **Board of Directors**

Achin Gupta
Director
(DIN:09491674)

Shivam Puri
Whole time Director and
Chief Executive Officer
(DIN:09552961)

Sukhdev Jaluka
Chief Financial Officer

Siddharth Jain
Company Secretary

Place: Mumbai
Date: 7 May 2024

Cipla Health Limited
Statement of Changes in Equity for the year ended 31 March 2024
(All amounts in INR lakhs, unless otherwise stated)

A. Share capital (refer note 13)

Particulars	Equity share capital	
	Number	INR
Balance as at 1 April 2022	**23,25,213**	**232.53**
Changes in share capital during for the year	-	-
Balance as at 31 March 2023	**23,25,213**	**232.53**
Changes in share capital during for the year	-	-
Balance as at 31 March 2024	**23,25,213**	**232.53**

B. Other equity (refer note 14)

Particulars	Reserves and surplus					Total equity
	Capital Reserve	Capital Redemption Reserve	Securities premium	Retained earnings	Equity stock appreciation rights	
Balance as at 01 April 2022	**1,923.22**	**7.58**	**38,355.22**	**(22,524.80)**	**714.41**	**18,475.63**
Employee stock appreciation rights scheme (refer note 37)	-	-	-	-	1,556.97	1,556.97
Profit for the year	-	-	-	4065.61	-	4,065.61
Add: Profit on account of common control transaction (refer note 42)	-	-	-	4,393.58	-	4,393.58
Other comprehensive income	-	-	-	(7.87)	-	(7.87)
Other comprehensive income on account of common control transaction (refer note 42)				(16.97)	-	(16.97)
Less: Transferred to loan on account of common control transaction (refer note	-	-	-	(11,488.50)	-	(11,488.50)
Less: On account of common control transaction (refer note 42)	-	-	-	(478.43)	-	(478.43)
Balance as at 31 March 2023	**1,923.22**	**7.58**	**38,355.22**	**(26,057.38)**	**2,271.38**	**16,500.02**
Employee stock appreciation rights scheme (refer note 37)	-	-	-	-	2,106.61	2,106.61
Exercise of Employee stock appreciation rights (refer note 37)	-	-	-	-	(129.38)	(129.38)
Profit for the year	-	-	-	8,635.70	-	8,635.70
Other comprehensive income	-	-	-	(111.47)	-	(111.47)
Balance as at 31 March 2024	**1,923.22**	**7.58**	**38,355.22**	**(17,533.15)**	**4,248.61**	**27,001.48**

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

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Achin Gupta
Director
(DIN:09491674)

Shivam Puri
Whole time Director and Chief Executive Officer
(DIN:09552961)

Sukhdev Jaluka
Chief Financial Officer

Place: Mumbai
Date: 7 May 2024

Siddharth Jain
Company Secretary

Cipla Health Limited ★ Mumbai ★

Cipla Health Limited
Summary of material accounting policies as at and for the year ended 31 March 2024

Corporate information

Cipla Health Limited ('the Company') (CIN no. U24100MH2015PLC267880) is a company domiciled in India and is incorporated on 27 August 2015 under the provisions of Companies Act, 2013 ("the Act") applicable in India. Cipla Health Limited is a subsidiary of Cipla Limited, a public Company listed in India. Cipla Health Limited is primarily engaged in the business of development, manufacture, trading, marketing of consumer and pharma products such as Nicotex, Nicogum, Cofsils, Cipladine, CipHands, ORS, Clocip, Naselin, Omnigel, Paracip etc. The registered office of the Company is at FOFB-11, B Wing, Fourth Floor, Art Guild House Phoenix Marketcity, L.B.S Marg, Kurla (West) Mumbai, 400070.

Note 1: Basis of Preparation, Measurement, Key accounting estimates and judgements and Material accounting policy information.

1.1 Basis of preparation

(i) Compliance with Indian Accounting Standards (Ind-AS)

The financial statements of the Company as at and for the year ended 31 March 2024 have been prepared and presented in accordance with Indian Accounting Standards ("Ind-AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], as amended from time to time and other relevant provisions of the Act and accounting principles generally accepted in India.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2024.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities is measured at fair value;
- defined benefit plans –plan assets measured at fair value;
- Lease liability and Right of use of assets – measured at fair value; and
- share-based payments – measured at fair value.

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

(iv) Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee (INR) 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 lakhs or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than INR 500/- is presented as INR 0.00 lakhs.

1.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, *Presentation of Financial Statements*.

Assets:
An asset is classified as current when it satisfies any of the following criteria:
a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:
a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Cipla Health Limited Mumbai

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
Current assets and liabilities include the current portion of assets and liabilities, respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

1.3 Use of estimates and judgements

The preparation of financial statements requires management of the Company to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

1.3.1 Judgements

(i) Leases

Ind AS 116 requires leases to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realizability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

1.3.2 Estimates

(i) Useful lives of property, plant and equipment and intangible assets

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

(ii) Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined

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primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets.

(iii) Expected credit loss

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables.
- Financial assets measured at amortized cost (other than trade receivables).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

(iv) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(v) Impairment

An impairment loss is recognised for the amount by which an assets or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(vi) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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1.4 Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non- refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable (Refer note 1.6 for more details). The Company had applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.
Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets.

Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on the property, plant and equipment (other than freehold land) is provided based on useful life of the assets as prescribed in Schedule II to the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the period, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss. Leased assets are depreciated over shorter of lease term or useful life of respective assets.

For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

The estimated useful lives are as follows:

Property, plant and equipment	**Useful life**
Plant and equipment	2 to 25 years
Furniture, fixtures and Office Equipment	3 to 8 years
Vehicles	8 years
Computers	3 years
Leasehold improvements	Life of the asset or remaining life of the leased asset, whichever is less

(iii) De-recognition

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

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1.5 Intangible assets

(i) Recognition and measurement

Intangible assets such as trademarks, technical know-how, copyright, license and computer software acquired separately are measured on initial recognition at cost. Further, payment to third parties for in-licensed products, generally take the form of upfront and milestone payments and are capitalised following a cost accumulation approach to variable payments (milestones) when receipt of economic benefits out of the separately purchased transaction is considered to be probable. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

(ii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals and registration of products for overseas markets is charged to the profit or loss.

(iii) Amortization

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 3 to 6 Years
- Trademarks, Technical know-how and Copyrights 5 to 10 years
- License fee: Separately acquired license and copyrights are shown at historical cost. They have indefinite useful life and are subsequently carried at cost less impairment losses.

The amortisation cost is recognised in the statement of profit and loss under the head depreciation, impairment and amortisation expense.

(iv) De-recognition

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition.

1.6 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses, including impairment on inventories, are recognised in the profit or loss.

1.7 Borrowing costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the profit or loss.

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1.8 Foreign currency transactions and balances

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.9 Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value after providing for obsolescence, if any. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Stores, spares and consumables, work-in-progress, stock-in-trade and finished goods are valued at lower of cost and net realisable value.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Cost of inventories is determined on a weighted moving average basis.

Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of packing materials, engineering spares (such as machinery spare parts) and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the manufacturing process.

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

1.10 Revenue recognition

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. The transaction price of goods sold and services rendered net of returns and applicable trade discounts, allowances and goods and services tax (GST) and amounts collected on behalf of third parties.

(i) Sale of products:

The majority of customer contracts that the Company enters into consist of a single performance obligation for the delivery of pharmaceutical products. The Company recognize revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. The Company records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved.

(ii) Service fee

Revenue from services rendered, is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

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(iii) Interest income

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

1.11 Employee benefits

(i) Short-term employee benefits

Liability on account of short-term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit.

Post retirement contribution plans such as Employees' Pension Scheme and Employees' Provident Fund (for employees other than those who are covered under Employees' Provident Fund Trust) are charged to the profit or loss for the period when the contributions to the respective funds accrue.

(ii) Defined benefit plans

a) Gratuity obligations

Post-retirement benefit plans such as gratuity is determined on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to profit or loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(iii) Defined contribution plans

The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Other benefit plan

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary.

(v) Termination benefits

Termination benefits are recognised in the profit or loss when:

- the Company has a present obligation as a result of past event;
- a reliable estimate can be made of the amount of the obligation; and

- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(vi) Share-based payments

a) Equity settled share-based payment transactions

The Company operates equity-settled share-based remuneration plans for its eligible employees.

All services received in exchange for the grant of any share-based payment are measured at their fair values on the grant date and is recognised as an employee expense, in the profit or loss with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "Employee stock appreciation rights scheme". The amount recognised as an expense is adjusted to reflect the actual number of rights options that vest.

Grant date is the date when the Company and employees have shared an understanding of terms and conditions on the arrangement.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth). All share-based remuneration is ultimately recognised as an expense in profit or loss. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holder does not impact the expense recorded in any period.

Market conditions are taken into account when estimating the fair value of the equity instruments granted.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

1.12 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the deferred tax are also recognized in other comprehensive income or directly in equity.

(i) Current income tax:

Current income tax is the amount of tax payable on the taxable income for the period as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous periods.

(ii) Deferred tax:

Deferred tax is recognized using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognised

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deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.13 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Company as a lessee

The Company's lease asset classes primarily consist of leases for building premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

1.14 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and cash at bank including fixed deposits with original maturity period of three months or less.

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1.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1.16 Contingencies

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.17 Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

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

(i) Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) Initial recognition and measurement

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

(c) Subsequent measurement

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

- Debt instruments at amortised cost.

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- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(d) De-recognition

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

(e) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset or a Group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an expected 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(ii) Financial liabilities

(a) Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

(b) Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

(c) Subsequent measurement

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

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

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

(d) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method Gains and losses are recognised in the profit or loss when the liabilities are de-recognised as wel through the EIR amortisation process.

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

This category generally applies to interest-bearing loans and borrowings.

(e) De-recognition

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

(iii) Offsetting financial instruments

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

1.18 Business combinations

The company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. Purchase consideration is paid in excess of fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed cost of acquisition, after reassessing the fair value of net assets and contingent liabilities, the excess is recognised as capital reserve. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquirees' identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfer of interest in entities that are under the common control are accounted at historical cost. The difference between consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholder's equity.

1.19 Recent accounting pronouncements

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.

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Note 2: Property, plant and equipment

Particulars	Leasehold Improvements	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Total
Gross carrying amount						
Balance as at 1 April 2022	-	184.53	198.51	98.93	6.05	488.02
Additions during the year	60.76	21.51	59.68	5.75	24.79	172.49
Deletions during the year	-	-	-	-	-	-
Balance as at 31 March 2023	60.76	206.04	258.19	104.68	30.84	660.51
Additions during the year	-	119.39	106.30	1.37	1.85	228.91
Deletions during the year	-	-	(64.78)	-	-	(64.78)
Balance as at 31 March 2024	60.76	325.43	299.71	106.05	32.69	824.64
Accumulated depreciation and impairment						
Balance as at 1 April 2022	-	53.54	153.35	72.06	1.87	280.82
Depreciation for the year	7.26	12.18	36.28	7.88	1.98	65.58
Deletions during the year	-	-	-	-	-	-
Balance as at 31 March 2023	7.26	65.72	189.63	79.94	3.85	346.40
Depreciation for the year	12.15	20.18	46.55	7.43	3.07	89.38
Deletions during the year	-	-	(61.54)	-	-	(61.54)
Balance as at 31 March 2024	19.41	85.90	174.64	87.37	6.92	374.24
Carrying amount as at 31 March 2024	41.35	239.53	125.07	18.68	25.77	450.40
Carrying amount as at 31 March 2023	53.50	140.32	68.56	24.74	26.99	314.11

Details of capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	-	-
Additions during the year	228.91	172.49
Capitalized during the year	(228.91)	(172.49)
Closing balance	-	-

Notes:

1. There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.
2. CWIP does not include any project temporarily suspended.

Note 3: Other intangible assets

Particulars	Trade Mark	Technical Know How	Copyright	Computer software	License	Total
Gross carrying amount						
Balance as at 1 April 2022	-	-	-	28.58	100.00	128.58
Additions during the year (refer note 45)	7148.43	605.36	97.89	-	-	7,851.68
Deletions during the year	-	-	-	-	-	-
Balance as at 31 March 2023	7,148.43	605.36	97.89	28.58	100.00	7,980.26
Additions during the year	-	-	-	-	-	-
Deletions during the year	-	-	-	-	-	-
Balance as at 31 March 2024	7,148.43	605.36	97.89	28.58	100.00	7,980.26
Accumulated amortisation						
Balance as at 1 April 2022	-	-	-	19.10	-	19.10
Amortisation for the year	466.12	78.95	12.77	6.67	-	564.51
Deletions during the year	-	-	-	-	-	-
Balance as at 31 March 2023	466.12	78.95	12.77	25.77	-	583.61
Amortisation for the year	714.84	121.07	19.59	2.81	-	858.31
Impairment for the year (refer below note)	-	-	-	-	100.00	100.00
Deletions during the year	-	-	-	-	-	-
Balance as at 31 March 2024	1,180.96	200.02	32.36	28.58	100.00	1,541.92
Carrying amount as at 31 March 2024	5,967.47	405.34	65.53	-	-	6,438.34
Carrying amount as at 31 March 2023	6,682.31	526.41	85.12	2.81	100.00	7,396.65

Note: Impairment loss pertains to license fees amounting to INR 100 lakhs assessed as non-profitable and hence has been recorded as impairment during the current year.

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 4: Non-current financial assets - others		
Security Deposits	267.87	197.43
Fixed deposits as margin money (maturity more than 12 months)	38.36	36.93
	306.23	**234.36**
Note 5: Income tax assets (net)		
Advance tax (Net of provision: Nil)	-	27.31
	-	**27.31**
Note 6: Deferred tax assets (net)		
Deferred tax assets (Refer note 31)	5,792.25	8,487.21
Deferred tax liabilities (Refer note 31)	(525.85)	(392.29)
	5,266.40	**8,094.92**
Note 7: Other non-current assets		
(Unsecured, considered good, except otherwise stated)		
Capital advances	10.57	42.64
	10.57	**42.64**
Note 8: Inventories		
(Lower of cost and net realisable value)		
Raw materials and packing materials	1,090.65	1,360.67
Work in progress	195.83	124.12
Finished goods	2,027.88	1,680.86
[Includes goods-in-transit INR 204.47 lakhs (previous year INR 19.58 lakhs)]		
Stock-in-trade	9,296.33	12,682.28
[Includes goods-in-transit INR 833.32 lakhs (previous year INR 209.65 lakhs)]		
	12,610.69	**15,847.93**

The Company recorded inventory write down of INR 1,021.07 lakhs (31 March 2023 INR 368.30 lakhs) on account of inventory obsolescence. This is included as part of cost of material consumed and changes in inventories of finished goods, work in progress and stock-in-trade.

Note 9: Current investments		
(Carried at fair value through profit or loss)		
Investments - mutual funds (quoted)	8,577.27	9,240.28
Aggregate amount of quoted investments	**8,577.27**	**9,240.28**
Aggregate market value of quoted investments	**8,577.27**	**9,240.28**

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 10: Trade receivables		
(Carried at amortised cost, except otherwise stated)		
Unsecured, considered good	15,586.98	7,150.01
Unsecured, credit impaired	112.97	75.45
Less: Allowance for expected credit loss	(112.97)	(75.45)
	15,586.98	**7,150.01**

Trade receivable (Gross) ageing schedule

As at 31 March 2024	Unbilled	Not Due	Outstanding for following periods from due date of payments					Total
			Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade receivables								
- Considered good	-	12,211.75	3,335.82	32.03	4.22	3.16	-	**15,586.98**
- Credit impaired	-	-	-	-	15.76	11.61	6.41	**33.78**
b) Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	69.82	9.37	-	**79.19**
Total	**-**	**12,211.75**	**3,335.82**	**32.03**	**89.80**	**24.14**	**6.41**	**15,699.95**

Trade receivable (Gross) ageing schedule

As at 31 March 2023	Unbilled	Not Due	Outstanding for following periods from due date of payments					Total
			Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade receivables								
- Considered good	-	6,491.62	498.16	116.74	7.48	36.01	-	**7,150.01**
- Credit impaired	-	-	-	-	18.99	2.89	5.12	**27.00**
b) Disputed trade receivables								
- Considered good	-	-	-	-	-	-	-	-
- Credit impaired	-	-	-	44.84	3.61	-	-	**48.45**
Total	**-**	**6,491.62**	**498.16**	**161.58**	**30.08**	**38.90**	**5.12**	**7,225.46**

- Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

Note 11: Cash and cash equivalents		
Balances with banks- in current accounts	1,310.03	591.06
	1,310.03	**591.06**
Note 12: Other current assets		
Advance to suppliers	62.07	341.08
Prepaid expenses	254.30	243.81
Balances with government authorities	2,262.35	3,687.79
Others advances	5.21	3.14
	2,583.93	**4,275.82**

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Note 13: Share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of INR 10 each	50,00,000	500.00	50,00,000	500.00
Preference shares of INR 50 each	10,00,000	500.00	10,00,000	500.00
Total	**60,00,000**	**1,000.00**	**60,00,000**	**1,000.00**
Issued, subscribed and fully paid up				
Equity shares of INR 10 each (Refer note (b) below)	23,25,213	232.53	23,25,213	232.53
Total	**23,25,213**	**232.53**	**23,25,213**	**232.53**

a) **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**

Balance at the beginning of the year	23,25,213	232.53	23,25,213	232.53
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	**23,25,213**	**232.53**	**23,25,213**	**232.53**

b) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of INR10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, 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 shareholders.

c) **Details of shareholders holding more than 5% of shares and promoter shareholding.**

c) (i) **Equity shares**

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number	% Shareholding	Number	% Shareholding
Cipla Limited	23,25,213	100%	23,25,213	100%

c) (ii) **Details of shares held by promoters in the Company**

Particulars	As at 31 March 2024		As at 31 March 2023		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Cipla Limited	23,25,213	100.00%	23,25,213	100.00%	0.00%

Particulars	As at 31 March 2023		As at 31 March 2022		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Cipla Limited	23,25,213	100.00%	23,25,213	100.00%	0.00%

d) 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.

Note 14: Other equity*

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve	1,923.22	1,923.22
Capital redemption reserve	7.58	7.58
Securities premium reserve	38,355.22	38,355.22
Retained earnings	(17,533.15)	(26,057.38)
Employee stock appreciation rights reserve	4,248.61	2,271.38
	27,001.48	**16,500.02**

*For movement in other equity, refer Statement of Changes in Equity

Nature and purpose of reserve:-

Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

Employee stock option/ employee stock appreciation rights reserve
Employee stock options/ employee stock appreciation rights reserve is used to record the share based payments, expense under the various scheme as per SEBI regulations. The reserve is used for the settlement of ESOS and ESAR (Refer Note 37)

Capital reserve
Capital reserve represents the amounts transferred from employee stock option reserve on account of extinguishment of options/ rights by option holder pursuant to tripartite agreement between "Cipla Health Limited, "Cipla Limited" and "Option holders".

Capital Redemption Reserve : Capital Redemption Reserve represents amount transferred for buyback of shares

Retained earnings : Retained earnings represent the Company's undistributed losses.

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Note 15: Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured long term		
From Cipla Limited (carried at amortized cost)	5,020.00	12,808.50
	5,020.00	**12,808.50**

Loan included INR 5,020 lakhs (31 March 2023: INR 6,520 lakhs) obtained from Cipla Limited for a tenure of 10 years for brand acquisition from third party at an interest rate of 7.35%.

Loan includes INR Nil lakhs (31 March 2023: INR 6,288.50 lakhs) for a tenure of 10 years from Cipla Limited for acquisition of consumer business undertaking at interest rate of 7.50% p.a.

Reconciliation of borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	12,808.50	-
Disbursement related to:		
Brand acquisition from third party	-	6,520.00
Acquisition of consumer business undertaking (refer note 42)	-	11,488.50
Repayment related to:		
Brand acquisition from third party	(1,500.00)	-
Acquisition of consumer business undertaking (refer note 42)	(6,288.50)	(5,200.00)
Closing balance 31 March 2024	**5,020.00**	**12,808.50**

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 16: Provisions		
Non-current		
Provision for employee benefits (Refer note 36)		
Compensated absences	482.08	293.05
	482.08	**293.05**
Current		
Provision for employee benefits (Refer note 36)		
Gratuity	163.36	149.73
Compensated absences	34.10	32.59
Performance bonus	983.02	946.70
Provision for right of return/expiry return/discounts and others [Refer note 16(a)]	7852.36	4257.43
	9,032.84	**5,386.45**
Note 16(a) Movement of Provision for right of return/expiry return/discounts and others		
Opening	4,257.43	3,362.13
Add: Provided during the year	17,281.59	6,888.57
Less: Utilized/ reversed during the year	(13,686.66)	(5,993.27)
Closing	**7,852.36**	**4,257.43**
Note 17: Trade payables		
(Carried at amortised cost, except otherwise stated)		
Total outstanding dues of micro and small enterprises*	2,003.66	2,838.59
Total outstanding dues of creditors other than micro and small enterprises*	7,135.50	11,390.68
	9,139.16	**14,229.27**

*-includes related party dues of INR 1,308.66 lakhs (31 March 2023 - INR 6,288.92 lakhs) (refer note 40)

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

Particulars	31 March, 2024	31 March, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	2,003.66	2,838.59
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

There are no disputed trade payable balances as at 31 March 2024 and 31 March 2023.

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Trade payable ageing schedule

As at 31 March 2024	Unbilled	Not Due	Outstanding for following periods from due date of payments				Total
			Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade payables							
- MSME	1,027.72	921.95	53.99	-	-	-	**2,003.66**
- Others	4,208.18	1,891.84	1,034.80	0.24	0.43	0.01	**7,135.50**
b) Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	**5,235.90**	**2,813.79**	**1,088.79**	**0.24**	**0.43**	**0.01**	**9,139.16**

Trade payable ageing schedule

As at 31 March 2023	Unbilled	Not Due	Outstanding for following periods from due date of payments				Total
			Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade payables							
- MSME	1,340.43	1,498.16	-	-	-	-	**2,838.59**
- Others	2,475.90	7,780.29	1,070.96	63.52	-	0.01	**11,390.68**
b) Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	**3,816.33**	**9,278.45**	**1,070.96**	**63.52**	**-**	**0.01**	**14,229.27**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
Note 18: Other financial liabilities				
Employee dues	613.74	-	731.86	-
Outstanding liabilities	1.36	-	-	-
Deferred consideration (refer note 39 and note 45)	719.25	-	999.00	884.84
	1,334.35	**-**	**1,730.86**	**884.84**
Note 19: Other current liabilities				
Advances from customers*			237.92	755.07
Statutory dues			534.08	336.12
			772.00	**1,091.19**
*(Also termed as contract liabilities under Ind AS 115- Revenue from contracts with customers)				
Note 20: Other current liabilities				
Liabilities for Current Tax (Net)			39.62	-
			39.62	**-**

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 21: Revenue from sale of products*		
Sale of products	1,04,455.70	99,189.28
	1,04,455.70	**99,189.28**

*Refer note 40 for related party transactions

(i) Reconciliation of revenue from sale of products with the contracted price

Contracted price	1,14,867.50	1,06,101.27
Less : Trade discounts, sales and expiry return etc.	(10,411.80)	(6,911.99)
	1,04,455.70	**99,189.28**

(ii) Disaggregation of revenue

The table below presents disaggregated revenues by nature of products. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Nature :		
Pharma brand products	90,542.29	66,878.48
Consumer brand products	13,913.41	32,310.80
	1,04,455.70	**99,189.28**

(iii) Contract balances

Contract balances from contracts with customers	237.92	755.07
	237.92	**755.07**

(iv) Revenue recognised in the reporting period included in the contract liability in the beginning of the year

Opening balance	755.07	262.32
Addition during the year	237.92	755.07
Repaid/ revenue recognized during the year	(755.07)	(262.32)
	237.92	**755.07**

Note 22: Other operating income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Service fee Income (refer note 40)	73.13	70.66
Scrap Sales	0.31	-
	73.44	**70.66**

Note 23: Other income

Interest income	8.07	13.61
Sundry balances written back	8.35	23.15
Net gain on sale of current investments	547.83	158.68
Fair value gain on financial instruments at fair value through profit or loss	35.46	53.02
Miscellaneous income	146.28	58.82
Foreign exchange gain	-	0.53
Net Gain on disposal of property, plant and equipment and intangible assets	0.72	-
	746.71	**307.81**

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 24: Cost of materials consumed		
Opening stock	1,360.67	1,316.25
Add: Purchases*	6,897.75	15,810.49
Less: Closing stock	1,090.65	1,360.67
Cost of materials consumed	**7,167.77**	**15,766.07**
* Refer note 40 for related party transactions		
Note 25: Purchase of stock in trade		
Purchase of stock in trade *	36,475.29	32,484.35
	36,475.29	**32,484.35**
* Refer note 40 for related party transactions		
Note 26: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
Finished goods	1,680.86	5,152.55
Stock-in-trade	12,682.28	5,029.30
Work-in-progress	124.12	175.11
Less: Closing stock		
Finished goods	2,027.88	1,680.86
Stock-in-trade	9,296.33	12,682.28
Work-in-progress	195.83	124.12
	2,967.22	**(4,130.30)**
Note 27: Employee benefits expenses		
Salaries and wages	7,415.32	6,985.57
Contribution to provident and other funds (refer note 36)	239.24	196.69
Share based payment (refer note 37)	2,106.61	1,556.97
Gratuity expense (refer note 36)	64.67	51.02
Staff welfare expenses	430.79	415.49
	10,256.63	**9,205.74**
Note 28: Finance costs		
Interest on lease liability (refer note 33)	85.07	104.23
Interest on loan (refer note 40)	582.55	631.78
Interest - Others	83.42	50.15
	751.04	**786.16**
Note 29: Depreciation, impairment and amortization expense		
Depreciation on property, plant and equipment (refer note 2)	89.38	65.58
Depreciation on right-of-use asset (refer note 33)	255.97	250.10
Amortization of intangible assets (refer note 3)	858.31	564.51
Impairment of Intangible assets (refer note 3)	100.00	-
	1,303.66	**880.19**

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 30: Other expenses		
Manufacturing expenses	40.75	20.04
Processing charges	2,453.09	2,104.98
Royalty on sales (refer note 40)	1,992.26	1,271.65
License fee on sales (refer note 40)	22.71	2,436.56
Stores and spares	0.26	20.42
Repairs and maintenance of:		
Plant and machinery	0.69	3.87
Buildings	3.44	0.85
Others	15.65	5.22
Insurance	38.30	15.06
Rent (refer note 33 and 40)	1,155.96	635.62
Sales promotion expenses (refer note 40)	15,484.52	14,700.39
Freight and forwarding	134.89	255.41
Rates and taxes	815.91	542.56
Power and fuel	105.41	57.70
Contractual services	3,379.14	2,560.83
Postage and telephone expenses	114.68	164.87
Travelling and conveyance	1,132.39	1,031.20
Allowances for expected credit loss (net)	37.52	62.25
Bad debts written off	73.93	1.04
Loss on foreign exchange fluctuation (net)	0.43	-
Sitting fee to directors (refer note 40)	7.50	5.00
Professional fees	470.46	211.70
Payment to auditors (refer note 30(a))	26.57	26.60
Research - clinical trials, samples and grants (refer note 40)	302.51	25.98
Housekeeping expenses	38.29	34.49
Printing and stationary	10.01	16.89
IT expenses	196.53	169.20
Sundry Balance W/off	27.67	-
Logistic and distribution (refer note 40)	5,190.30	4,074.75
Commission to carrying and forwarding agent	292.35	2,055.25
Miscellaneous expenses (refer note 40)	1,219.79	758.88
	34,783.91	**33,269.26**
Note 30(a) - Payment to auditors		
Audit fees	24.00	24.00
Tax audit	2.00	2.00
Reimbursement of expenses	0.57	0.60
	26.57	**26.60**

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Note 31: Tax expenses

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax charge	68.30	1,479.00
Deferred tax charge on account of temporary differences	2,866.01	1,368.09
Tax charge for earlier years	0.32	-
Total	**2,934.63**	**2,847.09**
Less: tax expense attributable to common control transaction (refer note 42)	-	1,479.00
Net tax expense	**2,934.63**	**1,368.09**
OCI- tax related to items recognized in OCI during the year		
Income tax charge relating to re-measurements gain on defined benefit plans	37.49	7.64
Total	**37.49**	**7.64**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

Accounting profit before income tax	11,570.33	11,306.28
Less: Profits attributable to common control transaction (refer note 42)	-	5,872.59
Profits attributable other than common control transaction (refer note 42)	11,570.33	5,433.69
At India's statutory income tax rate of : **25.168%** (31 March 2023 : **25.168%**)	2,912.02	1,367.55
Others	22.61	0.54
Income tax expense reported in the profit or loss	**2,934.63**	**1,368.09**
Effective income tax rate	**25.36%**	**25.18%**

Deferred tax:

Deferred tax (liabilities) / assets	As at 1 April 2023	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2024
Property, plant and equipment and intangible assets	(365.41)	(135.70)	-	(501.11)
Right of use asset	15.50	6.33	-	21.83
Fair value of investments	(15.82)	(8.92)	-	(24.74)
Employee obligations	140.34	7.84	-	148.18
Remeasurements of defined benefit obligations	(11.06)	-	37.49	26.43
Unused tax losses*	8,206.79	(2,696.44)	-	5,510.35
Provisions	124.58	(39.12)	-	85.46
Total	**8,094.92**	**(2,866.01)**	**37.49**	**5,266.40**

Deferred tax:

Deferred tax (liabilities) / assets	As at 1 April 2022	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2023
Property, plant and equipment and intangible assets	(8.27)	(357.14)	-	(365.41)
Right of use asset	5.31	10.19	-	15.50
Fair value of investments	(2.48)	(13.34)	-	(15.82)
Employee obligations	126.21	14.13	-	140.34
Remeasurements of defined benefit obligations	(13.69)	-	2.63	(11.06)
Unused tax losses*	9,349.99	(1,143.20)	-	8,206.79
Provisions	3.32	121.26	-	124.58
Total	**9,460.39**	**(1,368.09)**	**2.63**	**8,094.92**

The deferred tax (credit) on other comprehensive income amounting to Rs. (5.01) lakhs is on account of common control transaction (refer note 42).

Reconciliation of deferred tax (liabilities) / assets (net):

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	8,094.92	9,460.39
Tax income during the period recognised in statement of profit and loss	(2,866.01)	(1,368.09)
Tax income/(expense) during the period recognised in OCI	37.49	2.63
Closing balance	**5,266.40**	**8,094.92**

*Based on approved plans and budgets, the Company had estimated that future taxable income will be sufficient to absorb carried forward unabsorbed depreciation and business losses, which management believes is probable, accordingly the company had recognised deferred tax assets on aforesaid losses.

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Note 32: Earnings per share

Earnings per share

Disclosure as required by Indian Accounting Standard (Ind AS) 33 Earnings Per Share.

Particulars	As at 31 March 2024	As at 31 March 2023
Profit after tax as per statement of profit and loss	8,635.70	8,459.19
Basic weighted average no. of shares outstanding	23,25,213	23,25,213
Conversion of dilutive securities	72,887	42,278
Basic earnings per share	371.39	363.80
Diluted earnings per share	360.11	357.31

Note 33: Leases

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2024 and 31 March 2023:

Particulars	Category of ROU assets - Building	
	31 March 2024	31 March 2023
Opening Balance	866.71	897.59
Additions during the year	-	226.78
Deletions during the year	-	(7.56)
Depreciation (refer note 29)	(255.97)	(250.10)
Closing balance	**610.74**	**866.71**

The weighted average incremental borrowing rate applied to lease liability is in the range of 10.05% to 10.77%

The following is the break-up of current and non-current lease liabilities as of 31 March 2024 and 31 March 2023:

Particulars	31 March 2024	31 March 2023
Current lease liabilities	289.47	297.84
Non-current lease liabilities	408.05	627.25
Total	**697.52**	**925.09**

The following is the movement in lease liabilities during the year ended 31 March 2024 and 31 March 2023:

Particulars	31 March 2024	31 March 2023
Opening balance	925.09	915.46
Additions during the year	-	226.78
Deletions during the year	-	(14.89)
Finance cost during the year (Refer note 28)	85.07	104.23
Payment of lease liabilities	(312.64)	(301.13)
Rent concession offered by lessor	-	(5.36)
Closing balance	**697.52**	**925.09**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	31 March 2024	31 March 2023
Less than 1 year	301.12	312.63
One to five years	544.29	845.41
More than five years	-	-
Total	**845.41**	**1,158.04**
Less : Finance cost	(147.89)	(232.95)
Total	**697.52**	**925.09**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Lease expense recorded for short-term leases was INR 1,155.96 lakhs for the year ended 31 March 2024 (INR 635.62 lakhs for 31 March, 2023) as the company has elected not to recognize a lease liability for short term leases or for lease of low value assets.

The aggregate depreciation on ROU assets has been included under depreciation and amortization expense in the Statement of profit and loss.

Note 34 : Commitments and contingencies

Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for:

At 31 March 2024, the Company had commitments of INR 217.85 lakhs (31 March 2023 : INR 72.62 lakhs)

Contingent Liabilities:

Particulars	As at 31 March 2024	As at 31 March 2023
Value Added Tax	16.16	16.16
Central Sales Tax	7.71	7.71
Claims not acknowledged as debt	100.00	100.00

It is not practicable for the Company to estimate the timing of cash outflow, if any, in respect of pending resolution of the respective proceedings as it is determined only on the receipt of judgement/ decisions pending with various forums/ authorities.

Note 35: Segment Reporting

The Company has only one segment which is manufacturing and trading of products and primarily operates in domestic market. The Chief Operating Decision Maker reviews the operating performance of the Company as a whole on a periodic basis. Therefore, disclosure relating to segments is not applicable and accordingly not made.

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Note 36: Employee benefits

i Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short terms compensated absences, etc., and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

ii Long term employee benefits

Disclosure in respect of employee benefits pursuant to Ind AS -19

a. Brief description of the Plans

Defined contribution plan :

The Company's defined contribution plan is Employees provident fund and Employees' Pension Scheme (under the provisions of Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions.

Defined benefit and other long term benefit plans :

i. The Company provides for gratuity, a defined benefit plan based on actuarial valuation as of the reporting date, based upon which, the Company contributes all the ascertained liabilities to the Insurer Managed Funds. The Company operates gratuity plan through a trust, wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

ii. The employees of the Company are also entitled to compensated absences. The provision is made based on actuarial valuation for compensated absences as at the reporting date.

b. Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is Income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the Income Tax Act and Rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

c. Governance of the plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

d. Inherent risks:

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

e. Charge to the profit or loss

- Based on contribution

Particulars	31 March 2024	31 March 2023
Employees' pension scheme	50.75	45.01
Provident fund	188.24	151.43
Others - ESIC, Labour welfare fund, etc.	0.25	0.25
	239.24	**196.69**

f. Disclosures for defined benefit plans based on actuarial reports as on 31 March 2024

Particulars	31 March 2024	31 March 2023
i. Change in defined benefit obligation		
Opening defined benefit obligation	170.78	438.77
Interest cost	12.74	8.26
Current service cost	53.50	44.35
Adjustment on account of common control transaction (refer note 42)	-	(320.00)
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	130.74	(5.41)
Actuarial changes arising from changes in experience assumptions	18.96	24.12
Benefits paid	(20.05)	(19.31)
Liability at the end of the year	**366.67**	**170.78**
ii. Change in fair value of assets		
Opening fair value of plan assets	21.05	22.97
Interest Income	1.57	1.59
Return on plan assets, excluding interest income	0.74	8.22
Contributions by employer	200.00	7.58
Benefits paid	(20.05)	(19.31)
Closing fair value of plan assets	**203.31**	**21.05**
iii. Amount recognised in Balance Sheet		
Present value of obligations as at year end	366.67	170.78
Fair value of plan assets as at year end	(203.31)	(21.05)
Net liability recognized	**163.36**	**149.73**
iv. Expenses recognised in profit or loss		
Current service cost	53.50	44.35
Interest on defined benefit obligation	11.17	6.67
Total expense recognised in profit or loss	**64.67**	**51.02**
v. Expenses recognised in other comprehensive income [OCI]		
Actuarial (gains)/losses on obligation for the period	149.70	18.71
Actuarial gain/(loss) return on plan assets, excluding interest income	(0.74)	(8.22)
On account of common control transaction (refer note 42)	-	21.99
Total expense recognised in other comprehensive income	**148.96**	**32.48**

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Note 36: Employee benefits (contd.)

Particulars	31 March 2024	31 March 2023
vi. Actual return on plan assets		
Actuarial(loss)/ gain on plan assets	0.74	8.22
Actual return on plan assets	**0.74**	**8.22**
vii. Asset information		
Insurer managed funds	**100%**	**100%**
viii. Expected employer's contribution for the next year	174.36	138.25

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense :

Principal actuarial assumptions used	Year ended 31 March 2024	Year ended 31 March 2023
Discounted rate (per annum)	7.20%	7.46%
Expected rate of return on plan assets	7.20%	7.46%
Expected rate of future salary increase (per annum)	9.00% p.a.	7.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year
Expected rate of future employee turnover (per annum)	For service 2 years and below 25.00% p.a. For service 3 years to 4 years 15.00% p.a. For service 5 years and above 5.00% p.a.	For service 2 years and below 25.00% p.a. For service 3 years to 4 years 15.00% p.a. For service 5 years and above 5.00% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant:

Particulars	31 March 2024		31 March 2023	
Discount rate	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
Increase (decrease) in the defined benefit liability	(19.85)	21.53	(8.02)	8.64
Salary growth rate	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
Increase (decrease) in the defined benefit liability	94.03	(70.93)	39.07	(29.85)
Attrition rate	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
Increase (decrease) in the defined benefit liability	(3.94)	4.15	1.01	(1.12)

Maturity analysis of the benefit payments: from the fund

Projected benefits payable in future years from the date of reporting	As at 31 March 2024	As at 31 March 2023
1st Following Year	11.39	6.78
2nd Following Year	14.49	9.13
3rd Following Year	16.22	10.87
4th Following Year	17.54	11.65
5th Following Year	18.80	11.94
Sum of Years 6 to 10	124.95	67.55
Sum of Years 11 and above	760.87	296.20

g. Compensated absences note:

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Company towards this obligation was INR 516.18 lakhs and INR 325.64 lakhs as at 31 March 2024 and 31 March 2023 respectively.

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Note 37: Employee Stock Scheme

The expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expense arising from equity-settled share-based payment transactions- ESAR (includes Rs. 15.70 lacs (previous year: Nil) on account of settlement in cash)	2,106.61	1,556.97

Employee Stock Appreciation Rights ('ESARs')

The Company has implemented "Cipla Health Limited Employee Stock Appreciation Rights Scheme 2021 ('ESAR Scheme 2021 / the Scheme')" as approved by the shareholders at the extraordinary general meeting dated 1st September, 2021 vide a special resolution and as amended by shareholders at the extraordinary general meeting dated 27 February 2024 . The Scheme covers all the employees who are in permanent employment, including director(s) other than independent directors of the Company and employee who is a Promoter or a person who belongs to the Promoter Group or directors who directly or indirectly hold more than 10% equity shares of the Company [collectively "eligible employees"]. The Nomination and Remuneration Committee of the Board ('NRC') administers this scheme and grants ESAR to the eligible employees. Further, the maximum number of Employee Stock Appreciation Rights ('ESARs') that may be granted under the Scheme shall not exceed 1,02,800 and the maximum number of equity shares that may be issued towards appreciation of the ESARs to be granted under the Scheme shall not exceed 60,700 of Rs. 10/- each, i.e. face value. As per the terms of the ESAR Scheme, each ESAR can be settled by the issue of shares or through cash. NRC is entitled to determine the vesting schedule for ESAR as its deems fit. In case of settlement of the Scheme Benefit as Equity Benefit, any failure to exercise the Vested ESARs within the Exercise Period, will result in lapse of options in the hands of the ESAR Grantee.

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Fair value at grant date	Exercise period
ESAR Scheme 2021	04-May-22	336	10.00	1 to 3 Years	8,334.25	At time of liquidity event
ESAR Scheme 2021	29-Nov-22	700	10.00	1 to 3 Years	9,521.43	At time of liquidity event
ESAR Scheme 2021	30-Nov-22	46,908	10.00	3 to 4 Years	12,344.88	At time of liquidity event

Particulars	As at 31 March 2024			
	No. of options	Weighted average exercise price (base price) (₹) per option	Range of exercise price (base price) (₹) per option	Weighted average remaining contractual life (years)
Outstanding as at 1 April 2022	25,931	16,316.00	16,316.00	1.77
Granted during the year	47,944	22,060.46	22,101.00	-
Forfeited/Cancelled during the year	-	-	-	-
Outstanding as at 31 March 2023	73,875	20,044.09	20,044.09	2.50
Exercisable at the end of the year	-	-	-	-
Outstanding as at 1 April 2023	73,875	20,044.09	20,044.09	2.50
Granted during the year	-	-	-	-
Forfeited/Cancelled during the year	(1,464)	16,316	16,316	-
Exercised during the year (settled in cash)	(1,364)	16,316	16,316	-
Outstanding as at 31 March 2024	71,047	20,192.48	20,192.48	1.79
Exercisable at the end of the year	18,025	16,465.56	16,465.56	-

The following table lists the inputs to the models used for the years ended 31 March 2024.

Particulars	As at 31 March 2024	As at 31 March 2023
Dividend yield (%)	Not Applicable	0%
Expected volatility (%)		69.89%
Risk free investment rate (%)		6.98%
Exercise price at date of grant		₹ 22,060.46
Share price at date of grant		₹ 12,275.55
Vesting period		3.61 years
Exercise period		At time of liquidity event
Model used		Black Scholes

* No ESAR granted in the current period.

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Note 38: Financial instruments risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

38.1 Market risk analysis

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to foreign exchange rates and price risk.

Foreign currency exchange rate risk

The Company's does not have exposure to market risk as all the transaction are in INR.

Price risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31 March, 2024, the investments in debt mutual funds amounts to INR lakhs 8,577.27 (31 March, 2023: INR 9,240.28 lakhs). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds. A 1% increase in prices would have led to approximately an additional INR 85.77 lakhs gain in profit or loss (31 March, 2023: INR 92.40 lakhs gain). A 1% decrease in prices would have led to an equal but opposite effect.

38.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example receivables from customers, placing deposits with banks, investment in mutual funds etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at 31 March, as summarized below:

Particulars	As at 31 March 2024	As at 31 March 2023
Classes of financial assets-carrying amounts:		
(i) Other non current financial assets	306.23	234.36
(ii) Investments	8,577.27	9,240.28
(iii) Trade receivables	15,586.98	7,150.01
(iv) Other current financial assets	-	-
(v) Cash and cash equivalents	1,310.03	591.06
	25,780.51	**17,215.71**

To mitigate the risk arising from high dependence on any one business for revenue, the Company has adopted a strategy of diversifying into new products and into different business segments. To address the risk of dependence on a few large clients and a few sectors in the business segments, the Company has also actively sought to diversify its client base and industry segments.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision margin to compute the expected credit loss allowance for trade receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in debt mutual fund (overnight fund, liquid Fund, money market fund, saving fund & ultra short duration fund) and certificates of deposit which are funds deposited at a bank for a specified time period.

The Company continuously monitors defaults of customers and incorporates this information into its credit risk controls. Where available at reasonable cost external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, mutual funds is considered negligible, since the counterparties are reputable banks and fund house with high quality external credit ratings.

The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.

38.2.1 Movement of allowances for expected credit loss

As at 1 April 2022	**13.20**
Provided during the year	62.25
Amount written back during the year	-
As at 31 March 2023	**75.45**
Provided during the year	37.52
Amount written back during the year	-
As at 31 March 2024	**112.97**

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38.3 Liquidity risk analysis

Liquidity risk is 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. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

As at 31 March 2024, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

Financial liabilities maturing within one year:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables	9,139.16	14,229.27
Lease Liabilities (undiscounted basis)	301.12	312.63
Other financial liabilities	1,334.35	1,730.86
Total	**10,774.63**	**16,272.76**

Financial liabilities maturing within 1 to 5 years:

Particulars	As at 31 March 2024	As at 31 March 2023
Other financial liabilities	-	884.84
Lease Liabilities (undiscounted basis)	544.29	845.41
Total	**544.29**	**1,730.25**

Financial liabilities maturing after 5 years:

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings	5,020.00	12,808.50

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Note 39: Fair value measurement

39.1 Fair value measurement of financial instruments

Financial Instrument by category and hierarchy
The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods or assumptions were used to estimate fair values
Fair value of trade receivable, cash and cash equivalent, other current financial asset, short term borrowing, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying value and fair value of financial instruments by categories as at 31 March 2024 and 31 March 2023, are as follows:

Particulars		As at 31 March 2024			
		Level 1	Level 2	Level 3	Total
Financial assets					
(i) Other non current financial assets	Amortised cost	-	-	306.23	**306.23**
(ii) Investments	FVTPL	8,577.27	-	-	**8,577.27**
(iii)Trade receivables	Amortised cost	-	-	15,586.98	**15,586.98**
(iv)Cash and cash equivalents	Amortised cost	-	-	1,310.03	**1,310.03**
		8,577.27	**-**	**17,203.24**	**25,780.51**
Financial liabilities					
(i) Lease Liabilities - Non Current	Amortised cost	-	-	408.05	**408.05**
(ii) Trade payables	Amortised cost	-	-	9,139.16	**9,139.16**
(iii) Lease Liabilities - Current	Amortised cost	-	-	289.47	**289.47**
(iv) Borrowings	Amortised cost	-	-	5,020.00	**5,020.00**
(v) Other financial liabilities		-	-		
- Employee dues	Amortised cost	-	-	613.74	**613.74**
-Outstanding liabilities	Amortised cost	-	-	1.36	**1.36**
-Deferred Consideration - current	FVTPL	-	-	719.25	**719.25**
-Deferred Consideration - non current	FVTPL	-	-	999.00	**999.00**
		-	**-**	**17,190.03**	**17,190.03**

Particulars		As at 31 March 2023			
		Level 1	Level 2	Level 3	Total
Financial assets					
(i) Other non current financial assets	Amortised cost	-	-	234.36	**234.36**
(ii) Investments	FVTPL	9,240.28	-	-	**9,240.28**
(iii)Trade receivables	Amortised cost	-	-	7,150.01	**7,150.01**
(iv)Cash and cash equivalents	Amortised cost	-	-	591.06	**591.06**
		9,240.28	**-**	**7,975.43**	**17,215.71**
Financial liabilities					
(i) Lease Liabilities - Non Current	Amortised cost	-	-	627.25	**627.25**
(ii) Trade payables	Amortised cost	-	-	14,229.27	**14,229.27**
(iii) Lease Liabilities - Current	Amortised cost	-	-	297.84	**297.84**
(iv) Borrowings	Amortised cost	-	-	12,808.50	**12,808.50**
(v) Other financial liabilities		-	-		
- Employee dues	Amortised cost	-	-	731.86	**731.86**
-Deferred Consideration - non- current	FVTPL	-	-	884.84	**884.84**
		-	**-**	**29,579.56**	**29,579.56**

There were no transfers between Level 1 and Level 2 in the year ended 31 March 2024 and year ended 31 March 2023.

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Cipla Health Limited ★ Mumbai ★

39.2 Capital management policies and procedures

The Company's objectives when managing capital are to:
• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
• Maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.
Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:
net debt (total borrowings and lease liabilities net of cash and cash equivalents and current investments) divided by total 'equity' (as shown in the balance sheet). The gearing ratio for the Company is as under:

Particulars	As at 31 March 2024	As at 31 March 2023
Net debt	(4,169.77)	3,902.26
Total equity	27,234.01	16,732.55
Net debt to equity ratio	**-15.31%**	**23.32%**

The net debt to equity ratio has turned negative in the current year on account of repayment of borrowings undertaken for acquisition of Endura Mass brand and common control transaction.

39.3 Net Debt reconciliation

Particulars	Cash and cash equivalents	Investments	Lease liabilities	Borrowings	Total
Net debt as at 1 April 2022	**283.01**	**2,347.44**	**915.46**	**-**	**1,714.99**
Cash flows (net)	308.05	6,839.82	(196.90)	6,520.00	824.77
Interest paid	-	-	(104.23)	(631.78)	736.01
Interest expense	-	-	104.23	631.78	(736.01)
Other non cash movements	-	53.02	206.53	11,488.50	(11,642.02)
Repayment	-	-	-	(5,200.00)	5,200.00
Net debt as at 31 March 2023	**591.06**	**9,240.28**	**925.09**	**12,808.50**	**(3,902.26)**
Cash flows (net)	718.97	(698.48)	(227.57)	-	248.06
Interest paid	-	-	(85.07)	(582.55)	667.62
Interest expense	-	-	85.07	582.55	(667.62)
Other non cash movements	-	35.46	-	-	35.46
Repayment	-	-	-	(7,788.50)	7788.50
Net debt as at 31 March 2024	**1,310.03**	**8,577.26**	**697.52**	**5,020.00**	**4,169.77**

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Note 40: Related Party Disclosures

The Company's related parties include its holding company, fellow subsidiaries, associates and key management as described below.
Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received.

A. Holding company
Cipla Limited

B. Fellow Subsidiaries
Goldencross Pharma Limited
Sitec Labs Limited
Cipla Pharma and Life Sciences Limited

C. Key Management Personnel
Shivam Puri (Whole Time Director & Chief Executive Officer) (appointed as Whole Time director and designated as "Whole Time Director and Chief Executive Officer" w.e.f. from 1 April 2022)
Sukhdev Jaluka (Chief Financial Officer) (appointed w.e.f. 4 May 2022)
Siddharth Rajesh Jain (Company Secretary)

D. Non-executive Directors
Amrita Nautiyal (Independent Director)
Chandrashekhar Iyer (Independent Director)
Samina Hamied
Achin Gupta
Umang Vohra (appointed as director w.e.f 29 November 2022)

E. Trust over which key managerial personnel of the Company has control/significant influence
Cipla Health Employees Stock Option Trust
Cipla Health Limited Employees Gratuity Scheme

F. Associate of holding company
GoApptiv Private Limited

G. Deemed Related Party (Relative of director of the Holding Company)
Postcard Media LLP

40.1 Transactions with holding company (Cipla Limited)

Nature of transaction	31 March 2024	31 March 2023
Purchase of materials	12.98	9.09
Purchase of stock in trade	-	5,685.16
Sale of materials and goods	6,348.79	18,623.62
Rent paid	555.98	347.30
Reimbursement of sales promotion expenses	1,158.17	70.66
Recovery of Expenses	8.69	18.42
Royalty on sales	1,962.14	1,271.65
License fee on sales	22.71	2,418.31
Research and development services and expense	11.10	5.70
Logistics/ distribution services	5,190.30	4,031.75
Recovery of marketing spends	-	1,463.30
Service fee income	73.13	4.14
Miscellaneous expenses	623.06	495.95
Assets acquired on acquisition of consumer business undertaking	-	13,636.50
Liabilities acquired on acquisition of consumer business undertaking	-	2,148.00
Borrowings from Cipla for acquisition of consumer business undertaking	-	11,488.50
Borrowings from Cipla for Brand Acquisition from third party	-	6,520.00
Repayment of borrowings	7,788.50	5,200.00
Interest on Loan	582.55	631.78
Gratuity liability transferred from Cipla for consumer business undertaking	-	12.59
Outstanding balance:		
Outstanding Payables to Cipla Limited (Net)	1,123.62	6,142.83

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Cipla Health Limited Mumbai

Note 40: Related Party Disclosures (contd.)

40.2 Transactions with fellow subsidiaries [Sitec Labs Limited]

Nature of transaction	31 March 2024	31 March 2023
Services received	-	1.18

Outstanding balance as at:	31 March 2024	31 March 2023
Outstanding payable	0.01	2.16

40.3 Transactions with Associate of holding company (GoApptiv Private Limited)

Nature of transaction	31 March 2024	31 March 2023
Manpower cost	139.90	359.08

Outstanding balance as at:	31 March 2024	31 March 2023
Outstanding payable	-	135.06

40.4 Transactions with fellow subsidiaries [Golden Cross Private Limited]

Nature of transaction	31 March 2024	31 March 2023
Purchase of materials	1,312.20	824.79

Outstanding balance as at:	31 March 2024	31 March 2023
Outstanding payable	182.74	8.87

40.5 Transactions with fellow subsidiaries [Postcard Media LLP]

Nature of transaction	31 March 2024	31 March 2023
Services received	3.82	-

Outstanding balance as at:	31 March 2024	31 March 2023
Outstanding payable	2.29	-

40.6 Transactions with fellow subsidiaries [Cipla Pharma and Life Sciences Limited]

Nature of transaction	31 March 2024	31 March 2023
Reimbursement of sales promotion expenses	247.49	-

Outstanding balance as at:	31 March 2024	31 March 2023
Outstanding receivable	247.49	-

40.7 Remuneration to Key management personnel

Name	31 March 2024	31 March 2023
Shivam Puri	715.01	849.15
Sukhdev Jaluka	120.53	119.69

* Expenses towards gratuity, compensated absences and premium paid for group health insurance has not been considered in above information as a separate actuarial valuation/ premium paid are not identifiable. Further, remuneration reported pertains to the amount paid including variable pay of previous year, ESOP/ESAR exercised during year ended 31 March 2024 but does not include provisions towards variable pay, share based payment expenses as per Ind AS 102 etc.

40.8 Sitting fee to additional directors

Name	31 March 2024	31 March 2023
Amrita Nautiyal	3.75	2.50
Chandrashekhar Iyer	3.75	2.50

40.9 Transactions of contribution made to Gratuity Fund

Nature of transaction	31 March 2024	31 March 2023
Contribution made to Gratuity Fund	200.00	7.58

40.10 Outstanding balance with Trust over which Entity has control/significant influence

Outstanding balance as at:	31 March 2024	31 March 2023
Cipla Health Limited Employees Gratuity scheme	163.36	149.73

40.11 Remuneration payable to Key management personnel

Name	31 March 2024	31 March 2023
Shivam Puri	132.64	187.91
Sukhdev Jaluka	15.80	18.37

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Cipla Health Limited Mumbai

Cipla Health Limited

Notes to the financial statements as at and for the year ended 31 March 2024

(All amounts in INR lakhs, unless otherwise stated)

Note No. 41: Ratios

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Variance	Reason for variance
a) Current ratio	Current assets	Current Liabilities	1.97	1.63	21%	-
b) Debt equity ratio	Total debt	Shareholder's Equity	0.18	0.77	-76%	Refer note 1
c) Debt service coverage ratio	Earnings available for debt service	Debt Service	1.57	2.12	-26%	Refer note 1
d) Return on equity ratio	Net profits after taxes	Average Total Equity	39.28%	47.74%	-18%	-
e) Inventory turnover ratio	Cost of goods sold	Average inventory	3.28	3.21	2%	-
f) Trade receivables turnover ratio	Revenue from sale of products and services	Average Accounts Receivable	9.19	12.09	-24%	-
g) Trade payables turnover ratio	Net purchases of goods + expenses	Average Trade Payables	6.68	6.32	6%	-
h) Net capital turnover ratio	Revenue from sale of products and services	Working Capital	5.21	6.90	-25%	-
i) Net profit/(loss) ratio	Net profit/(loss) after tax	Revenue from sale of products and services	8.27%	8.53%	-3%	-
j) Return on capital employed	Earnings before interest and taxes (including other income)	Capital Employed = Average total equity	56.05%	68.24%	-18%	-
k) Return on investments	Earnings before interest and taxes	Total closing assets	22.92%	22.36%	3%	-

Reason for % variance (>25%) :

1. Variance is on account of repayment of borrowings in the current year.

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Note : 42 Acquisition of consumer business undertaking

The Board of the Holding Company at its meeting held on 25 January 2022 had considered and approved the transfer of the consumer business undertaking to the Company as a going concern on a slump sale basis through a Business Transfer Agreement ("BTA"). The Holding Company was in the process of completing the regulatory and legal process for transfer as on 31 March 2022. During the previous year, the Holding Company and the Company have successfully completed business transfer as agreed under BTA with closing date of 31 August 2022 for a net consideration of Rs. 11488.50 lakhs. Management has accounted the arrangement in accordance with the Appendix C of Ind-AS 103 - Business Combinations, relevant for combinations under common control. Accordingly, all the acquired assets and liabilities as of 31 August 2022 have been carried at their respective book values, subject to changes if any relating to harmonisation of the accounting principles where applicable. The transactions of consumer business undertaking for the period from 1 April 2022 to 31 August 2022 are legally and contractually carried on by the Holding Company and all statutory liabilities (including income taxes, Goods and Services Tax and other statutory obligations) until 31 August 2022 have been accounted and discharged by the Holding Company. The details of income and expenses of Consumer business undertaking the period 1 April 2022 to 31 August 2022 which are legally, beneficially and contractually carried out by the Holding Company, and added with the financial information of the Company solely for the purposes of compliances with the accounting principles mentioned in Appendix C of Ind AS 103 has been presented as "Transactions undertaken by Holding Company" and the transactions attributable to the Company are shown below as "Transactions undertaken by the Company" in the disclosures below:

42.1 Statement of Profit and Loss

Particulars	Amount for the year ended March 2023 (before common control transaction)	Transactions undertaken by the Holding Company (1 April 2022 to 31 August 2022)	Amounts for the year ended 31 March 2023
(1) Income			
(a) Revenue from operations			
(i) Revenue from sale of products	82,054.28	17,135.00	99,189.28
(ii) Other operating income	70.66	-	70.66
	82,124.94	**17,135.00**	**99,259.94**
(b) Other income	307.81	-	307.81
Total income	**82,432.75**	**17,135.00**	**99,567.75**
(2) Expenditure			
(a) Cost of materials consumed	8,486.06	7,280.01	15,766.07
(b) Purchases of stock-in-trade	32,484.35	-	32,484.35
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,130.30)	-	(4,130.30)
(d) Employee benefits expense	8,864.33	341.41	9,205.74
(e) Finance costs	786.16	-	786.16
(f) Depreciation, impairment and amortisation expense	880.19	-	880.19
(g) Other expenses	29,628.26	3,641.00	33,269.26
	76,999.05	**11,262.42**	**88,261.47**
(3) Profit before tax	**5,433.70**	**5,872.58**	**11,306.28**
(4) Tax expenses			
(a) Current tax	-	1,479.00	1,479.00
(b) Deferred tax charge/ (credit)	1,368.09	-	1,368.09
(5) Profit for the year	**4,065.61**	**4,393.58**	**8,459.19**
(6) Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of post employment benefit obligation	(10.49)	(21.99)	(32.48)
(ii) Income tax relating to these items	2.62	5.02	7.64
Other comprehensive income for the year	**(7.87)**	**(16.97)**	**(24.84)**
(7) Total comprehensive income for the year	**4,057.74**	**4,376.61**	**8,434.35**

Note: Such amounts credited to reserves for the year ended 31 March 2023 amounting to INR 4,376.61 lakhs in relation to the transferred business undertaking are transferred to borrowings amounting to INR 11,488.50 lakhs in terms of business transfer agreement and difference of INR 478.43 lakhs is treated as working capital adjustment.

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Note 43: The Company has restated the comparative financial information for 31 March 2023 as presented in these financial statement, due to change in classification of accrued expenses to trade payables from other financial liabilities as required under Schedule III

Impact on financial statement line items :

Particulars	Note	Amount as on 31 March 2023 (Reported)	Adjustments	Amount as on 31 March 2023 (Reclassified)
Current Liabilities				
Trade Payables	17	14,159.95	69.32	14,229.27
Other Current Financial Liabilities	18	1,800.18	(69.32)	1,730.86

Note 44: Corporate Social Responsibility Expenditure
The Company has met the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act.

Note 45: Acquisition of Endura Mass

During the previous year, the Company has acquired the Endura Mass trademarks, technical know how and copyrights pursuant to an asset transfer agreement dated 13 July 2022 with Medinnbelle Herbalcare Private Limited (hereinafter referred to as 'Seller') for a total consideration of including deferred consideration of Rs. 1,884.84 lakhs for the transferred asset being INR 7,851.68 lakhs. In addition to the total acquisition purchase price, the agreement also requires Company to pay additional consideration contingent upon certain sales based milestones which will be recognised when probable and estimable.

The Company determined that asset acquired does not meet the definition of a business as substantially all of the assets acquired were related to single identified asset and accordingly accounted the acquisition as intangible asset acquisition. The intangibles is considered to have a useful life of 5 years for copyrights and know-how and 10 years for trademarks, starting from date of acquisition. The assets will be amortised using the straight line method over the useful life.

Note 46: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorisation of these Financial Statements other than those already disclosed in previous notes.

Note 47: Income Tax
The Income Tax department conducted survey u/s 133A of the Income Tax Act starting from 31 January 2023 till 2 February 2023. The Company at the time of survey has co-operated with the department. No assets of the company were seized by the department as part of the survey. During the year the Notices u/s 148A of the Act were issued for few assessment years, which were duly replied and the Company has received order from the department for dropping the show cause notices.

Note 48: Acquisition of AstaBerry and Bhimsaini

Subsequent to the year end, the Company has acquired the AstaBerry and Bhimsaini trademarks, technical know how, copyrights, employees, etc pursuant to a Slump Sale agreement dated 15 April 2024 with Ivia Beaute Private Limited (hereinafter referred to as 'Seller') for a total consideration of INR 13,000 lakhs. In addition to the total acquisition purchase price, the agreement also requires Company to pay additional consideration contingent upon certain sales based milestones which will be recognised when probable and estimable. Considering the agreement was signed post 31 March 2024 and there being no event that existed on the reporting date, no adjustments have been made in relation to such an acquisition as at 31 March 2024.

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Note 49: Other significant notes

(i) The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(ii) The Company does not have any such 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).

(iii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(iv) The Company has not revalued its Property, Plant and Equipment, Right of Use assets and intangible assets during the year.

(v) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vi) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(viii) The Company has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity 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 on behalf of the Company.

(ix) The Company has not received any fund from any person or entity, 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.

Note 50: The financial statements for the year ended 31 March 2024 (including comparatives) were approved by the board of directors on 7 May 2024.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Achin Gupta
Director
(DIN:09491674)

Shivam Puri
Whole time Director & Chief Executive Officer
(DIN:09552961)

Sukhdev Jaluka
Chief Financial Officer

Place: Mumbai
Date: 7 May 2024

Siddharth Jain
Company Secretary

Cipla Health Limited ★ Mumbai ★

Cipla Pharmaceuticals Limited

Financial Statements for Financial Year 2023-24

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Independent Auditor's Report

To the Members of Cipla Pharmaceuticals Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Cipla Pharmaceuticals Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matter stated in section 134(5) of the Act with respect to the preparation and presentation 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 specified under section 133 of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. 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

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of Board of Directors' 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; and

- 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.

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

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

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, including the manner prescribed in Rule 3(1) of Companies (Accounts) Rules, 2014, except that the audit trail feature was not enabled at the database level as further stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

c) The financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the maintenance of accounts and other matters connected therewith refer to our comments in paragraph 13(b) above on reporting under Section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under rule 11(g) of the of the Companies (Audit and Auditors) Rules, 2014 (as amended).

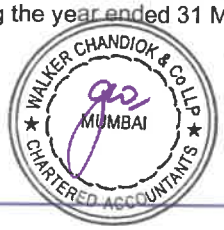
g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company did not have any pending litigations which would impact financial position as at 31 March 2024;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;



iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 32(vii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 32(viii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

vi. Based on examination which included test checks, the Company in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level of the accounting software and the same has been 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 such audit trail features being tampered with. The Audit trail feature (edit log) at the database level for the direct changes was not enabled, however, the Company had adequate controls in the accounting software such as strict user rights and access of administrator log in through the application layer.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFBY5655

Place: Mumbai
Date: 3 May 2024

Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Cipla Pharmaceuticals Limited on the financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report 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 does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The property, plant and equipment, capital work in progress and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee), disclosed in note 4(a) to the financial statements are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) during the year. Further, the Company does not hold any intangible assets.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has not made any investment in, provided any guarantee or security,or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) (a) and (b) of the Order is not applicable to the Company.

(b) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(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 made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one unregistered CIC as part of the Group.

(xvii) The Company has not incurred cash losses in the current financial year but had incurred cash losses amounting to Rs. 48.80 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(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 plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFBY5655

Place: Mumbai
Date: 3 May 2024

Annexure II to the Independent Auditor's Report of even date to the members of Cipla Pharmaceuticals Limited on the financial statements for the year ended 31 March 2024.

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Cipla Pharmaceuticals Limited** ('the Company') as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') ("the Guidance Note"). 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFBY5655

Place: Mumbai
Date: 3 May 2024

Cipla Pharmaceuticals Limited
Balance sheet as at 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
A. Assets			
1. Non-current assets			
a) Property, plant and equipment	4	535.99	526.82
b) Right of use asset	4 (a)	2,844.33	2,878.06
c) Capital work-in-progress	4 (b)	5,135.35	675.58
d) Financial Assets			
(i) Other financial assets	5	4.44	4.44
e) Income tax assets (net)	6	-	3.31
f) Other non-current assets	7	209.32	1.01
		8,729.43	**4,089.22**
2. Current assets			
a) Financial assets			
(i) Investments	8	616.45	4,233.20
(ii) Cash and cash equivalents	9	7.74	5.19
b) Other current assets	10	117.57	32.26
		741.76	**4,270.65**
Total assets		**9,471.19**	**8,359.87**
B. Equity and liabilities			
1. Equity			
a) Share capital	11	6,080.65	6,080.65
b) Other equity	12	2,013.31	1,987.50
Total equity		**8,093.96**	**8,068.15**
2. Liabilities:			
Non-current liabilities:			
a) Financial liabilities			
(i) Lease Liabilities	13	184.66	191.77
b) Provisions	14	30.49	15.85
c) Deferred tax liabilities	15	10.18	15.36
		225.33	**222.98**
Current liabilities:			
a) Financial liabilities			
- Trade payables			
(i) Total oustanding dues of micro enterprises and small enterprises		3.02	-
(ii) Total outstanding dues of creditors other than Micro enterprises and Small enterprises	16	34.76	30.80
- Lease Liabilities	13	22.84	15.68
- Other financial liabilities	17	1,025.31	0.56
b) Other current liabilities	18	25.02	9.36
c) Provisions	14	20.93	12.34
d) Current tax liabilities (net)	19	20.02	-
		1,151.90	**68.74**
Total equity and liabilities		**9,471.19**	**8,359.87**

The accompanying notes form an integral part of these financial statements. 1-37

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 3 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Dinesh Jain
Director
(DIN: 00058069)

Rajendra Kumar Chopra
Director
(DIN: 06942295)

Anil Choudhary
Chief Financial Officer

Place: Mumbai
Date: 3 May 2024

Rahul Verma
Chief Executive Officer and Company Secretary

Place: Mumbai
Date: 3 May 2024

CIPLA PHARMACEUTICALS LIMITED ★ Tower A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013. ★

Cipla Pharmaceuticals Limited
Statement of Profit and Loss for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Income			
(a) Other income	21	270.23	77.06
Total income		**270.23**	**77.06**
Expenses			
(a) Employee benefits expense	22	16.31	20.38
(b) Finance costs	23	22.89	23.50
(c) Depreciation	24	60.45	43.95
(d) Other expenses	25	59.40	60.10
Total expenses		**159.05**	**147.93**
Profit / (Loss) before tax		**111.18**	**(70.87)**
Tax expense			
(a) Current tax	20	85.19	14.53
(b) Deferred Tax charge	20	(3.62)	6.37
Profit / (Loss) after tax for the year (a)		**29.61**	**(91.77)**
Other comprehensive income			
Other comprehensive (loss)/ income for the year			
(i) Remeasurement of post employement benefit obligation	14	(5.36)	-
(ii) Income tax relating to these items	20	1.56	-
Other comprehensive (loss)/ income for the year (b)		**(3.80)**	**-**
Total comprehensive income/(loss) for the year (a+b)		**25.81**	**(91.77)**
Earnings per equity share of face value of Rs. 10 each			
Basic and diluted	26	**0.05**	**(0.26)**
The accompanying notes form an integral part of these financial statements.	1-37		

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 3 May 2024

For and on behalf of the **Board of Directors**

Dinesh Jain
Director
(DIN: 00058069)

Anil Choudhary
Chief Financial Officer

Place: Mumbai
Date: 3 May 2024

Rajendra Kumar Chopra
Director
(DIN: 06942295)

Rahul Verma
Chief Executive Officer and Company Secretary

Place: Mumbai
Date: 3 May 2024

Cipla Pharmaceuticals Limited
Statement of Cash Flows for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
Profit / (loss) before tax	**111.18**	**(70.87)**
Adjustments to reconcile profit / (loss) before tax to net cash flows:		
Fair value loss on financial instruments at fair value through profit or loss	12.41	(21.88)
Gain on sale of investment	(251.53)	(34.44)
Rental income	(31.11)	(20.74)
Depreciation	60.45	43.95
Finance cost	22.89	23.50
Operating (loss) before working capital changes	**(75.71)**	**(80.48)**
Adjustments for working capital:		
Increase in other current assets	(85.31)	(36.07)
Increase in trade payables, other current and non-current liabilities and provisions	40.38	40.98
Working capital adjustments	**(44.93)**	**4.91**
Cash flow (used in) / generated in operating activities	**(120.64)**	**(75.57)**
Income taxes paid (including tax deducted at source)	(61.86)	(18.57)
Net cash flow (used in) / generated operating activities (a)	**(182.50)**	**(94.14)**
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances, capital creditors and right of use of assets)	-3,679.08	-1,784.93
Rent received	31.11	20.74
Proceeds from / (Investment in) mutual funds (net)	3,855.86	-2,916.40
Net cash flow generated from / (used in) investing activities (b)	**207.89**	**(4680.59)**
Cash flow from financing activities		
Proceeds from issue of equity shares	-	4,800.00
Payment of lease liability (including interest on lease liability)	(22.84)	(22.84)
Net cash flow used/generated from financing activities (c)	**(22.84)**	**4,777.16**
Net increase in cash and cash equivalents (a+b+c)	**2.55**	**2.43**
Cash and cash equivalents at the beginning of the year	5.19	2.76
Cash and cash equivalents at the end of the year (refer note 9)	**7.74**	**5.19**

Note1: The above cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS-7 "Statement of Cash Flows".

Note 2: The Company does not have borrowings and movement of lease liability is provided in note 4(a) and hence no net debt movement is presented.

The accompanying notes form an integral part of these financial statements

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 3 May 2024

For and on behalf of the **Board of Directors**

Dinesh Jain
Director
(DIN: 00058069)

Rajendra Kumar Chopra
Director
(DIN: 06942295)

Anil Choudhary
Chief Financial Officer

Place: Mumbai
Date: 3 May 2024

Rahul Verma
Chief Executive Officer and Company Secretary
Place: Mumbai
Date: 3 May 2024

Cipla Pharmaceuticals Limited
Statement of changes in equity for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

(a) Equity share capital (refer note 11)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	6,080.65	3,500.00
Shares issued during the year (refer note 11)	-	2,580.65
Closing balance	**6,080.65**	**6,080.65**

(b) Other equity (refer note 12)

Particulars	Securities premium	Retained earnings	Total other equity
As at 1 April 2022	-	(140.08)	(140.08)
Loss for the year	-	(91.77)	(91.77)
Share Premium (refer note 11)	2,219.35	-	2,219.35
Balance as at 31 March 2023	**2,219.35**	**(231.85)**	**1,987.50**
Other comprehensive Loss	-	(3.80)	(3.80)
Profit for the year	-	29.61	29.61
Balance as at 31 March 2024	**2,219.35**	**(206.04)**	**2,013.31**

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

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 3 May 2024

For and on behalf of the **Board of Directors**

Dinesh Jain
Director
(DIN: 00058069)

Rajendra Kumar Chopra
Director
(DIN: 06942295)

Anil Choudhary
Chief Financial Officer

Place: Mumbai
Date: 3 May 2024

Rahul Verma
Chief Executive Officer and Company Secretary

Place: Mumbai
Date: 3 May 2024

Note 1: Corporate information

Cipla Pharmaceuticals Limited ('the Company') (CIN no. U24239MH2019PLC333266) is a company domiciled in India and is incorporated on 19 November 2019 under the provisions of Companies Act applicable in India. Cipla Pharmaceuticals Limited is a wholly owned subsidiary of Cipla Limited. The Company is primarily engaged in the business of developing, manufacturing, producing, buying, selling and exporting of pharmaceutical products. The registered office of the Company is at Tower A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013.

Note 2: Material accounting policies and key accounting estimates and judgements

2.1 Basis of preparation

(i) Compliance with Indian Accounting Standards (Ind-AS)

The financial statements of the Company as at and for the year ended 31 March, 2024 have been prepared and presented in accordance with Indian Accounting Standards ("Ind-AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015],and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time and other relevant provisions of the Act and accounting principles generally accepted in India.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2024.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

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

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

(iv) Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee (INR) 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 lakhs or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than INR 500/- is presented as INR 0.00 lakhs.

2.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, *Presentation of Financial Statements*.

Assets:
An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or

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d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of assets and liabilities, respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

2.3 Use of estimates and judgements

The preparation of financial statements requires management of the Company to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognized prospectively in the current and future periods.

Following are the critical judgements and estimates:

2.3.1 Judgements

(i) Leases

Ind AS 116 *"Leases"* requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realizability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets

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considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

2.3.2 Estimates

(i) Useful lives of property, plant and equipment

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

(ii) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4 Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non- refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore it is not depreciated. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable (Refer note 4 for more details).

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the profit or loss as and when incurred. The present value of the expected cost for

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the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on the property, plant and equipment (other than freehold land) is provided based on useful life of the assets as prescribed in Schedule II to the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss. Leased assets are depreciated over shorter of lease term or useful life of respective assets.

For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

The estimated useful lives are as follows:

Property, plant and equipment	**Useful life**
Buildings	
- Factory and administrative buildings	23 years
Plant and equipment	2 to 15 years
Office equipments	5 years

(iii) De-recognition

An item of property, plant and equipment, is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

2.5 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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Impairment losses, including impairment on inventories, are recognized in the profit or loss.

2.6 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at 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 items denominated in foreign currency at prevailing reporting date exchange rates are recognized in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.7 Revenue recognition

(i) Interest income

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

(ii) Other Income

Other Income is recognized when it is probable that economic benefits will flow to the company and amount of income can be measured reliably.

2.8 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution

Post retirement contribution plans such as Employees' Pension Scheme and Employees' Provident Fund, labour welfare fund, Employee State Insurance Corporation (ESIC) are charged to the profit or loss for the year when the contributions to the respective funds accrue. The Company does not have any obligation other than the contribution made.

(iii) Defined benefit plans

a) Gratuity obligations

Post-retirement benefit plans such as gratuity is determined on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, is recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is included in retained earnings and will not be reclassified to profit or loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the profit or loss.

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Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(iii) Other benefit plan

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the profit or loss and are not deferred.

2.9 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.

(i) Current income tax:

Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax:

Deferred tax is recognized using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.10 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the

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arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Company as a lessee

The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

(ii) Company as a Lessor

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

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

2.12 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the

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obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

2.13 Contingencies

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

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

2.14 Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Financial instruments

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

(i) Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) Initial recognition and measurement

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

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(c) Subsequent measurement

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

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(d) De-recognition

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

(e) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset. For this purpose, the Company follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(ii) Financial liabilities

(a) Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

(b) Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables.

(c) Subsequent measurement

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in profit or loss.

(d) De-recognition

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

(iii) Offsetting financial instruments

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

3.1 Recent accounting pronouncements

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.

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Lower Parel
MUMBAI - 400 013.

Note 4: Property, plant and equipment

Particulars	Buildings and flats	Plant and equipment	Office equipments	Total
Gross block				
Balance as at 1 April 2022	-	-	-	-
Additions for the year	539.43	1.98	-	541.41
Deletions and adjustments during the year	-	-	-	-
Balance as at 31 March 2023	539.43	1.98	-	541.41
Additions for the year	-	24.49	11.40	35.89
Deletions during the year	-	-	-	-
Balance as at 31 March 2024	539.43	26.47	11.40	577.30
Accumulated depreciation and impairment				
Balance as at 1 April 2022	-	-	-	-
Depreciation charge for the year	14.47	0.12	-	14.59
Deletions and adjustments during the year	-	-	-	-
Balance as at 31 March 2023	14.47	0.12	-	14.59
Depreciation charge for the year	21.74	3.25	1.73	26.72
Deletions during the year	-	-	-	-
Balance as at 31 March 2024	36.21	3.37	1.73	41.31
Net book value				
As at 31 March 2024	503.22	23.10	9.67	535.99
As at 31 March 2023	524.96	1.86	-	526.82

1. The title deeds of all immovable properties (other than properties where the Company is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Company

2. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

3. The Company has not revalued its Property, Plant and Equipment and Right of Use assets during the year.

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Note 4(a) - Right of use of asset

Particulars	Category of ROU asset Right of use - Land
Balance as of 1 April 2022	2,024.54
Addition during the year	882.88
Depreciation for the year	(29.36)
Balance as at 31 March 2023	**2,878.06**
Addition during the year	-
Depreciation for the year	(33.73)
Gross Block as on 31 March 2024	**2,844.33**

The weighted average incremental borrowing rate applied to lease liabilities is 11%.

The following is the break-up of current and non-current lease liabilities as of 31 March 2024

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease liabilities	22.84	15.68
Non-current lease liabilities	184.66	191.77
Total	**207.50**	**207.45**

The following is the movement in lease liabilities for the year ended 31 March 2024

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	207.45	207.47
Additions during the year	-	-
Interest cost on lease liability	22.89	22.82
Payment of lease liabilities	(22.84)	(22.84)
Closing balance	**207.50**	**207.45**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to met the obilgations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation expense in the statement of profit and loss.

Note 4(b) : Capital work-in-progress

Details of capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	675.58	315.95
Additions during the year (refer note 3 below)	4,495.65	1,783.92
Capitalised during the year	(35.89)	(1,424.29)
Closing Balance	**5,135.34**	**675.58**

Note 3

For Capital-work-in progress, following ageing schedule as of 31st March 2024 :

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. Projects in process	4,493.36	414.79	227.19	-	**5,135.34**

For Capital-work-in progress, following ageing schedule as of 31st March 2023 :

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. Projects in process	505.51	170.07	-	-	**675.58**

Notes :

1. There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.
2. CWIP does not include any project temporarily suspended.
3. Additions to Capital work in progress in the current year includes costs amounting to Rs 237.10 lacs (Previous year: Rs 136.39 lacs) relating to employee benefit expenses and Rs. 34.38 lacs (Previous year: 6.35 lacs) in relation to other costs incurred which are directly related to such capital projects which are under process. The Company has capitalised such costs since these are directly related to such capital projects.

Particulars	As at 31 March 2024	As at 31 March 2023
Note 5: Non-current financial assets - others		
Security deposits	4.44	4.44
	4.44	**4.44**
Note 6: Income tax assets (net)		
Advance income tax (net)	-	3.31
	-	**3.31**
Note 7 : Other non-current assets		
(Unsecured, considered good, except otherwise stated)		
Capital advances		
Secured, considered good*	206.13	-
Unsecured, considered good	3.19	1.01
	209.32	**1.01**
* Secured against bank guarantees		
Note 8: Current investments		
(Carried at fair value through profit or loss)		
Investment in mutual funds (unquoted)	616.45	4,233.20
Aggregate amount of unquoted investments	**616.45**	**4,233.20**
Aggregate amount of market value of investments	616.45	4,233.20
Note 9: Cash and cash equivalents		
Balances with banks		
In current accounts	7.74	5.19
	7.74	**5.19**
Note 10: Other current assets		
Advance to suppliers	-	0.02
Prepaid insurance	7.74	2.33
Balance with statutory authorities	103.78	29.91
Others	6.05	-
	117.57	**32.26**

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Note 11: Share capital	As at 31 March 2024		As at 31 March 2023	
Particulars	**Numbers**	**Amount**	**Numbers**	**Amount**
Authorised				
Equity shares of Rs.10 each*	8,50,00,000	8,500.00	8,50,00,000	8,500.00
	8,50,00,000	**8,500.00**	**8,50,00,000**	**8,500.00**
Issued				
Equity shares of Rs.10 each	6,08,06,452	6,080.65	6,08,06,452	6,080.65
	6,08,06,452	**6,080.65**	**6,08,06,452**	**6,080.65**
Subscribed and paid-up				
Equity shares of Rs.10 each fully paid up	6,08,06,452	6,080.65	6,08,06,452	6,080.65
	6,08,06,452	**6,080.65**	**6,08,06,452**	**6,080.65**

*During the previous year, pursuant to the shareholders approval dated 16 January 2023, the Company has increased the authorized share capital of the Company from existing Rs 3,500 Lakhs consisting 3,50,00,000 equity shares of Rs. 10 each to Rs. 8,500 Lakhs consisting 8,50,00,000 equity shares of Rs. 10 each.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024	As at 31 March 2023
No. of shares outstanding at the beginning of the year	6,08,06,452	3,50,00,000
Shares issued during the year	-	2,58,06,452
No. of shares outstanding at the end of the year	**6,08,06,452**	**6,08,06,452**

*During the previous year, pursuant to the board resolution passed on 27 March 2023, the Company has alloted 2,58,06,452 equity shares at face value of Rs 10 each at premium of Rs. 8.60 per share to Cipla Limited.

Details of shareholders holding more than 5 percent shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
Cipla Limited (Holding Company including 6 equity shares held by its nominee)	Number of shares	% of holdings	Number of shares	% of holdings
	6,08,06,452	100%	6,08,06,452	100%
	6,08,06,452	**100%**	**6,08,06,452**	**100%**

*There is no change in the promoter shareholding % during the current and previous year.

Terms/ rights attached to equity shares

The Company has only one class of equity shares having face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 shareholders.

Aggregrate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preeceding the reporting date.

Since the date of incorporation, the Company has not issued any bonus shares, shares for consideration other than cash and shares bought back.

Note 12: Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Retained earnings	(206.04)	(231.85)
Securities premium	2,219.35	2,219.35
Total	**2,013.31**	**1,987.50**

Securities premium : Securities premium is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

Retained earnings : Retained earnings represent the Company's undistributed losses.

The movement in respect of each of other equity components form part of statement of changes in equity, hence not reproduced here.

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Note 14: Provisions
The liabilities recognised for employees consist of the following amounts:

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Gratuity	21.08	12.18
Compensated absences	9.41	3.67
	30.49	**15.85**
Current:		
Gratuity	1.36	2.11
Compensated absences	2.65	0.93
Performance bonus	16.92	9.30
	20.93	**12.34**

(i) Compensated Absences
The compensated absences cover the Company's liability for earned leave. The amount of the provision of Rs. 2.65 Lakhs (31 March 2023 – Rs. 0.93 Lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. Further, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(ii) Gratuity
The Company provides for gratuity, a defined benefit plan based on actuarial valuation as of the reporting date. The gratuity is payable on termination of service or retirement, whichever is earlier and eligible employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service.The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

A reconciliation of the Company's defined benefit obligation (DBO) and plan assets to the amounts presented in the balance sheet for each of the reporting periods is presented below:

Disclosures for defined benefit plans based on actuarial reports

Particulars	2024 Gratuity (Unfunded Plan)	2023 Gratuity (Unfunded Plan)
i. Change in defined benefit Obligation		
Opening defined benefit obligation	14.29	-
Interest cost	0.97	-
Current service cost	1.82	14.29
Actuarial changes arising from changes in Demographic Assumptions	-0.57	-
Actuarial changes arising from changes in Financial Assumptions	-3.65	-
Actuarial changes arising from changes in Experience Assumptions	9.58	-
Liability at the end of the year	**22.44**	**14.29**
ii. Amount recongnised in balance sheet		
Present value of obligations as at year end	22.44	14.29
Net liability recognised	**22.44**	**14.29**
iii. Expenses recognised in profit or loss		
Current service cost	1.82	14.30
Interest on defined benefit obligation	0.97	-
Total expense recognised in profit or loss	**2.79**	**14.30**
iv. Expenses recognised in other comprehensive income (OCI)		
Actuarial losses / (gains) on obligation for the period	5.36	-
Return on plan assets, excluding interest income	-	-
Net expense for the period recognised in OCI	**5.36**	**-**
v. Expected employer's contribution for the next year	**-**	**-**

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense :

Principal actuarial assumptions used	2024 Gratuity (Unfunded Plan)	2023 Gratuity (Unfunded Plan)
Discount Rate (per annum)	7.21%	7.35%
Salary growth Rate	Next 1 Year 7% Thereafter 5%	7.00% p.a.
Withdrawal Rate	For Service 2 year and below 25.00% p.a.& For Service 3 years to 4 years 15% p.a. & For service 5 years and above 5% p.a.	15%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table below, showing how the defined benefit obligation would have been affected by the changes.

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Sensitivity analysis for significant actuarial assumptions

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
Discount rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
(Increase)/decrease in the defined benefit liability	(20.69)	24.43	(13.56)	15.11
Salary growth rate	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/(decrease) in the defined benefit liability	24.56	(20.54)	15.18	(13.49)

Maturity analysis of benefits payments : from the fund

Projected benefits payable in future years from the date of reporting	As at 31 March 2024	As at 31 March 2023
1st Following Year	1.37	2.11
2nd Following Year	1.37	1.92
3rd Following Year	1.41	1.75
4th Following Year	1.49	1.66
5th Following Year	1.50	1.66
Sum of Years 6 To 10	8.40	6.38
Sum of Above 10 Years	28.65	7.66

(iii) Contribution to provident fund and other funds

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contribution to provident fund*	-	-
	-	-

*Provident fund contribution amounting to Rs 8.71 lakhs (Previous year: Rs 3.49 lakhs) has been transferred to Capital work in progress. Also refer note 4(b).

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Note 13: Lease liability

Particulars	As at 31 March 2024	As at 31 March 2023
Current Lease Liabilities	22.84	15.68
Non-Current Lease Liabilities	184.66	191.77
	207.50	**207.45**

Note 15 : Deferred tax liabilities

Deferred tax liabilities	10.19	15.36
	10.19	**15.36**

Note 16: Trade payables

(a) Total outstanding dues of micro enterprises and small enterprises	3.02	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	34.76	30.80
	37.78	**30.80**

			Outstanding for following periods from due dates of payments					
As at 31 March 2024	**Unbilled**	**Not Due**	**Less than 6 Months**	**6 Months - 1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 years**	**Total**
a) Undisputed trade payables								
- MSME	-	3.02	-	-	-	-	-	**3.02**
- Others	3.76	4.29	25.25	1.46	-	-	-	**34.76**
b) Disputed trade payables								
- MSME	-	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	-	**-**
Total	**3.76**	**7.31**	**25.25**	**1.46**	**-**	**-**	**-**	**37.78**

			Outstanding for following periods from due dates of payments					
As at 31 March 2023	**Unbilled**	**Not Due**	**Less than 6 Months**	**6 Months - 1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 years**	**Total**
a) Undisputed trade payables								
- MSME	-	-	-	-	-	-	-	**-**
- Others	0.27	30.11	0.30	0.12	-	-	-	**30.80**
b) Disputed trade payables								
- MSME	-	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	-	**-**
Total	**0.27**	**30.11**	**0.30**	**0.12**	**-**	**-**	**-**	**30.80**

There are no disputed trade payables outstanding as at 31 March 2024 and 31 March 2023.

Note 1. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006	**As at 31 March 2024**	**As at 31 March 2023**
Details of dues to micro and small enterprises as defined under the MSMED Act, 2006		
- Principal amount due to micro and small enterprises	3.02	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in marking payment (which have been paid but beyond the appointed day during the year) but without adding the interest sepcified under the MSMED Act, 2006.	-	-
The amount of interest accured and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, Untill such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Note 17 : Other financial liabilities - current

Capital creditors	1,024.88	-
Employee dues	0.43	0.56
	1,025.31	**0.56**

Note 18: Other current liabilities

Statutory dues	25.02	9.36
	25.02	**9.36**

Note 19: Current tax liabilities (net)

(a) Advance tax (gross)	(82.95)	-
(b) Provision for tax (gross)	102.97	-
	20.02	**-**

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Note 20 : Tax expenses

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statement of profit and loss		
Profit or loss section		
Current Income tax charge	85.19	14.53
Deferred tax on account of temporary differences	(3.62)	6.37
	81.57	**20.90**
Tax related to items recognised in other comprehensive income during the year:		
Income tax relating to re-measurements loss on defined benefit plans	1.56	-
	1.56	**-**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit /(loss) before Income tax	111.18	(70.87)
At India's statutory income tax rate of 29.12% (31 March 2023: 29.12%)	32.38	(20.63)
Effect of non-deductible expenses for tax purpose	46.30	41.27
Others	2.89	0.26
Income tax expense reported in the profit or loss	**81.57**	**20.90**
Effective income tax rate	**73.36%**	**-29.49%**

Deferred tax *

Deferred tax relates to the following :

Particulars	As at 1 April 2023	Recognised in Statement of profit or loss	Recognised in OCI	As at 31 March 2024
Deferred tax liability / (assets) (gross)				
Investment in mutual fund	15.46	(3.62)	-	11.84
Fair value of investments	(0.10)	-	-	(0.10)
Post employment benefit obligation	-	-	(1.56)	(1.56)
Total deferred tax liability / (assets)	**15.36**	**(3.62)**	**(1.56)**	**10.18**
Deferred tax liabilities (net)	**15.36**	**(3.62)**	**(1.56)**	**(10.18)**

Deferred tax relates to the following :

Particulars	As at 1 April 2022	Recognised in Statement of profit or loss	Recognised in OCI	As at 31 March 2023
Deferred tax liability/ (assets) (gross)				
Investment in mutual fund	9.09	6.37	-	15.46
Fair value of investments	(0.10)	-	-	(0.10)
Total deferred tax liabilty	8.99	6.37	-	15.36
Deferred tax liabilities/(assets) (net)	**8.99**	**6.37**	**-**	**15.36**

* The Company has a history of losses and in the absence of reasonable certainty that the taxable profits would be available against which such deferred tax assets arising from temporary differences can be utilised and hence deferred tax assets arising out of depreciation and unabsorbed tax losses are not recognised.

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 21: Other income		
Rent income	31.11	20.74
Gain on sale of investments	251.53	34.44
Fair value (loss) / gain on current investments	(12.41)	21.88
	270.23	**77.06**
Note 22: Employee benefits expense		
Salaries and Wages	10.81	4.60
Contribution to Provident and Other Funds (refer note 14)	-	-
Gratuity expense (refer note 14)	2.79	14.30
Staff welfare Expenses	2.71	1.48
	16.31	**20.38**
Note 23: Finance costs		
Interest expense	-	0.68
Interest on lease assets	22.89	22.82
	22.89	**23.50**
Note 24: Depreciation		
Depreciation of property, plant and equipment (refer note 4)	26.72	14.59
Depreciation on lease assets (refer note 4 (a))	33.73	29.36
	60.45	**43.95**
Note 25: Other expenses		
Repairs and maintenance		
- Buildings	-	0.84
Rates and taxes	0.26	47.51
Rent	0.65	-
Insurance	6.60	-
Printing and stationery	0.39	-
Travelling expenses	6.78	2.27
Professional fees	10.49	5.45
Contractual services	25.18	-
Payments to the auditor (refer note below)	6.23	3.06
IT expenses	0.19	-
Miscellaneous expenses	2.64	0.96
	59.41	**60.10**
Payments to the auditor:		
Audit fee	6.00	3.00
Reimbursement of expenses	0.23	0.06
	6.23	**3.06**

Note 26: Earnings per share (EPS)
Disclosure as required by Indian Accounting Standard (Ind AS) 33 Earnings Per Share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit / (Loss) attributable to equity holders for basic EPS	29.61	(91.77)
Weighted average number of equity shares for basic and diluted EPS	6,08,06,452	3,53,53,513
Basic and diluted EPS	**0.05**	**(0.26)**

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Note 27(a) : Related party disclosures

As per Ind AS 24 "Related Party Disclosures", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below :

During the year ended 31 March 2024, majority of the company's shares were held by Cipla limited, a Holding company.

List of related parties and nature of control where control exists :

A **Holding company**
Cipla Limited, India

B **Key Management Personnel**
Dinesh Ramniranjan Jain - Director
Rajendra Kumar Chopra - Director
Anisha Udeshi - Director
Geena Malhotra - Director
Manish Sharma - Chief Financial Officer (resigned w.e.f. 23 August 2022)
Piyush Salot - Chief Financial Officer (resigned w.e.f. 23 August 2023)
Anil Choudhary - Chief Financial Officer (appointed w.e.f. 24 August 2023)
Juzer Masta- Company Secretary (resigned w.e.f. 25 February 2023)
Rahul Verma - Chief Executive Officer and Company Secretary (appointed w.e.f. 5 May 2023)

Note 27(b): Disclosures in respect of related parties

During the year, the following transactions were carried out with the related parties in the ordinary course of business:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Issue of shares		
Cipla Limited (Holding Company including 6 equity shares held by its nominee)	-	4,800
Purchase of property, plant and equipment :		
Cipla Limited	-	1,276.13
Rent income :		
Cipla Limited	31.11	20.74
Rent and Maintenance Chagres paid:		
Cipla Limited	0.90	-
Professional Fees-Others:		
Cipla Limited	7.93	-
Reimbursement paid :		
Cipla Limited	4.88	5.25

Outstanding balances:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Outstanding Payables:		
Cipla Limited	1.58	-

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Cipla Pharmaceuticals Limited
Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Note no. 28: Ratios

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Change	Remarks
a) Current Ratio	Current assets	Current Liabilities	0.64	62.13	-98.96%	Refer Note 1
b) Debt-Equity ratio	Total debt	Shareholder's Equity	NA	NA	NA	
c) Debt Service coverage ratio	Earnings available for debt service	Debt Service	NA	NA	NA	
d) Return on eqity ratio (ROE)	Net profits after taxes	Average Shareholder's Equity	0.37%	-2.00%	-118.32%	Refer Note 2
e) Inventory turnover ratio	Cost of goods sold	Average inventory	NA	NA	NA	
f) Trade receivables turnover rat	Revenue from sale of products and services	Average Accounts Receivable	NA	NA	NA	
g) Trade payables turnover ratio	Purchases + stock in trade purchase + Other Expenses - sundry balance w/o	Average Trade Payables	1.73	2.25	-23.00%	
h) Net Capital turnover ratio	Revenue from sale of products and services	Working capital	NA	NA	NA	
i) Net profit ratio	Net profit after tax	Total income	10.96%	-119.09%	-109.20%	Refer Note 3
j) Return on capital employed	Earnings before interest and taxes (including other income)	Capital employed = Tangible Net worth + Total debt + Deferred tax liabilty	1.65%	-0.59%	-382.31%	Refer Note 2
k) Return on Investment	Mutual fund income	Monthly average investment	7.61%	4.66%	63.39%	Refer Note 3

Reason for % change (>25%) :

1. Variance is on account of decrease in Investment in Mututal Fund during the current year on account of utilization of proceeds received from sale of mutual funds towards capital work in progress and increase in capital advances leading to decrease in current ratio.
2. The increase is on account of increase in profit during current year whereas Share Capital has remained same compared to previous year.
3. The increase is on account of profit during the current financial year.

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CIPLA PHARMACEUTICALS LIMITED ★ MUMBAI - 400 013. ★

Note 29: Financial instruments risk

Risk management objectives and policies
The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Companys financial risk management policy is set by the Managing Board.

Market risk analysis
Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes.The Company's exposure to market risk is mainly due to price risk.

Price risk
The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31 March, 2024, the investments in debt mutual funds amounts to INR 616.45 lakhs (31 March, 2023: INR 4,233.20 lakhs). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds. A 1% increase in prices would have led to approximately an additional INR 6.16 lakhs gain in profit or loss (31 March, 2023: INR 42.33 lakhs gain). A 1% decrease in prices would have led to an equal but opposite effect.

Credit risk analysis
Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. During the current financial year there was no exposure to credit risk.

Liquidity risk analysis
Liquidity risk is 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. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management
The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.
Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financial liabilities maturing within one year:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables	37.78	30.80
Lease liability	22.84	15.68
Other financial liabilities	1,025.31	0.56
Total	**1,085.93**	**47.04**

Note 30: Financial instruments

Financial instrument by catogory and hierarchy
The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:
1. Fair value of trade receivable, cash and cash equivalent, other current financial asset, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- **Level 3:** techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The carrying value and fair value of financial instruments by categories as at 31 March 2024, are as follows:

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Investments in mutual funds	-	-	-	616.45	-	-	-	-	-	616.45
(ii) Other Financial assets	-	-	4.44	-	-	-	-	-	-	4.44
(iii) Cash and cash equivalents	-	-	7.74	-	-	-	-	-	-	7.74
Total	-	-	12.18	616.45	-	-	-	-	-	628.63

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade payables	-	-	37.78	-	-	-	-	-	-	37.78
(ii) Lease liability			207.50							207.50
(iii) Other financial liabilities	-	-	1,025.31	-	-	-	-	-	-	1,025.31
Total	-	-	1,270.59	-	-	-	-	-	-	1,270.59

The carrying value and fair value of financial instruments by categories as at 31 March 2023, are as follows:

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Investments in mutual funds	-	-	-	4,233.20	-	-	-	-	-	4,233.20
(ii) Other financial Assets			4.44							4.44
(iii) Cash and cash equivalents	-	-	5.19	-	-	-	-	-	-	5.19
Total	-	-	9.63	4,233.20	-	-	-	-	-	4,242.83

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade payables	-	-	30.80	-	-	-	-	-	-	30.80
(ii) Lease liability			207.45							207.45
(iii) Other financial liabilities	-	-	0.56	-	-	-	-	-	-	0.56
Total			238.81	-	-	-	-	-	-	238.81

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Note 31: Capital management policies and procedures

The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns for its stakeholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirments of the financial convenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place to investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

Note 32: Other significant notes

(i) The Company does not have any such 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).

(ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(iii) The Company has complied with the numbers of layers prescribed under clause 87 of Sectiion 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017

(iv) The Company does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(v) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vii) The Company has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity 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 on behalf of the Company,

(viii) The Company has not received any fund from any person or entity, 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.

(ix) The company has not entered into any scheme or arrangement which has an accounting impact on current or previous financial year.

Note 33: Commitments

Estimated amount of contracts remaining to be executed on capital account :
At 31 March 2024, the Company had commitments of Rs. 11,736.81 (31 March 2023: Rs. 233.40) relating to contracts unexecuted on capital account.

Note 34: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorisation of these financial statements.

Note 35: Reclassification in previous year

The Company has restated the comparative financial information for 31 March 2023 as presented in these financial statements, due to change in classification of accrued expenses to trade payables from other financial liabilities as required under schedule III.

Impact on financial statement line items

Particulars	Notes	Amount as on 31 March 2023	Adjustments	Amount as on 31 March 2023
		Reported		Reclassified
Current Liabilities				
Trade Payables	16	30.53	0.27	30.80
Other current financial liabilities	17	0.83	(0.27)	0.56

Note 36: Authorization of financial statements

The financial statements for the year ended 31 March 2024 were approved by the board of directors on 3 May 2024.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 3 May 2024

For and on behalf of **the Board of Directors**

Dinesh Jain
Director
(DIN: 00058069)

Rajendra Kumar Chopra
Director
(DIN: 06942295)

Anil Choudhary
Chief Financial Officer

Place: Mumbai
Date: 3 May 2024

Rahul Verma
Chief Executive Officer and Company Secretary

Place: Mumbai
Date: 3 May 2024

Cipla Pharma and Life Sciences Limited

Financial Statements for Financial Year 2023-24

Cipla Pharma and Life Sciences Limited
Financial Statements for the year ended 31 March 2024

Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Cipla Pharma and Life Sciences Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Cipla Pharma and Life Sciences Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note 40 to the accompanying financial statements, which describes that pursuant to the Business Transfer Agreement (BTA) dated 28 February 2024 between the Company and Cipla Limited ("Holding Company") by the Board of Directors of the company, a generic business undertaking of Holding Company has been transferred to the Company w.e.f. 1 March 2024 as a going concern on a slump sale basis. This transaction has been accounted for in accordance with the accounting principles given under Appendix C to Ind AS 103, Business Combinations, applicable to common control business combination. Accordingly, the comparative financial information for the year ended 31 March 2023 presented in accompanying financial statements, have been adjusted to reflect the aforesaid transfer, as described in the said note. Our opinion is not modified in respect of this matter.

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Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 specified under section 133 of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. 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

9. 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 Standards on Auditing 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.

10. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' 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; and

- 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.

11. 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.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

13. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

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

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, including the manner prescribed in Rule 3(1) of Companies (Accounts) Rules, 2014, except that the audit trail feature was not available during the period 1 April 2023 to 29 February 2024 for both the application and database level and at database level for the period 1 March 2024 to 31 March 2024 as further stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

c) The financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the maintenance of accounts and other matters connected therewith refer to our comments in paragraph 14(b) above on reporting under Section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under rule 11(g) of the of the Companies (Audit and Auditors) Rules, 2014 (as amended).

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company does not have any pending litigations which would impact financial position as at 31 March 2024;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41(vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41(vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

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vi. Based on our examination which included test checks, the Company has used an accounting software (Navision) for maintaining its books of account for which audit trail (edit log) feature was not available from 1 April 2023 to 29 February 2024. Subsequently with effect from 1 March 2024, the Company has migrated to SAP which includes audit trail (edit log) feature for recording all relevant transactions at application level. In relation to the Audit trail feature (edit log) commencing from 1 March 2024 to 31 March 2024, audit trail feature for the database level for the direct changes was not enabled, however, the Company had adequate controls in the accounting software such as strict user rights and access of administrator log in through the application layer. Since the audit trail feature was not available for the period 1 April 2023 to 29 February 2024 there is no question for us commenting on the audit trail feature being tampered with for the said period. In relation to the period commencing from 1 March 2024 to 31 March 2024, during the course of our audit we did not come across any instance of such audit trail features being tampered with.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: **24508835BKFFCL4009**

Place: Mumbai
Date: 9 May 2024

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Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Cipla Pharma and Life Sciences Limited on the financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report 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 right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment, capital work in progress and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee) disclosed in note 4 to the financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

ii.

(a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. (a) The Company has not made any investment in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii)(a) and 3(iii)(b) of the Order is not applicable to the Company.

(b) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

vii.

(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	62.84	-	A.Y 2016-17	Commissioner Appeals

viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

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(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

ix.

(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(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 made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

x.

(a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

xi. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

xiii.

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

xiv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

xv.

(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one unregistered CIC as part of the group.

xvi. The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

xvii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xviii. 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 plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions , nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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.

xix. According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

xx. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCL4009

Place: Mumbai
Date: 9 May 2024

Annexure II to the Independent Auditor's Report of even date to the members of Cipla Pharma and Life Sciences Limited on the financial statements for the year ended 31 March 2024.

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Cipla Pharma and Life Sciences Limited** ('the Company') as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') ("the Guidance Note"). 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCL4009

Place: Mumbai
Date: 9 May 2024

Cipla Pharma and Life Sciences Limited
Balance sheet as at 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
A. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	3,575.90	3,673.33
(b) Right-of-use-assets	4.1	42.56	144.66
(c) Capital work-in-progress	4.2	-	-
(d) Other intangible assets	4.3	5.38	10.16
(e) Financial assets			
(i) Other financial assets	5	0.13	0.21
(f) Income tax assets (net)	6	4.53	33.44
(g)Deferred tax asset (net)	7	1,864.22	1,617.42
		5,492.72	**5,479.22**
(2) Current assets			
(a) Inventories	8	21,181.45	21,830.00
(b) Financial assets			
(i) Investments	9	6,050.75	5,951.03
(ii) Trade receivables	10	24,216.66	17,334.71
(iii) Cash and cash equivalents	11	172.32	1.52
(iv) Other financial assets	12	348.19	240.79
(c) Other current assets	13	166.96	38.28
		52,136.33	**45,396.33**
Total assets		**57,629.05**	**50,875.55**
B. Equity and liabilities			
(1) Equity			
(a) Share capital	14	25,870.84	25,870.84
(b) Other equity	15	(12,259.30)	(16,104.24)
		13,611.54	**9,766.60**
(2) Non-current liabilities			
a. Financial liabilities			
(i) Borrowings	16	19,821.23	19,775.97
(ii) Lease liabilities	4.1	-	54.01
(ii) Other financial liabilities	17	-	5,000.00
b. Provisions	18	84.47	61.50
		19,905.70	**24,891.48**
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
total outstanding dues of micro enterprise and small enterprises	19	2,236.36	2,107.53
total outstanding dues of creditors other than micro enterprise and small enterprises		6,165.91	6,347.76
(ii) Lease liabilities	4.1	54.01	119.99
(iii) Other financial liabilities	20	5,898.19	8.97
(b) Other current liabilities	21	2,027.62	1,146.35
(c) Provisions	18	7,047.87	6,486.87
(d) Current tax liabilities (net)	22	681.85	-
		24,111.81	**16,217.47**
Total equity and liabilities		**57,629.05**	**50,875.55**

The accompanying notes form an integral part of these financial statements

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835
Place: Mumbai
Date: 9 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Suhil Gupta
Managing Director
(DIN:10489041)
Place: Mumbai
Date: 9 May 2024

Jinesh Chauhan
Whole Time Director
(DIN:10085983)
Place: Mumbai
Date: 9 May 2024

Deepraj Desai
Chief Financial Officer
Place: Mumbai
Date: 9 May 2024

Akshaya Kolvankar
Company Secretary
Place: Mumbai
Date: 9 May 2024

CIPLA PHARMA AND LIFE SCIENCES LIMITED ★ Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, ★ MUMBAI - 400 013.

Cipla Pharma and Life Sciences Limited
Statement of Profit and Loss for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
1. Revenue from operations			
(a) Revenue from sale of traded products	23	160,902.42	144,526.08
(b) Other operating revenue		1,290.56	1,473.16
Total revenue from operations		**162,192.98**	**145,999.24**
2. Other income	24	431.99	320.85
3. Total Income (1+2)		**162,624.97**	**146,320.09**
4. Expenses			
(a) Cost of chemicals and consumables consumed	25	74.84	163.34
(b) Purchase of stock-in trade	26	79,849.99	75,626.04
(c) Changes in inventories of stock-in-trade	27	648.55	1,094.00
(d) Employee benefits expenses	28	4,785.15	4,338.05
(e) Finance costs	29	714.25	500.65
(f) Depreciation and impairment expense	30	455.53	509.47
(g)Other expenses	31	22,808.12	20,064.99
Total expenses		**109,336.43**	**102,296.54**
5. Profit before tax (3-4)		**53,288.54**	**44,023.55**
6. Tax expenses (net)			
(a) Current tax	32	13,248.53	10,946.83
(b) Deferred tax (credit)/ charge		(118.25)	7,599.72
Total tax expenses		**13,130.28**	**18,546.55**
7. Profit for the year		**40,158.26**	**25,477.00**
8. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of post-employment benefit obligation	18	(90.22)	(8.90)
(ii) Income tax relating to these items	32	22.57	1.72
Other comprehensive income for the year		**(67.65)**	**(7.18)**
Total comprehensive income for the year		**40,090.61**	**25,469.82**
Earnings per equity share of face value of Rs. 10 each			
Basic and diluted (in Rs.)	33	15.52	9.85

The accompanying notes form an integral part of these financial statements

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 9 May 2024

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of **the Board of Directors**

Sunil Gupta
Managing Director
(DIN:10489041)

Place: Mumbai
Date: 9 May 2024

Jinesh Chauhan
Whole Time Director
(DIN:10085983)

Place: Mumbai
Date: 9 May 2024

Deepraj Desai
Chief Financial Officer

Place: Mumbai
Date: 9 May 2024

Akshaya Kolvankar
Company Secretary

Place: Mumbai
Date: 9 May 2024

CIPLA PHARMA AND LIFE SCIENCES LIMITED ★ Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013.

Cipla Pharma and Life Sciences Limited
Statement of Cash Flows for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	**53,288.54**	**44,023.55**
Less: Profit pertaining to interest under common control	(48,516.23)	(43,495.04)
	4,772.31	**528.51**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	455.53	509.47
Interest on borrowings	126.26	-
Interest on expense-others	99.78	-
Interest on security deposits	475.00	475.00
Interest on lease liability	13.21	25.65
Interest income on income tax refund	(1.19)	(1.72)
Interest income on bank deposits and others	(0.01)	(0.01)
Sundry balance written back (net)	(0.40)	-
Net gain on sale of current investments	(86.94)	-
Fair value gain on financial instruments at fair value through profit or loss	(338.13)	(269.58)
Net gain on sale/disposal of property, plant and equipment	(4.77)	(48.61)
Operating profit before working capital changes	**5,510.65**	**1,218.71**
Adjustments for :		
Decrease in inventories	804.70	-
(Increase) / decrease in trade receivables	(5,281.67)	(469.16)
Increase in other current and non current assets	(212.96)	(0.16)
(Decrease)/ increase in trade payables, other current and non current liabilities and provisions	(369.66)	25.83
Working capital adjustments	**(5,059.59)**	**(443.49)**
Cash generated from operations	**451.06**	**775.22**
Income tax (including TDS) (paid)/refund received	(326.00)	62.37
Net cash flows generating from operating activities	**125.06**	**837.59**
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(162.30)	-
Proceeds from sale of property, plant and equipment	15.89	185.11
Proceeds from fixed depsoits having original maturity more than three months	-	106.31
Interest received	0.01	32.94
Sale/ (purchase) of mutual funds (net)	325.34	(1,043.78)
Net cash flows generated from / (used in) investing activities	**178.94**	**(719.42)**
Cash flow from financing activities		
Payment towards lease liability (including interest on lease liability)	(133.20)	(133.20)
Net cash flows used in financing activities	**(133.20)**	**(133.20)**
Net increase / (decrease) in cash and cash equivalents	**170.80**	**(15.03)**
Cash and cash equivalents at the beginning of the year	1.52	16.55
Cash and cash equivalents at the end (Refer note 11)	**172.32**	**1.52**

Note:
1. The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS-7)- Statement of cash flows.
2. Refer note 38 for net debt reconciliation movement.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835
Place: Mumbai
Date: 9 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of **the Board of Directors**

Sunil Gupta
Managing Director
(DIN:10489041)
Place: Mumbai
Date: 9 May 2024

Jinesh Chauhan
Whole Time Director
(DIN:10085983)
Place: Mumbai
Date: 9 May 2024

Deepraj Desai
Chief Financial Officer
Place: Mumbai
Date: 9 May 2024

Akshaya Kolvankar
Company Secretary
Place: Mumbai
Date: 9 May 2024

CIPLA PHARMA AND LIFE SCIENCES LIMITED ★ Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013. ★

Cipla Pharma and Life Sciences Limited
Statement of changes in equity for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

A. Equity share capital (Refer note 14)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at the beginning of the year	25,870.84	25,870.84
Changes in equity share capital during the year	-	-
Balance at end of the year	**25,870.84**	**25,870.84**

B. Other equity (Refer note 15)

Particulars	Reserves and Surplus		Total other equity
	Securities premium	Retained earnings	
As at 1 April 2022	16,805.37	(25,839.22)	(9,033.85)
Income for the year	-	25,477.00	25,477.00
Other comprehensive income	-	(7.18)	(7.18)
Adjustment on account of common control transaction (Refer note 40)	-	(32,540.21)	(32,540.21)
Balance as at 31 March 2023	**16,805.37**	**(32,909.61)**	**(16,104.24)**
Income for the year	-	40,158.26	40,158.26
Other comprehensive income	-	(67.65)	(67.65)
Adjustment on account of common control transaction (Refer note 40)	-	(36,245.67)	(36,245.67)
Balance as at 31 March 2024	**16,805.37**	**(29,064.67)**	**(12,259.30)**

The accompanying notes form an integral part of these financial statements

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835
Place: Mumbai
Date: 9 May 2024

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of **the Board of Directors**

Sunil Gupta
Managing Director
(DIN:10489041)
Place: Mumbai
Date: 9 May 2024

Jinesh Chauhan
Whole Time Director
(DIN:10085983)
Place: Mumbai
Date: 9 May 2024

Deepraj Desai
Chief Financial Officer
Place: Mumbai
Date: 9 May 2024

Akshaya Kolvankar
Company Secretary
Place: Mumbai
Date: 9 May 2024

CIPLA PHARMA AND LIFE SCIENCES LIMITED
Tower-A, 1st Floor,
Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel,
MUMBAI - 400 013.

Cipla Pharma and Life Sciences Limited
Summary of material accounting policies as at and for the year ended 31 March 2024

Note 1: Corporate information

Cipla Pharma and Life Sciences Limited ('the Company') is a company domiciled in India and is incorporated on 20 August 2008 under the provisions of Companies Act applicable in India. The Company is a wholly owned subsidiary of Cipla Limited. The Company is primarily engaged in the business of research and development of biosimilar products and sale of pharma products. The Company is also engaged in providing various services including the services in the nature of Contract Research, Contract manufacturing and trading of pharmaceutical product etc.

Note 2: Basis of Preparation, Measurement, Key accounting estimates and judgements and Material accounting policy information.

2.1 Basis of preparation

(i) Compliance with Indian Accounting Standards (Ind-AS)

The financial statements of the Company as at and for the year ended 31 March 2024 have been prepared and presented in accordance with Indian Accounting Standards ("Ind-AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015],and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time and other relevant provisions of the Act and accounting principles generally accepted in India.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2024.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

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

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

(iv) Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee (INR) 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 lakhs or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than INR 500/- is presented as INR 0.00 lakhs.

2.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, *Presentation of Financial Statements*.

Assets:
An asset is classified as current when it satisfies any of the following criteria:

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CIPLA PHARMA AND LIFE SCIENCES LIMITED Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013.

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of assets and liabilities, respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

2.3 Use of estimates and judgements

The preparation of financial statements requires management of the Company to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

2.3.1 Judgements

(i) Leases

Ind AS 116 *"Leases"* requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realizability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

CIPLA PHARMA AND LIFE SCIENCES LIMITED ★ Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, ★ MUMBAI - 400 013.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

2.3.2 Estimates

(i) Useful lives of property, plant and equipment and intangible assets

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

(ii) Valuation of Inventories

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

(iii) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(iv) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets.

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In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(v) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4 Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non- refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore it is not depreciated. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable (Refer note 2.5 for more details)r. The Company had applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. 1 April 2015 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items such as spare parts,stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on the property, plant and equipment (other than freehold land) is provided based on useful life of the assets as prescribed in Schedule II to the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss. Leased assets are depreciated over shorter of lease term or useful life of respective assets.

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For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

The estimated useful lives are as follows:

Property, plant and equipment	**Useful life**
Buildings	
- Factory and administrative buildings	30 to 99 years
- Ancillary structures	3 to 10 years
Plant and equipment	2 to 25 years
Furniture, fixtures and office equipment	3 to 8 years
Vehicles	8 years

(iii) De-recognition

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

2.5 Intangible assets

(i) Recognition and measurement

Intangible assets consist of computer software and is measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

(ii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals is charged to the profit or loss.

(iii) Amortization

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 3 to 6 Years

(iv) De-recognition

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition.

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2.6 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses, including impairment on inventories, are recognised in the profit or loss.

2.7 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at 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 items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.8 Inventories

Inventories consists of stock-in-trade are measured at the lower of cost and net realizable value after providing for obsolescence, if any.

Cost of inventories is determined on a weighted moving average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

In the case of stock-in-trade, cost includes expenditures incurred in acquiring the inventories, other costs incurred in bringing them to their existing location and condition and an appropriate share of overheads based on normal operating capacity.

2.9 Revenue recognition

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. The transaction price of goods sold, and services rendered is net of returns and applicable trade discounts, allowances and goods and services tax and amounts collected on behalf of third parties.

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Cipla Pharma and Life Sciences Limited
Summary of material accounting policies as at and for the year ended 31 March 2024

(i) Sale of products:

The majority of customer contracts that the Company enters into consist of a single performance obligation for the delivery of pharmaceutical products. The Company recognize revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. The Company records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment the Company considers its historical record of performance on similar contracts.

(ii) Service fee

Revenue from services rendered, is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

(iii) Interest income

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

(iv) Other Income

Other Income is recognised when it is probable that economic benefits will flow to the company and amount of income can be measured reliably.

2.10 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution

Post retirement contribution plans such as Employees' Pension Scheme and Employees' Provident Fund, labour welfare fund, Employee State Insurance Corporation (ESIC) are charged to the profit or loss for the year when the contributions to the respective funds accrue. The Company does not have any obligation other than the contribution made.

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(iii) Defined benefit plans

a) Gratuity obligations

Post-retirement benefit plans such as gratuity is determined on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to profit or loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Other benefit plan

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the profit or loss and are not deferred.

(v) Termination benefits

Termination benefits are recognised in the profit or loss when:

- the Company has a present obligation as a result of past event;
- a reliable estimate can be made of the amount of the obligation; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2.11 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.

(i) Current income tax:

Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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(ii) Deferred tax:

Deferred tax is recognized using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.12 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Company as a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and computers. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

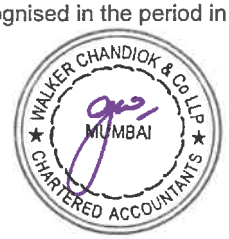
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

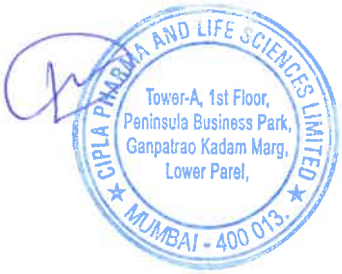
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.15 Contingencies

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.





2.16 Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Financial instruments

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

(i) Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) Initial recognition and measurement

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

(c) Subsequent measurement

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

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(d) De-recognition

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

(e) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset. For this purpose, the Company follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(ii) Financial liabilities

(a) Classification

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

(b) Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables and borrowings including bank overdrafts, financial guarantee contracts.

(c) Subsequent measurement

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in profit or loss.

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(d) De-recognition

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

(iii) Offsetting financial instruments

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

2.17. Business combinations

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their carrying values at the acquisition date. Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Further business combinations arising from transfer of interest in entities that are under the common control are accounted at pooling of interest. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, the only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated only that date.

3. Recent accounting pronouncements

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.

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Note 4: Property, plant and equipment

Particulars	Buildings	Plant and machinery	Furniture and fixtures	Office equipments	Total
Gross Block					
Balance as at 1 April 2022	**3,718.39**	**11,641.54**	**311.71**	**39.91**	15,711.55
Adjustment for the year under common control transaction	-	28.81	-	2.94	31.75
Additions for the year	-	60.17	-	-	60.17
Deletions and adjustments during the year	(26.41)	(652.80)	(0.48)	-	(679.69)
Balance as at 31 March 2023	**3,691.98**	**11,077.72**	**311.23**	**42.85**	**15,123.78**
Additions for the year	-	289.66	-	-	289.66
Deletions and adjustments during the year	(0.66)	(226.88)	(32.99)	(4.29)	(264.82)
Balance as at 31 March 2024	**3,691.32**	**11,140.50**	**278.24**	**38.56**	**15,148.62**
Accumulated depreciation and impairment					
Balance as at 1 April 2022	**1,992.67**	**9,330.03**	**231.93**	**38.05**	**11,592.68**
Adjustment for the year	-	23.76	-	2.79	26.55
Depreciation charge	70.42	290.84	20.79	0.05	382.10
Deletions and adjustments during the year	(5.30)	(545.27)	(0.31)	-	(550.88)
Balance as at 31 March 2023	**2,057.79**	**9,099.36**	**252.41**	**40.89**	**11,450.45**
Depreciation charge for the year	70.67	265.03	16.99	0.01	352.70
Deletions during the year	(0.56)	(225.69)	(23.28)	(4.17)	(253.70)
Adjustments during the year	-	23.71	-	-	23.71
Impairment charge for the year	(0.02)	(0.33)	-	(0.09)	(0.44)
Balance as at 31 March 2024	**2,127.88**	**9,162.08**	**246.12**	**36.64**	**11,572.72**
Net book value					
As at 31 March 2024	**1,563.44**	**1,978.42**	**32.12**	**1.92**	**3,575.90**
As at 31 March 2023	**1,634.19**	**1,978.36**	**58.82**	**1.96**	**3,673.33**

Notes:

1. Refer note 35 for related party transactions.
2. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
3. The Company has not revalued its property, plant and equipment, right of use assets and intangible assets during the year.
4. The title deeds of all immovable properties (other than properties where the Company is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Company.

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Cipla Pharma and Life Sciences Limited
Notes to the Financial Statements as at and year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)
Note 4.1: Leases

Following are the changes in the carrying value of right-of-use assets for the year ended 31 March 2024:

Particulars	Category of ROU assets Land & Building
Balance as on 1 April 2022	246.76
Depreciation for the year	(102.10)
Balance as on 31 March 2023	**144.66**
Depreciation for the year	(102.10)
Balance as on 31 March 2024	**42.56**

The following is the break-up of current and non-current lease liabilities as of 31 March 2024:

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease liabilities	54.01	119.99
Non-current lease liabilities	-	54.01
Total	**54.01**	**174.00**

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2024 on an undiscount basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	55.50	133.20
1 - 5 years	-	55.50
	55.50	**188.70**
Less : Finance component	(1.49)	(14.70)
	54.01	**174.00**

The following is the movement in lease liabilities during the year ended 31 March 2024:

Particulars	Amount
Balance as at 1 April 2022	281.55
Interest cost on lease liability	25.65
Payment of lease liabilities	(133.20)
Balance as at 31 March 2023	**174.00**
Interest cost on lease liability	13.21
Payment of lease liabilities	(133.20)
Balance as at 31 March 2024	**54.01**

The company does not face a significant liquidity risk to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation, impairment and amortisation expenses in the statement of profit and loss.

Note 4.2: Capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	-	32.96
Additions during the year	289.66	-
Capitalized during the year	(289.66)	-
Deletion/adjustments during the year	-	(7.69)
Impairment during the year (Refer note below)	-	(25.27)
Closing balance	**-**	**-**

1. There are no projects whose completion is overdue or has exceeded its cost compared to its original plan
2. The impairment loss relates to assets that has been assessed as non-usable by the management and has been recorded at the scrap value less cost to sell.

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Note 4.3: Other intangible assets

Particulars	Software
Gross Block	
Balance as at 31 March 2022	-
Adjustment for the year under common control transaction	28.75
Additions for the year	-
Balance as at 31 March 2023	28.75
Additions for the year	4.40
Balance as at 31 March 2024	33.15
Amortisation and impairment	
Balance as at 31 March 2022	-
Adjustment for the year under common control transaction	18.59
Additions for the year	-
Balance as at 31 March 2023	18.59
Depreciation charge for the year	0.29
Adjustments during the year	8.89
Balance as at 31 March 2024	27.77
Net book value	
As at 31 March 2024	5.38
As at 31 March 2023	10.16

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 5: Non-current financial assets - Others		
Fixed deposits held as margin money (with maturity more than 12 months)	0.10	0.10
Interest accrued on fixed deposits	0.03	0.02
Security deposits	-	0.09
	0.13	**0.21**
Note 6: Income tax assets		
Advance tax (net)	4.53	33.44
	4.53	**33.44**
Note 7: Deferred tax asset		
Deferred tax asset (net) (refer note 32)	1,864.22	1,617.42
	1,864.22	**1,617.42**
Note 8: Inventories		
(Lower of cost and net realisable value)		
Stock-in-trade	21,181.45	21,830.00
	21,181.45	**21,830.00**

The company recorded inventory write down (net) of Rs. 600.23 Lakhs on account of inventory obsolescence. This is included as a part of cost of goods sold, changes in inventories of finished goods and stock-in-trade in profit or loss, as the case may be.

Note 9: Current Investments		
(Carried at fair value through profit or loss)		
Investment in mutual funds (quoted)	6,050.75	5,951.03
Aggregate amount of quoted investments	**6,050.75**	**5,951.03**
Aggregate amount of market value of investments	6,050.75	5,951.03
Note 10: Trade receivables		
(Carried at amortised cost, except otherwise stated)		
Unsecured, considered good*	24,216.66	17,334.71
	24,216.66	**17,334.71**

Includes amounts due from related parties (refer note no 35)

Trade receivable ageing schedule

As at 31 March 2024	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed trade receivables							
- Considered good	-	24,199.55	17.11	-	-	-	24,216.66
- Considered doubtful	-	-	-	-	-	-	-
- Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**-**	**24,199.55**	**17.11**	**-**	**-**	**-**	**24,216.66**

As at 31 March 2023	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
a) Undisputed trade receivables							
- Considered good	9,048.27	8,067.47	107.79	107.88	3.30	-	17,334.71
- Considered doubtful	-	-	-	-	-	-	-
- Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**9,048.27**	**8,067.47**	**107.79**	**107.88**	**3.30**	**-**	**17,334.71**

Notes:

- Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.
- Except for as disclosed in note 35, there are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.
- There are no disputed as at 31 March 2024 and 31 March 2023.
- There are no trade receivables which have significant increase in credit risk and trade receivables which are credit impaired.
- There are no unbilled trade receivables as at 31 March 2024 and 31 March 2023.

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Note 11: Cash and cash equivalents

Balances with banks		
In current accounts	172.30	1.48
Cash on hand	0.02	0.04
	172.32	**1.52**

- There are no repatriation on restrictions with regards to cash and cash equivalents at the end of the reporting period.

Note 12: Current financial assets- others

Advance gratuity (Refer note 18)	-	1.13
Deposits#	347.29	238.98
Receivable from employees	0.90	0.68
	348.19	**240.79**

Includes Rs. 347.29 lakhs as at 31 March 2024 and Rs. 238.98 lakhs as at 31 March, 2023 in respect of DPCO matters (Refer Note 18)

Note 13: Other current assets

Other advances	163.32	36.80
Prepaid expenses	3.64	1.48
	166.96	**38.28**

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Cipla Pharma and Life Sciences Limited
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Note 14: Share capital

Particulars	Numbers	As at 31 March 2024	Numbers	As at 31 March 2023
Authorised				
Equity shares of Rs. 10 each	275,000,000	27,500.00	275,000,000	27,500.00
	275,000,000	**27,500.00**	**275,000,000**	**27,500.00**
Issued				
Equity shares of ₹ 10/- each	258,708,433	25,870.84	258,708,433	25,870.84
	258,708,433	**25,870.84**	**258,708,433**	**25,870.84**
Subscribed and Paid up				
Equity shares of Rs. 10 each fully paid up	258,708,433	25,870.84	258,708,433	25,870.84
	258,708,433	**25,870.84**	**258,708,433**	**25,870.84**

Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024	As at 31 March 2023
No.of shares oustanding at the beginning of the year	258,708,433	258,708,433
Add: Allotment during the year	-	-
No. of shares oustanding at the end of the year	**258,708,433**	**258,708,433**

Details of shareholders holding more than 5 percent shares in the Company and promoter shareholding

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holdings	Number of shares	% of holdings
Cipla Limited (including its six nominees)	258,708,433	100%	258,708,433	100%
	258,708,433	**100%**	**258,708,433**	**100%**

There is no change in the promoter shareholding during the current year and previous year.

Terms/ rights attached to equity shares
The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 shareholders.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.
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.

Note 15: Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium reserve	16,805.37	16,805.37
Retained earnings	(29,064.67)	(32,909.61)
	(12,259.30)	**(16,104.24)**

Securities premium reserve - Securities premium reserve is used to record the premium on issue of shares. These reserves is utilised in accordance with the provisions of the Act.
Retained earnings - Retained earnings represent the Company's undistributed losses/ profits. It includes impact of remeasurement gain/(losses) net of taxes on defined benefit plans on account of changes in actuarial assumptions or experience adjustments within the plans.
The movement in respect of each of other equity components form part of statement of changes in equity, hence not reproduced here.

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 16: Non-Current Liabilitites - Borrowings		
(Carried at amortised cost, except otherwise stated)		
Unsecured (Refer note 35 "Related party transactions" and note 40 "Acquisition of consumer business undertaking")	19,821.23	19,775.97
	19,821.23	**19,775.97**

As of March 31, 2024, the Company acquired a loan of INR 19,821.23 lakhs from Cipla Limited for a tenure of 4 years to facilitate the acquisition of a generic business undertaking. The loan carries an interest rate of 7.5% per annum. Following a one-year moratorium, instalment amounts will be made on a monthly basis at the end of each month, inclusive of the stipulated interest.
If the the Company fail to repay the loan within the agreed credit period, and in the absence of any alternative agreement between the parties, Cipla Limited reserves the right to take recourse against the Company's assets at its discretion.

Note 17: Other financial liabilities - Non Current		
Deposit payable	-	5,000.00
	-	**5,000.00**
Note 18: Provisions		
The liabilities recognised for employees consists of the following amounts:		
Non-current		
Compensated absences	84.47	61.50
	84.47	**61.50**
Current		
Gratuity	6.42	-
Compensated absences	11.74	12.62
Perfomance bonus	143.69	121.45
Provision for claims - DPCO	6,886.02	6,352.80
	7,047.87	**6,486.87**

(i) Compensated absences
The Company allows employees to accumulate compensated absences. The employees can carry forward a portion of their unutilized compensated absences and use them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences during the period when the employee renders services that increases this entitlement. As at 31 March 2024, the outstanding compensated absences were ₹ 96.21 lakhs (31 March 2023 - ₹ 74.12 lakhs).

(ii) Gratuity
The Company provides for gratuity, a defined benefit plan based on actuarial valuation as of the reporting date, based upon which, the Company contributes all the ascertained liabilities to the Insurer managed funds. The Company operates gratuity plan through a trust, wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

A reconciliation of the Company's defined benefit obligation (DBO) and plan assets to the amounts presented in the balance sheet for each of the reporting periods is presented below:

Disclosures for defined benefit plans based on actuarial reports:

Particulars	2024 Gratuity (funded plan)	2023 Gratuity (funded plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	7.67	3.67
Interest cost	0.58	0.25
Current service cost	1.43	1.32
Liability Transferred In/Acquisitions	174.83	5.62
Liability Transferred Out/Divestments	-	(1.61)
Benefit Paid from the Fund	(3.01)	-
Actuarial changes arising from changes in Demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	0.48	(0.26)
Actuarial changes arising from changes in experience assumptions	9.69	(1.32)
Liability at the end of the year	**191.67**	**7.67**
ii. Change in fair value of assets		
Opening fair value of plan assets	8.81	4.94
Interest income	0.66	0.34
Contributions by the Employer	4.00	-
Assets Transferred In/Acquisitions	174.83	5.62
Assets Transferred Out/Divestments	-	(1.61)
Benefit Paid from the Fund	(3.00)	-
Return on plan assets, excluding interest income	(0.05)	(0.49)
Closing fair value of plan assets	**185.25**	**8.80**
iii. Amount recognised in balance sheet		
Present value of obligations as at year end	(191.67)	(7.67)
Fair value of plan assets as at year end	185.25	8.80
Net (liability)/ asset recognised (Refer note 18)	**(6.42)**	**1.13**

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Note 18: Provisions (contd.)

iv. Expenses recognised in profit or loss		
Current service cost	1.43	1.32
Interest on defined benefit obligation	0.58	0.25
Expected return on plan assets	(0.66)	(0.34)
Total expense recognised in profit or loss	**1.35**	**1.23**
v. Expenses recognised in other comprehensive income (OCI)		
Actuarial (gain)/loss on obligation for the period	10.17	(1.59)
Actuarial (gain)/loss return on plan assets, excluding interest income	0.05	0.49
On account of common control Transaction (Refer Note 40)	80.00	10.00
Net (income)/expense for the period recognised in OCI	**90.22**	**8.90**
vi. Actual return on plan assets		
Expected return on plan assets	0.66	0.34
Actuarial gain/(loss) on plan assets	(0.05)	(0.49)
Actual return on plan assets	**0.61**	**(0.15)**
vii. Asset information		
Insurer managed funds	**100%**	**100%**
viii. Expected employer's contribution for the next year	**35.81**	**1.34**

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense :

Principal actuarial assumptions used	**As at 31 March 2024**	**As at 31 March 2023**
Mortality Rate- During Employment	**Indian Assured Lives Mortality 2012-14 (Urban)**	**Indian Assured Lives Mortality 2012-14 (Urban)**
Discounted rate (per annum)	7.20%	7.53%
Salary growth rate	7.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2 year	7.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2 year
Attrition rate	For service 2 years and below 25.00% p.a. For service 3 years to 4 years 15.00% p.a For service 5 years and above 5.00% p.a.	For service 2 years and below 25.00% p.a. For service 3 years to 4 years 15.00% p.a For service 5 years and above 5.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant:

Sensitivity analysis for significant actuarial assumptions

Particulars	**As at 31 March 2024**		**As at 31 March 2023**	
Discount rate	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
Increase/ (decrease) in the defined benefit liability	(8.06)	8.62	(0.33)	0.36
Salary growth rate	Increase by 2.00%	Decrease by 2.00%	Increase by 2.00%	Decrease by 2.00%
Increase/ (decrease) in the defined benefit liability	38.33	(30.31)	1.60	(1.25)
Attrition rate	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
Increase/ (decrease) in the defined benefit liability	1.39	(1.47)	0.06	(0.06)

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Note 18: Provisions (contd.)

Maturity analysis of the benefit payments: From the fund

Projected benefits payable in future years from the Date of Reporting	As at 31 March 2024	As at 31 March 2023
1st Following Year	11.68	0.36
2nd Following Year	12.04	0.51
3rd Following Year	12.24	0.51
4th Following Year	12.31	0.51
5th Following Year	12.42	0.52
Sum of Years 6 To 10	73.60	2.62
Sum of Years 11 and above	268.07	12.43

Note 18: Provisions (contd.)

(iii) Contribution to provident fund and other funds

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employee's pension scheme and provident fund	14.22	8.87
Others - ESIS, Labour welfare fund etc	0.62	0.68
Total	**14.84**	**9.55**

(iv) Performance bonus

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	121.45	98.47
Add: Provision made during the year	143.52	121.45
Less: Payment/ reversals	(121.28)	(98.47)
Closing balance	**143.69**	**121.45**

(v) Provision for claims - DPCO

Pursuant to clause 2.1 of the business transfer agreement entered by the Company with the Holding Company, all claims in the name of the Holding Company shall stand transferred on the date of the business transfer agreement to the Company. The National Pharmaceutical Pricing Authority ("NPPA") issued several demand notices on Holding Company - alleging overcharging regarding scheduled drugs under the Drugs (Prices Control) Orders – 1995. The Holding Company have deposited Rs. 347.29 lakhs and Rs. 238.98 lakhs as at 31 March 2024 and 31 March 2023 respectively.

i. Movement of DPCO Provision

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	5,964.15	5,429.00
Add: Provided during the year	531.21	535.15
Closing Balance	**6,495.36**	**5,964.15**

ii. Movement of MRP Provision

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening	388.65	69.00
Add: Provided during the year	2.01	319.65
Closing Balance	**390.66**	**388.65**

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 19: Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	2,236.36	2,107.53
(b) Total oustanding dues of creditors other than micro enterprises and small enterprises	6,165.91	6,347.76
Total	**8,402.27**	**8,455.29**

As at 31 March 2024	Unbilled	Not Due	Outstanding for following periods from due date of payments					Total
			Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade payables								
- MSME	-	14.12	2,222.24	-	-	-	-	2,236.36
- Others	-	903.02	5,262.89	-	-	-	-	6,165.91
Total	**-**	**917.14**	**7,485.13**	**-**	**-**	**-**	**-**	**8,402.27**

As at 31 March 2023	Unbilled	Not Due	Outstanding for following periods from due date of payments					Total
			Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade payables								
- MSME	-	1,312.46	795.07	-	-	-	-	2,107.53
- Others	-	3,088.49	3,235.74	2.35	17.31	-	3.87	6,347.76
Total		**4,400.95**	**4,030.81**	**2.35**	**17.31**	**-**	**3.87**	**8,455.29**

There are no micro, small and medium enterprises, to whom the company owes dues which are outstanding for more than 45 days as on 31 March 2024, and no interest payment made during the year to any micro, small and medium enterprises. This information is required to be disclosed under the micro, small and medium enterprises development Act, 2006, has been determined to the extent such parties has been identified on the basis of information available with the Company.

Particulars	As at 31 March 2024	As at 31 March 2023
Details of dues to micro and small enterprises as defined under the MSMED Act, 2006		
Particulars		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	2,236.36	2,107.53
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

Particulars	As at 31 March 2024	As at 31 March 2023
Note 20: Other financial liabilities-current		
Carried at amortised cost, except otherwise stated		
Employee dues	12.84	8.39
Interest on related party borrowings (Refer note 35)	113.63	-
Outstanding liabilities	-	0.08
Security deposits	-	0.50
Due to related party (Refer note 35)	771.72	-
Security deposit payable	5,000.00	-
	5,898.19	**8.97**
Note 21: Other current liabilities		
Statutory dues	2,027.62	1,146.35
	2,027.62	**1,146.35**
Note 22: Current tax liabilities (net)		
Current tax liabilities (net)	681.85	-
	681.85	**-**

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

CIPLA PHARMA AND LIFE SCIENCES LIMITED Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 23: Revenue from operations*		
Sale of traded products (refer note 23 (i))	160,902.42	144,526.08
Other operating revenue	1,289.53	1,471.75
Other operating revenue		
Scrap sales	1.03	1.41
	162,192.98	**145,999.24**

***Refer note 35 for related party transactions**

(i) Reconciliation of revenue from sale of products with the contracted price (Point in time and over the period of time)

Contracted price	178,770.52	163,157.63
Less: trade discounts, sales and expiry return etc.	(17,868.10)	(18,631.55)
	160,902.42	**144,526.08**

(ii) Disaggregation of revenue
Revenue from sale of traded products represents revenue from generic pharmaceuticals products.

(iii) Contract balances
There are no contract balances from contracts with customers as at 31 March 2024 (31 March 2023 Rs. Nil)

Note 24: Other income		
Interest income on fixed deposits	0.01	0.01
Interest on income tax refund	1.19	1.72
Net gain on disposal of property, plant and equipment	4.77	48.61
Net gain on sale of current investments	86.94	-
Fair value gain on financial instruments at fair value through profit or	338.13	269.58
Miscellaneous income	0.95	0.93
	431.99	**320.85**
Note 25: Cost of Chemicals and consumables consumed		
Raw material consumed	74.84	163.34
	74.84	**163.34**
Note 26: Purchase of stock-in-trade		
Purchase of stock-in-trade	79,849.99	75,626.04
	79,849.99	**75,626.04**
Note 27: Changes in inventories of stock in trade		
Inventory at the beginning of the year	21,830.00	22,924.00
Less: inventory at the end of the year	21,181.45	21,830.00
(Increase)/decrease	**648.55**	**1,094.00**
Note 28: Employee benefits expenses		
Salaries and wages*	4,755.77	4,322.30
Contribution to provident and other funds (refer note 18)	14.85	9.55
Gratuity expense (refer note 18)	1.35	1.23
Staff welfare expense	13.18	4.97
	4,785.15	**4,338.05**

**includes Share Based expenses for Holding Company employees transferred.*

Note 29: Finance costs		
Interest on provision for claims - DPCO	45.16	-
Interest on lease liability (refer note 4.1)	13.21	25.65
Interest on borrowings (refer note 35)	126.26	-
Interest on security deposit	475.00	475.00
Interest on taxes	54.62	-
	714.25	**500.65**

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CIPLA PHARMA AND LIFE SCIENCES LIMITED ★ Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI - 400 013. ★

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 30: Depreciation, impairment and amortisation expense		
Depreciation on property, plant and equipment (Refer note: 4)	352.70	382.10
Depreciation on right-of-use assets (Refer note: 4.1)	102.10	102.10
Amortization of intangible assets (Refer note: 4.3)	0.29	-
Impairment on property,plant and equipment	0.44	-
Impairment on capital work in progress (Refer note: 4.2)	-	25.27
	455.53	**509.47**
Note 31: Other expenses		
Manufacturing expenses	1,259.79	977.74
Stores and spares	20.26	21.56
Repairs and maintenance		
-Plant and machinery	23.25	16.39
-Building	2.55	2.29
Insurance	20.66	27.29
Rent	1.09	-
Rates and taxes	50.55	0.72
Sales promotion expenses	5,255.19	4,318.07
Commission on sales	12,807.09	11,254.45
Freight and forwarding	1,053.59	1,569.29
Postage and telephone expenses	0.49	0.27
Travelling and conveyance expenses	107.00	-
Professional fees	418.49	519.36
Payment to the auditor (Refer note below)	9.18	8.80
Power and fuel charges	189.26	204.34
Contractual services	586.67	110.38
Miscellaneous expenses	1,003.01	1,034.04
	22,808.12	**20,064.99**
Payment to the auditor (excluding goods and service tax):		
Audit fee	7.50	7.50
Tax audit fee	1.00	1.00
Out of pocket expenses	0.68	0.30
Total	**9.18**	**8.80**

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Note 32: Tax expenses

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statement of profit and loss		
Current tax	13,248.53	10,946.83
Deferred tax on account of temporary differences	(118.25)	7,599.72
	13,130.28	**18,546.55**
Other comprehensive income		
Income tax relating to re-measurements gain on defined benefit plans	(22.57)	(1.72)
	(22.57)	**(1.72)**
	13,107.71	**18,544.83**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit before Income tax	53,288.54	44,023.55
At India's statutory income tax rate of 25.17% (31 March 2023: 25.17%)	13,411.66	11,100.45
Deferred tax not recognised (refer note below)	-	(155.07)
Deferred tax assets written off/ (recognised) (refer note below)	(118.25)	7,599.72
Effect of non-deductible expenses/notional income for tax purpose	(163.13)	1.45
Income tax expense reported in the profit or loss	**13,130.28**	**18,546.55**
Effective income tax rate	**24.64%**	**42.13%**

Deferred tax

Deferred tax relates to the following:

Particulars	As at 1 April 2024	On Account of Common Control transaction (refer note 40)	Recognised in Statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2024
Deferred tax assets (gross)					
Employee benefit obligation	18.55	3.17	14.28	-	36.00
Property, plant and equipment	-	-	405.88	-	405.88
Unabsorbed depreciation and brought forward loss	0.56	-	(0.56)	-	-
MRP/ DPCO Provision	1,598.87	122.81	11.37	-	1,733.05
Others	-	-	(114.90)	-	(114.90)
Total deferred tax assets	**1,617.98**	**125.98**	**316.07**	**-**	**2,060.03**
Deferred tax liability (gross)					
Fair value of investments	-	-	(198.38)	-	(198.38)
Employee benefit obligation	(0.56)	(20.00)	0.56	22.57	2.57
Total deferred tax liability	**(0.56)**	**(20.00)**	**(197.82)**	**22.57**	**(195.81)**
Deferred tax asset (net)	**1,617.42**	**105.98**	**118.25**	**22.57**	**1,864.22**

Particulars	As at 1 April 2022	On Account of Common Control transaction (refer note 40)	Recognised in Statement of profit and loss	Recognised in other comprehensive income	As at 31 March 2023
Deferred tax assets (gross)					
Employee benefit obligation	14.78	18.55	(14.78)	-	18.55
Property, plant and equipment	512.67	-	(512.67)	-	-
Unabsorbed depreciation and brought forward loss	7,109.40	-	(7,108.84)	-	0.56
DPCO Provision	-	1598.87	-	-	1,598.87
Others	8.87	-	(8.87)	-	-
Total deferred tax assets	**7,645.72**	**1,617.42**	**(7,645.16)**	**-**	**1,617.98**
Deferred tax liability (gross)					
Fair value of investments	(45.44)	-	45.44	-	-
Employee benefit obligation*	(0.28)	-	-	(0.28)	(0.56)
Total deferred tax liability	**(45.72)**	**-**	**45.44**	**(0.28)**	**(0.56)**
Deferred tax asset (net)	**7,600.00**	**1,617.42**	**(7,599.72)**	**(0.28)**	**1,617.42**

** Note: Does not include deferred tax asset of Rs. 2 lakhs on common control transaction.*

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Note 32: Tax expenses (contd.)

Summary of unrecognised deferred tax as on 31 March 2024:

Particulars	As at 31 March 2024	As at 31 March 2023
On accout of unabsorbed depreciation, business losses and other timing differences*	26,988.61	29,663.00
Deferred tax assets(Income tax rate @25.17%)	6,792.49	8,637.87

** The company have not recognised the deferred tax asset on unabsored losses and depreciation on account of uncertainity over profits.*

Reconciliation of deferred tax (liabilities) / assets (net):

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	1,617.42	7,600.00
Tax income during the period recognised in statement of profit and loss	118.25	(7,599.72)
Tax income/(expense) during the period recognised in OCI	22.57	(0.28)
Tax income on account of common control transaction	105.98	1,617.42
Closing Balance	**1,864.22**	**1,617.42**

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 33: Earnings per share (EPS)		
Disclosure as required by Indian Accounting Standard (Ind As) 33 Earnings per share		
Profit after tax as per statement of profit and loss	40,158.26	25,477.00
Weighted average number of equity shares for basic and diluted EPS	2,587.08	2,587.08
Basic and diluted EPS	**15.52**	**9.85**

Note 34: Segment reporting

The Company has only one segement and primarily operates in domestic market. The Managing Director of the Company has been identified as the Chief Operating Decision Maker. The Company's Managing Director, reviews the operating performance of the Company as a whole on a periodic basis. Therefore, disclosure relating to segments is not applicable and accordingly not made.

Note 35 (i): Related Party disclosures

As per IND AS 24 "Related party disclosure", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below:

During the year ended 31 March 2024, majority of the Company's shares were held by Cipla Limited, a Holding company.

List of related parties and nature of control where control exists:

A. Holding Company

Cipla Limited, India

B.Fellow subsidiary

Sitec Labs Limited
Medispray Laboratories Private Limited
Cipla Health Limited

C. Key Managerial Personnel

Mr. Jinesh Chauhan - Whole time Director (appointed w.e.f. 1 April 2023)
Mr. Rajendra Chopra - Director
Ms. Anisha Udeshi - Director
Mr. Deepraj Desai - Chief Financial Officer
Mrs. Akshaya Kolvankar - Company Secretary
Mr. Achin Gupta - Director (appointed w.e.f. 2 Feb 2024)
Mr. Sunil Gupta - Managing Director (appointed w.e.f. 2 Feb 2024)

D. Trust over which entity has significant influence

Cipla Pharma and Life Sceiences Limited Employees Gratuity Fund

Note 35(ii): Transactions in respect of related parties during the year

During the year, the following transactions were carried out with the related parties in the ordinary course of business:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of services		
Cipla Limited	1,253.10	1,374.84
Sale of assets		
Cipla Limited	5.34	95.52
Sale of raw and packing material		
Cipla Limited	15.98	51.08
Reimbursement paid towards towards operating expenses		
Cipla Limited	267.45	0.58
Service charges paid		
Cipla Limited	-	0.62
Lease rent		
Cipla Limited	133.20	133.20
Purchase of assets		
Cipla Limited	160.92	-
Testing and analysis services (Pharmacopiea)		
Cipla Limited	20.44	44.79

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Note 35(ii): Transactions in respect of related parties during the year (contd.)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Royalty expense		
Cipla Limited	251.93	-
Utility expenses		
Cipla Limited	192.83	206.89
Transport recovery from employees		
Cipla Limited	0.41	0.61
Purchase of raw material, packing material and consumables		
Cipla Limited	63.81	103.86
Loan taken		
Cipla Limited (business acquisition)	19,821.23	-
Interest paid on loan		
Cipla Limited	126.26	-
Purchase of finished goods		
Cipla Limited	1,396.49	-
Sale of assets		
Sitec Labs Limited	-	33.59
Testing and analysis services (Pharmacopiea)		
Medispray Laboratories Private Limited	-	1.04
Golden Cross Pharma Limited	2.02	-
Reimbursement paid towards towards operating expenses		
Cipla Health Limited	247.49	-
Cipla Limited	2.18	
Professional fees paid		
Cipla Limited	69.31	-

Note 35(iii): Disclosures in respect of related parties

Particulars	As at 31 March 2024	As at 31 March 2023
Outstanding (payable)/ receivable		
Cipla Limited	1,204.50	236.99
Cipla Health Limited	(247.49)	-
GoApptiv Pvt Ltd	(1.50)	-
Loan payable		
Cipla Limited	(19,821.23)	-
(Payable)/ receivable from gratuity trust		
Cipla Pharma and Life Sciences Limited Employees Gratuity Fund	(6.42)	1.13

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Note 36: Financial instruments risk

Financial Instrument by catogory and hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivable, cash and cash equivalent, other current financial asset, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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

- **Level 1:** category includes financial assets and liabilities, that are measured in whole or in significant part by reference to published quoted price (unadjusted) in an active market.
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- **Level 3:** techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The carrying value and fair value of financial instruments by categories as at 31 March 2024, are as follows:

Particulars		Amortised cost			Financial assets/ liabilities at FVTPL		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(i)	Trade receivables	-	-	24,216.66	-	-	-
(ii)	Investments in mutual funds	-	-	-	6,050.75	-	-
(iii)	Cash and cash equivalents	-	-	172.32	-	-	-
(iv)	Other financial assets	-	-	348.32	-	-	-
	Total	**-**	**-**	**24,737.30**	**6,050.75**	**-**	**-**

Particulars		Amortised cost			Financial assets/ liabilities at FVTPL		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(i)	Borrowings	-	-	19,821.23	-	-	-
(ii)	Trade payables	-	-	8,402.27	-	-	-
(iii)	Lease liabilities	-	-	54.01	-	-	-
(iv)	Other financial liabilities	-	-	5,898.19	-	-	-
	Total	-	-	**34,175.70**	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories as at 31 March 2023, are as follows:

Particulars		Amortised cost			Financial assets/ liabilities at FVTPL		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(i)	Trade receivables	-	-	17,334.71	-	-	-
(ii)	Investments in mutual funds	-	-	-	5,951.03	-	-
(iii)	Cash and cash equivalents	-	-	1.52	-	-	-
(iv)	Other financial assets	-	-	241.00	-	-	-
	Total	**-**	**-**	**17,577.23**	**5,951.03**	**-**	**-**

Particulars		Amortised cost			Financial assets/ liabilities at FVTPL		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(i)	Borrowings	-	-	19,775.97	-	-	-
(ii)	Trade payables			8,455.29			
(iii)	Lease liabilities			174.00	-	-	-
(iv)	Other financial liabilities	-	-	5,008.97	-	-	-
	Total	-	-	**33,414.23**	-	-	-

There were no transfers between Level 1 and Level 2 in 2023-24 and 2022-23.

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Note 37: Financial instruments risk

Risk management objectives and policies

The Companys financial risk management is an integral part of how to plan and execute its business strategies. The Companys financial risk management policy is set by the Managing Board.

37 Market risk analysis

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to foreign exchange rates and price risk.

Foreign currency exchange rate risk

The Company's exposure to market risk includes changes in foreign exchange rates. However, during the year, the Company has no foreign exchange rate risk.

Price risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31 March 2024, the investments in debt mutual funds amounts to Rs. 6050.75 Lakhs (31 March 2023: Rs. 5,951.03 Lakhs). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds. A 1% increase in prices would have led to approximately an additional gain of Rs.60.51 Lakhs in profit or loss (31 March 2023: Rs 59.51 Lakhs gain). A 1% decrease in prices would have led to an equal but opposite effect.

37 Credit risk analysis

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is not exposed to this risk for receivables from customers as 100% receivables are from Holding Company.

The ageing analysis of the receivable (gross of provision) has been considered from the date the invoice

Particulars	Neither past due nor impaired	Past due but not impaired			Total
		0-180 days	180-365 days	Above 365 days	
As at 31 March 2024	-	24,199.55	17.11	-	24,216.66
As at 31 March 2023	9,048.27	8,067.47	107.79	111.18	17,334.71

37 Liquidity risk analysis

Liquidity risk is 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. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 March 2024

Particulars	As at 31 March 2024			
	Up to 1 Year	1 to 5 Years	above 5 years	Total
Borrowings	-	19,821.23	-	19,821.23
Trade payables	8,402.27	-	-	8,402.27
Lease liabilities (Undiscounted)	55.50	-	-	55.50
Other financial liabilities	5,898.19	-	-	5,898.19
	14,355.96	**19,821.23**	**-**	**34,177.19**

As at 31 March 2023

Particulars	As at 31 March 2023			
	Up to 1 Year	1 to 5 Years	above 5 years	Total
Borrowings	-	19,775.97	-	19,775.97
Trade payables	8,434.11	21.18	-	8,455.29
Lease liabilities (Undiscounted)	133.20	55.50	-	188.70
Other financial liabilities	8.97	-	-	8.97
	8,576.28	**19,852.65**	**-**	**28,428.93**

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Cipla Pharma and Life Sciences Limited
Notes to the Financial Statements as at and year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Note 38: Capital management policies and procedures

The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns for its stakeholders.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue of new shares.

The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk.The Company actively monitors its portfolio and has a policy in place to investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

Particulars	As at 31 March 2024	As at 31 March 2023
Net debt	(26,098.31)	(25,902.52)
Total equity	13,611.54	9,766.60
Net debt to equity ratio	**-191.74%**	**-265.22%**

Net Debt reconciliation

Particulars - Debt paid in full	Cash and cash equivalents	Investments	Lease liabilities	Borrowings	Total
Net debt as at 1 April 2022	**16.55**	**4,637.67**	**281.55**	**-**	**4,935.77**
Cash flows (net)	(15.03)	1,043.78	-	-	1,028.75
Interest paid	-	-	-	-	-
Interest expense	-	-	25.65	-	25.65
Other non cash movements	-	269.58	-	19,775.97	20,045.55
Repayment	-	-	(133.20)	-	(133.20)
Net debt as at 31 March 2023	**1.52**	**5,951.03**	**174.00**	**19,775.97**	**25,902.52**
Cash flows (net)	170.80	(238.41)	-	-	(67.61)
Interest paid	-	-	-	-	-
Interest expense	-	-	13.21	126.26	139.47
Other non cash movements	-	338.13	-	(81.00)	257.13
Repayment	-	-	(133.20)	-	(133.20)
Net debt as at 31 March 2024	**172.32**	**6,050.75**	**54.01**	**19,821.23**	**26,098.31**

Note 39: Ratios

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% change	Remarks
a) Current ratio	Current assets	Current Liabilities	2.16	2.80	-23%	
b) Debt equity ratio	Total debt	Shareholder's Equity	1.46	2.02	-28%	Refer note 1
c) Debt service coverage ratio	Earnings available for debt service	Debt Service	159.27	198.49	-20%	
d) Return on equity ratio	Net profits after taxes	Average Shareholder's Equity	3.44%	1.92%	79%	Refer note 1
e) Inventory turnover ratio	Cost of goods sold+Change in Inventory	Average inventory	3.75	3.44	9%	
f) Trade receivables turnover ratio	Revenue from sale of products and services	Average Accounts Receivable	7.81	6.72	16%	
g) Trade payables turnover ratio	Purchases +Change in Inventory+ Other Expenses - sundry balance w/o	Average Trade Payables	12.26	11.13	10%	
h) Net capital turnover ratio	Revenue from sale of products and services	Working capital	5.79	5.00	16%	
i) Net profit ratio	Net profit after tax	Revenue from sale of products and services	25%	17%	42%	Refer note 1
j) Return on capital employed	Earnings before interest and taxes (including other income)	Capital employed = Tangible Net worth + Total debt + Deferred tax liability	397%	456%	-13%	
k) Return on investments	Profit Before Tax and Finance Cost	Closing Total Assets	94%	88%	7%	

Reason for % change (>25%) :
1. Variance is on account of increase in profit during the year on account of business transfer.

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Note 40: Acquisition of consumer business undertaking

The Board of the Holding Company at its meeting held on 6 November 2023 had considered and approved the transfer of the generic business undertaking to the Company as a going concern on a slump sale basis through a Business Transfer Agreement ("BTA"). On 1 March 2024, the Holding Company and the Company have successfully completed business transfer as agreed under BTA for a net consideration of Rs. 19821.23 lakhs, which shall be discharged in cash over a period of four years and the unpaid consideration will bear simple interest @ 7.5% p.a. Management has accounted the arrangement in accordance with the Appendix C of Ind-AS 103 - Business Combinations, relevant for combinations under common control. Pursuant to the relevant guidance under Ind-AS 103, the acquisition is accounted by restating the previously audited financial statements for the year ended 31 March 2023, accordingly, all the assets and liabilities of the undertaking have been carried at their respective carrying values as on 01 April 2023 as in the books of accounts of the Holding Company. The summary of assets and liabilities and the summary of income and expense restated with the audited financial statements of 31 March 2023 and the details of income and expenses of Generic business undertaking for the period 1 April 2023 to 29 February 2024 which are legally, beneficially and contractually carried out by the Holding Company, and added with the financial information of the Company solely for the purposes of compliances with the accounting principles mentioned in Appendix C of Ind AS 103 has been presented as "Transactions undertaken by Holding Company" and the transactions attributable to the Company are shown below as "Amount for the year ended March 2024 (before common control transaction) and excluding the amount reported in Column B" in the disclosure below:

1. Statement of Profit and Loss

Particulars	Amount for the year ended March 2024 (before common control transaction) (A)	Transactions undertaken by the Holding Company (1 April 2023 to 29 February 2024) (B)	Amounts for the year ended 31 March 2024 (C)	Reported amounts for the year ended 31 March 2023 (D)	Transactions undertaken by the Holding Company for year ended 31 March 2023 (E)	Restated amounts for the year ended 31 March 2023 (F)
(1) Income						
(a) Revenue from operations						
(i) Revenue from Sale of Products	12,596.31	148,306.11	160,902.42	-	144,526.08	144,526.08
(ii) Other operating income	1,290.56	-	1,290.56	1,473.16	-	1,473.16
(b) Other income	**13,886.87**	**148,306.11**	**162,192.98**	**1,473.16**	**144,526.08**	**145,999.24**
Total income	431.99	-	431.99	320.85	-	320.85
(2) Expenditure	**14,318.86**	**148,306.11**	**162,624.97**	**1,794.01**	**144,526.08**	**146,320.09**
(a) Cost of chemicals and consumables consumed	74.84	-	74.84	163.34	-	163.34
(b) Purchase of stock-in trade	4,928.01	74,921.98	79,849.99	-	75,626.04	75,626.04
(c) Changes in inventories of finished goods	804.55	(156.00)	648.55	-	1,094.00	1,094.00
(d) Employee benefits expenses	355.05	4,430.10	4,785.15	180.47	4,157.58	4,338.05
(e) Finance costs	278.83	435.42	714.25	25.65	475.00	500.65
(f) Depreciation and impairment expense	455.53	-	455.53	509.47	-	509.47
(g)Other expenses	2,649.74	20,158.38	22,808.12	386.57	19,678.42	20,064.99
	9,546.55	**99,789.88**	**109,336.43**	**1,265.50**	**101,031.04**	**102,296.54**
(3) Profit before tax	**4,772.31**	**48,516.23**	**53,288.54**	**528.51**	**43,495.04**	**44,023.55**
(4) Tax expenses						
(a) Current tax	1,037.97	12,210.56	13,248.53	-	10,946.83	10,946.83
(b) Deferred tax charge/ (credit)	(118.25)	-	(118.25)	7,599.72	-	7,599.72
(5) Profit for the year	**3,852.59**	**36,305.67**	**40,158.26**	**(7,071.21)**	**32,548.21**	**25,477.00**
(6) Other comprehensive income						
Items that will not be reclassified to profit or loss						
(i) Remeasurement of post employment benefit obligation	(10.22)	(80.00)	(90.22)	1.10	(10.00)	(8.90)
(ii) Income tax relating to these items	2.57	20.00	22.57	(0.28)	2.00	1.72
Other comprehensive income for the year	(7.65)	(60.00)	(67.65)	0.82	(8.00)	(7.18)
Total comprehensive income for the year	**3,844.94**	**36,245.67**	**40,090.61**	**(7,070.39)**	**32,540.21**	**25,469.82**

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Note 40: Acquisition of consumer business undertaking (contd.)

2. Balance Sheet

Particulars	Reported numbers as at 31 March 2023	Transactions undertaken by the Holding Company for year ended 31 March 2023	Restated balances as at 31 March 2023
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3,607.96	65.37	3,673.33
(b) Right of use asset	144.66	-	144.66
(c) Capital work-in-progress	-	-	-
(c) Other intangible assets	-	10.16	10.16
(d) Financial assets			
(i) Other financial assets	0.21	-	0.21
(e) Income tax assets (net)	33.44	-	33.44
(f) Deferred tax assets (net)	-	1,617.42	1,617.42
	3,786.27	**1,692.95**	**5,479.22**
(2) Current assets			
(a) Inventories	-	21,830.00	21,830.00
(b) Financial assets			
(i) Investments	5,951.03	-	5,951.03
(ii) Trade receivables	236.99	17,097.72	17,334.71
(iii) Cash and cash equivalents	1.52	-	1.52
(iv) Other financial assets	1.81	238.98	240.79
(c) Other current assets	38.28	-	38.28
	6,229.63	**39,166.70**	**45,396.33**
Total assets	**10,015.90**	**40,859.65**	**50,875.55**
Equity and liabilities			
(1) Equity			
(a) Share capital	25,870.84	-	25,870.84
(b) Other equity	(16,104.24)	-	(16,104.24)
	9,766.60	**-**	**9,766.60**
(2) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	-	19,775.97	19,775.97
(ii) Lease liabilities	54.01	-	54.01
(iii) Other financial liabilities	-	5,000.00	5,000.00
(b) Provisions	3.34	58.16	61.50
	57.35	**24,834.13**	**24,891.48**
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro and small enterprises	5.03	2,102.50	2,107.53
Total outstanding dues of creditors other than micro and small enterprises	22.16	6,325.60	6,347.76
(ii) Lease Liabilities	119.99	-	119.99
(iii) Other financial liabilities	8.97	-	8.97
(b) Other current liabilities	31.40	1,114.95	1,146.35
(c) Provisions	4.40	6,482.47	6,486.87
	191.95	**16,025.52**	**16,217.47**
Total equity and liabilities	**10,015.90**	**40,859.65**	**50,875.55**

3. Summary of assets and liabilities acquired as at 29 February 2024

Particulars	Amount as at 29 February 2024
A. Assets	
(1) Non-current assets	
(a) Property, plant and equipment	175.59
(b) Financial assets	
(i) Other financial assets	262.00
(c)Deferred tax asset (net)	1,743.42
(2) Current assets	
(a) Inventories	21,985.83
(b) Financial assets	
(i) Trade receivables	14,173.00
Total Assets (I)	**38,339.84**
(1) Current liabilities	
(a) Financial liabilities	
(i) Trade payables	11,463.84
(ii) Other financial liabilities	6,840.86
(b) Provisions	213.91
Total liabilities (II)	**18,518.61**
Balancing figure is treated as borrowings (I-II) (Refer note 16 "Non-Current Liabilitites - Borrowings")	**19,821.23**

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Cipla Pharma and Life Sciences Limited
Notes to the Financial Statements as at and year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Note 41: Other significant notes

(i) The Company do not have any such 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).

(ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(iii) The Company do not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iv) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(v) The Company have not traded or invested in crypto currency or virtual currency during the financial year.

(vi) The Company has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity 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 on behalf of the Company,

(vii) The Company has not received any fund from any person or entity, 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.

(viii) The Company has complied with the numbers of layers prescribed under clause 87 of Sectiion 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017

(ix) The Company has not entered into any scheme of arrangement which has an accounting impact in the current or previous financial year.

Note 42: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorisation of these financial statements.

Note 43: Authorization of financial statements

The financial statements for the year ended 31 March 2024 were approved by the board of directors on 9 May 2024.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 9 May 2024

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For and on behalf of the **Board of Directors**

Sunil Gupta
Managing Director
(DIN:10489041)

Place: Mumbai
Date: 9 May 2024

Jinesh Chauhan
Whole Time Director
(DIN:10085983)

Place: Mumbai
Date: 9 May 2024

Deepraj Desai
Chief Financial Officer

Place: Mumbai
Date: 9 May 2024

Akshaya Kolvankar
Company Secretary

Place: Mumbai
Date: 9 May 2024

CIPLA PHARMA AND LIFE SCIENCES LIMITED ★ Tower-A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, ★ MUMBAI - 400 013.

Goldencross Pharma Limited

Financial Statements for Financial Year 2023-24

Financial Statements

Goldencross Pharma Limited

2023-2024

Tower A, 1st Floor, Peninsula Business Park
Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400 013.

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Independent Auditor's Report

To the Members of Goldencross Pharma Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Goldencross Pharma Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 specified under section 133 of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. 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

8. 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 Standards on Auditing 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.

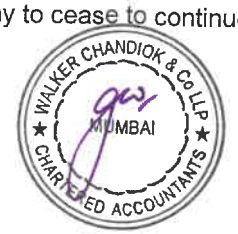
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' 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; and



- 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.

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

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

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, including the manner prescribed in Rule 3(1) of Companies (Accounts) Rules, 2014, except that the audit trail feature was not enabled at the database level as further stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

c) The financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the maintenance of accounts and other matters connected therewith refer to our comments in paragraph 13(b) above on reporting under Section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under rule 11(g) of the of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, as detailed in note 32 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

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iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 39(vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 39(vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year ended 31 March 2024 is in compliance with section 123 of the Act.

vi. Based on examination which included test checks, the Company in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level of the accounting software and the same has been 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 such audit trail features being tampered with. The Audit trail feature (edit log) at the database level for the direct changes was not enabled, however, the Company had adequate controls in the accounting software such as strict user rights and access of administrator log in through the application layer.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCF2625

Place: Mumbai
Date: 6 May 2024

Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Goldencross Pharma Limited on the financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report 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) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 4 to the financial statements are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii)(a) and 3(iii)(b) of the Order is not applicable to the Company.

(b) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Education cess and Secondary education cess of excise duty	136.07	21.42	April 2011 – December 2013	The Customs Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise duty	65.60	2.46	FY 2012-13	Assistant Commissioner
Income Tax Act, 1961	Income tax	158.98	-	AY 2018-19	Commissioner of Income Tax Appeals

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us including representation received from the management of the Company, confirmation received from banks and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

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(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(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 made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) (a) According to the information and explanations given to us, the Company is not required to have an internal audit system as per the provisions of section 138 of the Act. However, the Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

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(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one unregistered CIC as part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

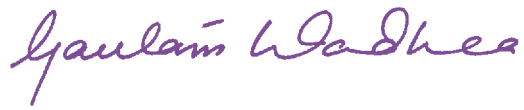
(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(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 plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.:

UDIN: 24508835BKFFCF2625

Place: Mumbai
Date: 6 May 2024

Annexure II to the Independent Auditor's Report of even date to the members of Goldencross Pharma Limited on the financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Goldencross Pharma Limited** ('the Company') as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') ("the Guidance Note"). 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCF2625

Place: Mumbai
Date: 6 May 2024

Goldencross Pharma Limited
Balance sheet as at 31 March 2024
(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	7,134.66	7,432.21
(b) Right-of-use asset	4.1	513.71	519.82
(b) Capital work-in-progress	4.2	183.38	189.49
(c) Intangible assets	5	4.89	6.70
(d) Financial assets			
(i) Investments	6	-	1,717.16
(ii) Other financial assets	7	142.60	3,161.86
(e) Income tax assets (net)	8	397.82	355.29
(f) Other non-current assets	9	53.25	82.77
		8,430.31	**13,465.30**
2. Current assets			
(a) Inventories	10	2,324.74	2,001.19
(b) Financial assets			
(i) Investments	11	3,873.84	2,741.68
(ii) Trade receivables	12	1,372.23	1,077.45
(iii) Cash and cash equivalents	13	122.61	124.19
(iv) Other financial assets	14	25.46	19.17
(c) Other current assets	15	609.44	607.95
		8,328.32	**6,571.63**
Total assets		**16,758.63**	**20,036.93**
B. Equity and liabilities			
1. Equity			
(a) Share capital	16	4.60	4.60
(b) Other equity	17	14,610.04	18,719.11
Total equity		**14,614.64**	**18,723.71**
2. Non-current liabilities:			
(a) Provisions	18	66.15	44.44
(b) Deferred tax liabilities (net)	19	156.83	250.12
		222.98	**294.56**
3. Current liabilities:			
(a) Financial liabilities			
(i) Trade payables			
- Total outstanding dues of Micro enterprises and Small enterprises	20	199.72	94.94
- Total outstanding dues of creditors other than Micro enterprises and Small enterprises	20	1,262.58	581.98
(ii) Other financial liabilities	21	118.19	130.43
(b) Other current liabilities	22	108.48	136.37
(c) Provisions	18	232.04	74.94
		1,921.01	**1,018.66**
Total equity and liabilities		**16,758.63**	**20,036.93**

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 6 May 2024

For and on behalf of the **Board of Directors**

Ujwal Shendre
Managing Director
(DIN: 10173341)

Pantha Kundu
Chief Financial Officer

Dinesh Jain
Director
(DIN: 00058069)

Chirag Hotchandani
Company Secretary

Place: Mumbai
Date: 6 May 2024

Goldencross Pharma Limited
Statement of profit and loss for the year ended 31 March 2024
(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Income			
(a) Revenue from operations	23	13,939.94	13,570.61
(b) Other income	24	449.09	469.72
Total income		**14,389.03**	**14,040.33**
Expenses			
(a) Cost of materials consumed	25	4,811.92	5,405.47
(b) Purchases of stock-in-trade	26	176.36	167.13
(c) Changes in inventories of finished goods and work-in-progress	27	96.67	(138.68)
(d) Employee benefits expenses	28	2,543.84	2,326.33
(e) Depreciation, impairment and amortisation expense	29	885.71	1,040.12
(f) Other expenses	30	4,219.46	3,640.99
Total expenses		**12,733.96**	**12,441.36**
Profit before tax		**1,655.07**	**1,598.97**
Tax expense (net)			
Current tax	19	97.99	171.06
Deferred tax charge	19	139.80	191.92
Profit for the year (a)		**1,417.28**	**1,235.99**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
A (i) Remeasurement of post-employement benefit obligation	18	(133.26)	12.23
(ii) Income tax relating to these items	19	38.81	(3.56)
B (i) Fair value loss on non-current investments	6	(1,657.45)	(35.84)
(ii) Income tax relating to these items	19	194.28	10.44
Other comprehensive income for the year (b)		**(1,557.62)**	**(16.73)**
Total comprehensive income for the year (a+b)		**(140.34)**	**1,219.26**
Earnings per equity share of face value of Rs. 10 each (Refer Note 31)			
Basic and diluted (in Rs)		3,083.32	2,688.92

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

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Place: Mumbai
Date: 6 May 2024

For and on behalf of the **Board of Directors**

Ujwal Shendre
Managing Director
(DIN: 10173341)

Dinesh Jain
Director
(DIN: 00058069)

Pantha Kundu
Chief Financial Officer

Chirag Hotchandani
Company Secretary

Place: Mumbai
Date: 6 May 2024

Goldencross Pharma Limited
Statement of cash flows for the year ended 31 March 2024
(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	**1,655.07**	**1,598.97**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, impairment and amortisation expense	885.71	1,040.12
Foreign exchange losses/(gains) (net)	1.84	5.37
Net gain on disposal of property, plant and equipment	(0.51)	(14.95)
Sundry balances written off (net)	-	1.73
Fair value loss / (gain) on current investments	2.50	(88.82)
Profit on sale of current investments (net)	(270.02)	(44.00)
Interest income	(12.37)	(189.68)
Deferred government grants	(164.00)	(71.60)
Operating profit before working capital changes	**2,098.22**	**2,237.14**
Adjustments for :		
(Increase) / decrease in trade receivables	(294.79)	3.48
Increase in inventories	(323.55)	(307.46)
(Increase) / decrease in other assets and other financial assets	(9.09)	105.59
Increase / (decrease) in trade payables, other liabilities, other financial liabilities and provisions	824.69	(350.95)
Working capital adjustments	**197.26**	**(549.34)**
Cash generated from operations	2,295.48	1,687.80
Income taxes paid (including tax deducted at source)	(140.52)	(262.27)
Net cash flow generated from operating activities (a)	**2,154.96**	**1,425.53**
Cash flow from investing activities		
Purchase of property, plant and equipment, intangibles and Capital work-in-progress (Refer Note ii below)	(583.94)	(617.01)
Proceeds from sale of property, plant and equipment	1.91	114.86
Capital subsidy received	3,189.87	-
(Investment) in mutual funds (net)	(864.64)	(1,038.36)
Proceeds from sale of non-current investments	59.71	-
Interest received	9.28	193.99
Net cash flow generated from / (used in) investing activities (b)	**1,812.19**	**(1,346.52)**
Cash flow from financing activities		
Dividend paid	(3,968.73)	-
Net cash flow used in financing activities (c)	**(3,968.73)**	**-**
Net (decrease) / increase in cash and cash equivalents (a + b + c)	**(1.58)**	**79.01**
Cash and cash equivalents at the beginning of the year	124.19	45.18
Cash and cash equivalents at the end of the year (refer note 13)	**122.61**	**124.19**

Note:
i. The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS-7) Statement of Cash Flows.

ii. Purchase and sale of property, plant and equipment represents additions and deletions to property, plant and equipment adjusted for movement of capital work in progress, capital advances, capital creditors during the year.

iii. The Company does not have any borrowings and lease liabilities in the current and previous year and hence no net debt movement is disclosed.

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

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 6 May 2024

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of the **Board of Directors**

Ujwal Shendre
Managing Director
(DIN: 10173341)

Dinesh Jain
Director
(DIN: 00058069)

Pantha Kundu
Chief Financial Officer

Chirag Hotchandani
Company Secretary

Place: Mumbai
Date: 6 May 2024

Goldencross Pharma Limited

Statement of changes in equity for the year ended 31 March 2024
(All amounts in Rs. Lakhs, unless otherwise stated)

(a) Equity share capital (refer note 16)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	4.60	4.60
Changes in equity share capital during the year	-	-
Balance at the end of the year	**4.60**	**4.60**

(b) Other equity (refer note 17)

Particulars	Reserves and surplus				Total Equity
	Capital redemption reserve	Equity instrument through other comprehensive income	Securities premium	Retained earnings	
As at 1 April 2022	240.00	498.29	14,251.45	2,510.11	17,499.85
Profit for the year	-	-	-	1,235.99	1,235.99
Other comprehensive income	-	(25.40)	-	8.67	(16.73)
Balance as at 31 March 2023	**240.00**	**472.89**	**14,251.45**	**3,754.77**	**18,719.11**
Profit for the year	-	-	-	1,417.28	1,417.28
Dividend paid (refer note 37)	-	-	-	(3,968.73)	(3,968.73)
Transfer to retained earnings	-	990.28	-	(990.28)	-
Other comprehensive income	-	(1,463.17)	-	(94.45)	(1,557.62)
Balance as at 31 March 2024	**240.00**	**-**	**14,251.45**	**118.59**	**14,610.04**

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

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 6 May 2024

For and on behalf of the **Board of Directors**

Ujwal Shendre	**Dinesh Jain**
Managing Director	Director
(DIN: 10173341)	(DIN: 00058069)
Pantha Kundu	**Chirag Hotchandani**
Chief Financial Officer	Company Secretary

Place: Mumbai
Date: 6 May 2024

Goldencross Pharma Limited
Summary of material accounting policies as at and for the year ended 31 March 2024

Note 1: Corporate information

Goldencross Pharma Limited ('the Company') (CIN no. U24239MH2000PTC123766) is a company domiciled in India and is incorporated on 21 January 2000 under the provisions of Companies Act applicable in India. The Company is a subsidiary of Cipla Limited. The Company is primarily engaged in the business of development, manufacture, and marketing of pharmaceutical products. The registered office of the Company is at Tower A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013.

Note 2: Material accounting policies and key accounting estimates and judgements

2.1 Basis of preparation

(i) Compliance with Indian Accounting Standards (Ind-AS)

The financial statements of the Company as at and for the year ended 31st March, 2024 have been prepared and presented in accordance with Indian Accounting Standards ("Ind-AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015],and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time and other relevant provisions of the Act and accounting principles g enerally accepted in India.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2024.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

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

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

(iv) Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee (INR) 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 lakhs or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than INR 500/- is presented as INR 0.00 lakhs.

2.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, *Presentation of Financial Statements*.

Assets:
An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;

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c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of assets and liabilities, respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

2.3 Use of estimates and judgements

The preparation of financial statements requires management of the Company to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

2.3.1 Judgements

(i) Leases

Ind AS 116 *"Leases"* requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realizability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company

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will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

2.3.2 Estimates

(i) Useful lives of property, plant and equipment and intangible assets

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

(ii) Expected credit loss

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables.
- Financial assets measured at amortized cost (other than trade receivables).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

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(iii) Valuation of Inventories

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

(iii) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(iv) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(v) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4 Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non- refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore it is not depreciated. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable (Refer note 2.7 for more details). The Company had applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS. Hence

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regarded thereafter as historical cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on the property, plant and equipment (other than freehold land) is provided based on useful life of the assets as prescribed in Schedule II to the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss. Leased assets are depreciated over shorter of lease term or useful life of respective assets.

For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

The estimated useful lives are as follows:

Property, plant and equipment	**Useful life**
Buildings	
- Factory and administrative buildings	30 to 99 years
- Ancillary structures	3 to 10 years
Plant and equipment	2 to 25 years
Furniture, fixtures and office equipment	3 to 8 years
Vehicles	8 years

(iii) De-recognition

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

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2.5 Intangible assets

(i) Recognition and measurement

Intangible assets consist of computer software and is measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

(ii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals is charged to the profit or loss.

(iii) Amortization

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 3 to 6 Years

(iv) De-recognition

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition.

2.6 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses, including impairment on inventories, are recognised in the profit or loss.

2.7 Borrowing costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the profit or loss.

2.8 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at 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 items denominated in foreign

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currency at prevailing reporting date exchange rates are recognised in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.9 Inventories

Inventories consists of raw materials and packing materials, stores, spares and consumables, work-in-progress and finished goods and are measured at the lower of cost and net realizable value after providing for obsolescence, if any.

Cost of inventories is determined on a weighted moving average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Raw materials and packing materials are considered at replacement cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of packing materials, engineering spares (such as machinery spare parts), which are used in operating machines or consumed as indirect materials in the manufacturing process.

2.10 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset and presented within other income.

When loans or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

Government grants that are receivable on satisfying export or revenue conditions with no future related cost are recognised in profit or loss in the period such conditions are met.

The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between initial carrying value of the loan and the proceeds received. The loan is subsequently measured at amortized cost.

2.11 Revenue recognition

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. The

transaction price of goods sold and services rendered is net of returns and applicable trade discounts, allowances and goods and services tax and amounts collected on behalf of third parties.

(i) Sale of products:

The majority of customer contracts that the Company enters into consist of a single performance obligation for the delivery of pharmaceutical products. The Company recognize revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. The Company records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment the Company considers its historical record of performance on similar contracts.

(ii) Service fee

Revenue from services rendered, is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

(iii) Interest income

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

(iv) Other Income

Other Income is recognised when it is probable that economic benefits will flow to the company and amount of income can be measured reliably.

2.12 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution

Post retirement contribution plans such as Employees' Pension Scheme and Employees' Provident Fund, labour welfare fund, Employee State Insurance Corporation (ESIC) are charged to the profit or loss for the year when the contributions to the respective funds accrue. The Company does not have any obligation other than the contribution made.

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(iii) Defined benefit plans

a) Gratuity obligations

Post-retirement benefit plans such as gratuity is determined on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to profit or loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Other benefit plan

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the profit or loss and are not deferred.

(iv) Termination benefits

Termination benefits are recognised in the profit or loss when:

- the Company has a present obligation as a result of past event;
- a reliable estimate can be made of the amount of the obligation; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2.13 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.

(i) Current income tax:

Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax:

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Deferred tax is recognized using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each reporting date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(iii) Uncertain tax positions

Accruals for uncertain tax positions require Management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon Management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, Management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

2.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Company as a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and computers. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

2.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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2.17 Contingencies

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.18 Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Financial instruments

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

(i) Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) Initial recognition and measurement

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

(c) Subsequent measurement

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

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

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(d) De-recognition

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

(e) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset. For this purpose, the Company follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(f) Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss. Transaction cost of financial assets at FVTPL are expensed in profit or loss.

(ii) Financial liabilities

(a) Classification

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

(b) Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

(c) Subsequent measurement

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in profit or loss.

(d) De-recognition

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

(iii) Offsetting financial instruments

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

2.19 Recent accounting pronouncements:

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.

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Note 4: Property, plant and equipment

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Gross block						
Balance as at 1 April 2022	4,650.46	11,836.99	262.41	77.13	41.27	**16,868.26**
Additions for the year	-	1,068.10	3.78	22.22	10.48	**1,104.58**
Deletions and adjustments during the year	-	(274.77)	-	(0.84)	-	**(275.61)**
Balance as at 31 March 2023	**4,650.46**	**12,630.32**	**266.19**	**98.51**	**51.75**	**17,697.23**
Additions for the year	19.02	527.95	-	34.67	-	581.64
Deletions and adjustments during the year	-	(10.76)	-	-	(11.60)	(22.36)
Balance as at 31 March 2024	**4,669.48**	**13,147.51**	**266.19**	**133.18**	**40.15**	**18,256.51**
Depreciation and impairment						
Accumulated balance as at 1 April 2022	1,540.88	7,621.17	175.04	58.96	14.34	**9,410.39**
Depreciation charge for the year	152.25	849.75	13.46	2.43	4.58	1,022.47
Impairment charge for the year (Refer note below)	-	7.86	-	-	-	7.86
Deletions and adjustments during the year	-	(174.90)	-	(0.80)	-	(175.70)
Accumulated Balance as at 31 March 2023	**1,693.13**	**8,303.88**	**188.50**	**60.59**	**18.92**	**10,265.02**
Depreciation charge for the year	156.20	666.89	12.76	8.19	5.38	849.42
Impairment charge for the year (Refer note below)	-	28.37	-	-	-	28.37
Deletions and adjustments during the year	-	(9.94)	-	-	(11.02)	(20.96)
Accumulated Balance as at 31 March 2024	**1,849.33**	**8,989.20**	**201.26**	**68.78**	**13.28**	**11,121.85**
Net Book Value						
As at 31 March 2024	**2,820.15**	**4,158.31**	**64.93**	**64.40**	**26.87**	**7,134.66**
As at 31 March 2023	**2,957.33**	**4,326.44**	**77.69**	**37.92**	**32.83**	**7,432.21**

1. The impairement loss relates to certain property, plant and equipment that has been assessed as non-usable by the management and has been recorded at the scrap value less cost to sell.

2. The title deeds of all immovable properties (other than properties where the Company is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Company.

3. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

4. The Company has not revalued its Property, Plant and Equipment, Right of Use assets and intangible assets during the year.

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Note 4.1 : Right-of-use asset

Particulars	Category of ROU assets
	Land
Balance as of 1 April 2022	525.93
Depreciation for the year	(6.11)
Balance as at 31 March 2023	**519.82**
Depreciation for the year	(6.11)
Balance as at 31 March 2024	**513.71**

The remaining term of the leasehold land is in the range of 24-82 years.
Lease expense recorded for short-term leases is Rs. 2.14 Lakhs for the year ended 31 March 2024 and Rs. 4.52 Lakhs for the year ended 31 March 2023, as the Company has elected not to recognise a lease liability for short term leases or for leases for low value assets.

Note 4.2 : Capital work-in-progress

Details of capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	189.49	776.83
Additions during the year	575.53	517.24
Capitalised during the year	(581.64)	(1,104.58)
Closing balance	**183.38**	**189.49**

Capital work-in-progress ageing schedule

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	154.17	176.75
1-2 years	29.21	-
2-3 years	-	-
More than 3 years	-	12.74
Total	**183.38**	**189.49**

Notes :
1. There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.
2. CWIP does not include any project temporarily suspended.

Note 5: Intangible assets

Particulars	Computer - Software	Total
Particulars		
Gross block		
Balance as at 1 April 2022	**131.63**	**131.63**
Additions for the year	-	-
Deletions and adjustments during the year	-	-
Balance as at 31 March 2023	**131.63**	**131.63**
Additions for the year	-	-
Deletions and adjustments during the year	-	-
Balance as at 31 March 2024	**131.63**	**131.63**
Amortization and impairment		
Accumulated Balance as at 1 April 2022	**121.25**	**121.25**
Amortisation charge for the year	3.68	3.68
Deletions and adjustments during the year	-	-
Accumulated Balance as at 31 March 2023	**124.93**	**124.93**
Amortisation charge for the year	1.81	1.81
Deletions and adjustments during the year	-	-
Accumulated Balance as at 31 March 2024	**126.74**	**126.74**
Net Book Value		
As at 31 March 2024	**4.89**	**4.89**
As at 31 March 2023	**6.70**	**6.70**

Note : Balance useful life of the intangible assets - Computer software as on 31 March 2024 is 2 years. (31 March 2023 is 3 years)

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 6: Non-current Investments		
Investments in unquoted equity instruments		
Investments at fair value through other comprehensive income (FVTOCI)(fully paid)		
Nil (31 March 2023: 10) Equity shares of Wellthy Therapeutics Private Limited of Rs. 10 each	-	0.03
Nil (31 March 2023: 5,32,121) Preference shares of Wellthy Therapeutics Private Limited of Rs. 10 each	-	1,717.13
Aggregate amount of unquoted investments	-	1,717.16
Movement for investment in Wealthy Therapeutics Private Limited		
Opening balance	1,717.16	1,753.00
(Less) / Add fair value change	(1,657.45)	(35.84)
Proceed from sale of Investment (Refer note below)	(59.71)	-
Closing balance	-	1,717.16

Pursuant to board resolution passed on 14 February 2024, the Company have disposed off the entire stake in Wellthy Therapeutics Private Limited at an aggregate amount of Rs. 59.71 Lakhs. Consequently, the loss on account of fair value change has been booked under other comprehensive income.

Note 7: Non-current financial assets - others		
Capital subsidy receivable	-	3,025.87
Fixed deposits held as margin money (with maturity more than 12 months)	132.69	129.18
Interest receivable	9.91	6.81
	142.60	3,161.86
Note 8: Income tax asset (net)		
(a) Advance tax (gross)	5,743.19	5,602.67
(b) Provision for tax (gross)	(5,345.37)	(5,247.38)
	397.82	355.29
Note 9: Other non-current assets		
Unsecured, considered good		
Capital advances	51.75	79.06
Prepaid expenses	1.50	3.71
	53.25	82.77
Note 10: Inventories		
(Lower of cost and net realisable value)		
Raw materials and packing materials	2,153.46	1,735.51
Work-in-progress	59.71	76.77
Finished goods	23.87	103.48
Stores, spares and consumables	87.70	85.43
	2,324.74	2,001.19

The Company recorded inventory write down (net) of Rs. 33.23 Lakhs (31 March 2023 Rs. 81.04 Lakhs). This is included as part of cost of material consumed and changes in inventories of finished goods and work-in-progress in the statement of profit or loss, as the case maybe.

Note 11: Investments		
(Carried at fair value through profit or loss)		
Investment in mutual funds **(unquoted)**	3,873.84	2,741.68
Aggregate amount of unquoted investments	3,873.84	2,741.68
Aggregate market value of unquoted investments	3,873.84	2,741.68
Note 12: Trade receivables		
(Carried at amortised cost, except otherwise stated)		
Considered good - unsecured	1,372.23	1,077.45
	1,372.23	1,077.45
Includes amounts due from related parties (Refer note 34)	1,347.92	1,076.14

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Trade receivables ageing schedule

As at 31 March 2024	Not Due	Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- Considered good	1,325.51	30.49	-	14.32	1.91	-	1,372.23
- Considered doubtful	-	-	-	-	-	-	-
- Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-

As at 31 March 2023	Not Due	Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- Considered good	1,016.51	38.46	20.57	1.91	-	-	1,077.45
- Considered doubtful	-	-	-	-	-	-	-
- Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-

- There are no disputed dues as at 31 March 2024 and 31 March 2023.
- Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

- There are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.
- There are no trade receivables which have significant increase in credit risk and trade receivables which are credit impaired.
- There are no unbilled trade receivables as at 31 March 2024 and 31 March 2023.

Note 13: Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
In current accounts	122.06	123.30
Cash on hand	0.55	0.89
	122.61	**124.19**

There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.

Note 14: Current financial assets - others

Unsecured, considered good		
GST incentives receivable	18.17	18.17
Other receivables	6.29	-
Security Deposit	1.00	1.00
	25.46	**19.17**

Note 15: Other current assets

Advance to suppliers	48.15	73.01
Prepaid expenses	207.90	103.93
Balance with statutory authorities	345.30	317.05
Other advances	8.09	113.96
	609.44	**607.95**

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Note 16 : Share capital

Particulars	Numbers	As at 31 March 2024	Numbers	As at 31 March 2023
Authorised				
Equity shares of Rs. 10 each	1,00,000	10.00	1,00,000	10.00
Preference shares of Rs. 100 each	3,90,000	390.00	3,90,000	390.00
	4,90,000	**400.00**	**4,90,000**	**400.00**
Issued				
Equity shares of Rs. 10 each	45,966	4.60	45,966	4.60
	45,966	**4.60**	**45,966**	**4.60**
Subscribed and paid-up				
Equity shares of Rs. 10 each fully paid up	45,966	4.60	45,966	4.60
	45,966	**4.60**	**45,966**	**4.60**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024	As at 31 March 2023
No. of shares outstanding at the beginning of the year	45,966	45,966
Add: Allotment during the year	-	-
No. of shares outstanding at the end of the year	**45,966**	**45,966**

Details of shareholders holding more than 5 percent shares in the Company and promoter shareholding

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holdings	Number of shares	% of holdings
Cipla Limited (Holding Company including 6 shares held by its nominee)	45,966	100%	45,966	100%
Total	**45,966**	**100%**	**45,966**	**100%**

There is no change in the promoter shareholding during the year ended 31 March 2024 and 31 March 2023 respectively.

Terms/ rights attached to equity shares

The Company has only one class of equity shares having face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting 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 shareholders.

Terms/ rights attached to Redeemable Preference Shares

The Company has only one class of Redeemable Preference Shares having face value of Rs.10 per share.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Aggregrate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preeceding the reporting date.

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preeceding the reporting date.

Note 17 : Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Capital redemption reserve	240.00	240.00
Equity instrument through other comprehensive income	-	472.89
Securities premium reserve	14,251.45	14,251.45
Retained earnings	118.59	3,754.77
Total	**14,610.04**	**18,719.11**

Capital redemption reserve - The Company recognised profit or loss on sale, issue, purchase or cancellation of the Company's own equity instruments to capital redemption reserve. Capital reserve may be used by the Company only for some specific purpose.

Equity instrument through other comprehensive income - Represents cumulative gains and losses arising on the revaluation of equity instrument measured at fair value through other comprehensive income. The company has transferred amounts there from to retained earnings on derecognition of such equity instrument.

Securities premium reserve - Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

Retained earnings : Retained earnings represent the Company's undistributed profits.

The movement in respect of each of other equity components form part of statement of changes in equity, hence not reproduced here.

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Note 18: Provisions

The liabilities recognised for employee obligations consist of the following amounts:

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Non-current		
Compensated absence	66.15	44.44
	66.15	**44.44**
Current:		
Gratuity	210.53	46.44
Compensated absence	7.13	7.40
Perfomance bonus	14.38	21.10
	232.04	**74.94**

(i) Compensated absence

The Company allows employees to accumulate compensated absences. The employees can carry forward a portion of their unutilized compensated absences and use them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences during the period when the employee renders services that increases this entitlement. As at 31 March 2024, the outstanding compensated absences were ₹ 73.28 lakhs (31 March 2023 - ₹ 51.84 lakhs).

(ii) Gratuity

The Company provides for gratuity, a defined benefit plan based on actuarial valuation as of the reporting date, based upon which, the Company contributes all the ascertained liabilities to the Insurer Managed Funds. The Company operates gratuity plan through a trust, wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

A reconciliation of the Company's defined benefit obligation (DBO) and plan assets to the amounts presented in the balance sheet for each of the reporting periods is presented below:

Particulars	2024 Gratuity (funded plan)	2023 Gratuity (funded plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	197.18	178.28
Interest cost	14.95	12.59
Current service cost	26.78	25.58
Liability Transferred In	-	5.05
Benefit paid directly by the employer	(0.88)	(1.41)
Benefit paid from the fund	(40.72)	(13.10)
Actuarial changes arising from changes in Demographic Assumptions	-	-
Actuarial changes arising from changes in Financial Assumptions	118.17	(6.19)
Actuarial changes arising from changes in Experience Assumptions	16.52	(3.62)
Liability at the end of the year	**332.00**	**197.18**
ii. Change in fair value of assets		
Opening fair value of plan assets	150.74	156.99
Interest income	11.43	11.08
Return on plan assets, excluding interest income	1.43	2.42
Assets Transferred In/Acquisitions	-	5.07
Benefits paid	(40.72)	(13.10)
Recoveries from the fund	(1.41)	(11.72)
Closing fair value of plan assets	**121.47**	**150.74**
iii. Amount recognised in Balance Sheet		
Present value of obligations as at year end	(332.00)	(197.18)
Fair value of plan assets as at year end	121.47	150.74
Net liability recognised	**(210.53)**	**(46.44)**
iv. Expenses recognised in profit or loss		
Current service cost	26.78	25.58
Interest on defined benefit obligation	3.52	1.51
Total expense recognised in profit or loss	**30.30**	**27.09**
v. Expenses recognised in profit or loss [OCI]		
Actuarial (gains)/losses on obligation for the period	134.69	(9.81)
Return on plan assets, excluding interest income	(1.43)	(2.42)
Net income for the period recognised in OCI	**133.26**	**(12.23)**
vi. Actual return on plan assets		
Expect return on plan assets	11.43	11.08
Actuarial gain/(loss) on plan assets	1.43	2.42
Actual return on plan assets	**12.86**	**13.50**
vii. Expected employer's contribution for the next year	**64.15**	**30.30**
vii. Actual return on plan assets	**1.43**	**2.42**
ix. Asset information		
Insurer managed funds	**100%**	**100%**

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Note 18 : Provisions (contd.)

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense :

Principal actuarial assumptions used	For the year ended 31 March 2024	For the year ended 31 March 2023
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate (per annum)	7.21%	7.58%
Salary growth rate	9% p.a.	7.00% p.a. for the next 1 years, 5.00% p.a. thereafter, starting from the 2nd year
Attrition rate	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant:

Sensitivity analysis for significant actuarial assumptions

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
Discount rate	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
(Increase)/decrease in the defined benefit liability	(17.66)	19.16	(8.70)	9.38
Salary growth rate	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
Increase/(decrease) in the defined benefit liability	83.85	(63.02)	42.53	(32.40)
Attrition rate	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
Increase/(decrease) in the defined benefit liability	(2.78)	2.96	2.14	(2.28)

Maturity Analysis of the benefit payments: From the Funds

Projected benefits Payable in future Years from the Date of the Reporting	As at 31 March 2024	As at 31 March 2023
1st Following Year	13.81	15.07
2nd Following Year	14.62	12.73
3rd Following Year	15.38	12.96
4th Following Year	16.02	13.13
5th Following Year	25.15	13.17
Sum of Years 6 To 10	94.77	74.06
Sum of Years 11 and above	692.06	330.92

(iii) Contribution to provident fund and other	As at 31 March 2024	As at 31 March 2023
Employee's pension scheme	46.71	42.50
Provident fund	39.03	37.33
Others - ESIS, Labour welfare fund etc	4.34	4.43
	90.08	**84.26**

(iii) Performance bonus	As at 31 March 2024	As at 31 March 2023
Opening balance	21.10	20.09
Provision made during the year	14.38	21.10
Bonus paid/adjusted during the year	(21.10)	(20.09)
Closing balance	**14.38**	**21.10**

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Note 19: Tax expenses

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statement of profit and loss		
Profit or loss section		
Current Income tax charge	97.99	280.96
Previous Income tax charge / reversal	-	(109.90)
MAT credit utilisation	384.15	98.29
MAT credit entitlement	(250.81)	-
Deferred tax on account of temporary differences	6.46	93.63
	237.79	**362.98**
OCI section - tax related to items recognised in OCI during the year:		
Income tax relating to re-measurements gain on defined benefit plans	38.81	(3.56)
Income tax relating to fair valuation on non-current investments	194.28	10.44
	233.09	**6.88**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit before Income tax	1,655.07	1,598.97
At India's statutory income tax rate of 29.12 % (31 March 2023: 29.12%)	481.96	465.62
Effect of prior year adjustments	-	(109.90)
Effect of non-deductible expenses for tax purpose	6.46	6.99
MAT Credit entitlement recognised	(250.81)	-
Others	0.18	0.27
Income tax expense reported in the profit or loss	**237.79**	**362.98**
Effective income tax rate	**14.37%**	**22.70%**

The Government of India, on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance, 2019, inserted a new Section 115 BAA in the IncomeTax Act, 1961, which provides an option to the Company for paying tax at reduced rates (lower tax rate) as per the provisions/ conditions defined in the said section. Based on its evaluation, the Company do not expect to avail lower tax rate on account of unrecognised MAT credit of Rs. 1,144.49 lakhs (31 March 2023 : 1395.30 lakhs) and the normal tax rate of 29.12% has been applied. Thus, all deferred tax assets have been recognised in the balance sheet except the MAT credit entitlement of Rs. 1,144.49 lakhs (31 March 2023: 1395.30 lakhs) as the Company believes availability of taxable profits under normal provisions of income tax is not probable.

Deferred tax relates to the following :

Particulars	As at 1 April 2023	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2024
Deferred tax assets (gross)				
Bonus provision	10.46	6.32	-	16.78
Employee benefit obligation	23.36	15.22	38.81	77.39
Provision for Unascertained Liability	0.13	(0.13)	-	-
MAT credit entitlement	301.72	(133.34)	-	168.38
Total deferred tax assets	**335.67**	**(111.93)**	**38.81**	**262.55**
Deferred tax liability (gross)				
Property, plant and equipment	(364.34)	(28.58)	-	(392.92)
Fair value of investments	(221.45)	0.71	194.28	(26.46)
Total deferred tax liability	**(585.79)**	**(27.87)**	**194.28**	**(419.38)**
Deferred tax assets/(liability) (net)	**(250.12)**	**(139.80)**	**233.09**	**(156.83)**

Particulars	As at 1 April 2022	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2023
Deferred government grant	20.83	(20.83)	-	0.00
Bonus provision	11.62	(1.16)	-	10.46
Employee benefit obligation	19.86	7.06	(3.56)	23.36
Provision for Unascertained Liability	0.16	(0.03)	-	0.13
MAT credit	400.01	(98.29)	-	301.72
Total deferred tax assets	**452.48**	**(113.25)**	**(3.56)**	**335.67**
Deferred tax liability (gross)				
Property, plant and equipment	(311.54)	(52.80)	-	(364.34)
Fair value of investments	(206.02)	(25.87)	10.44	(221.45)
Total deferred tax liability	**(517.56)**	**(78.67)**	**10.44**	**(585.79)**
Deferred tax assets (net)	**(65.08)**	**(191.92)**	**6.88**	**(250.12)**

The amounts recognised in other comprehensive income relate to re-measurement of net defined benefit liability.

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Note 20: Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
(a) Total outstanding dues of micro enterprises and small enterprises	199.72	94.94
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,262.58	581.98
	1,462.30	**676.92**

Trade Payables aging schedule

As at 31 March 2024	Unbilled	Not Due	Outstanding for following periods from due date of transaction					Total
			Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade payables								
- MSME	-	65.90	133.82	-	-	-	-	199.72
- Others	1.13	497.20	750.46	-	1.21	2.11	10.47	1,262.58
b) Disputed trade payables								
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
Total	**1.13**	**563.10**	**884.28**	**-**	**1.21**	**2.11**	**10.47**	**1,462.30**

As at 31 March 2023	Unbilled	Not Due	Outstanding for following periods from due date of transaction					Total
			Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade payables								
- MSME	-	24.04	70.90	-	-	-	-	94.94
- Others	17.03	153.78	350.91	20.34	8.27	20.86	10.79	581.98
b) Disputed trade payables								
- MSME	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-
Total	**17.03**	**177.82**	**421.81**	**20.34**	**8.27**	**20.86**	**10.79**	**676.92**

Notes:
1. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	199.72	94.94
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

Note 21: Other financial liabilities - current

Carried at amortised cost, except otherwise stated		
Capital creditors	52.73	88.44
Employee dues	63.46	39.99
Deposits from customers and others	2.00	2.00
Total	**118.19**	**130.43**

Note 22: Other current liabilities

Statutory dues	108.48	136.37
Total	**108.48**	**136.37**

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

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Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
***Note 23: Revenue from operations**		
Sale of products	7,608.99	7,914.34
Rendering of services	6,307.03	5,634.67
Other operating revenue		
Scrap sales	23.92	20.65
Export Incentives	-	0.95
Total	**13,939.94**	**13,570.61**
***Refer note 34 for related party transactions.**		
(i) Reconcilation of revenue from sale of products and services with the contracted price		
Contracted price	13,916.02	13,549.01
Less: Trade discount, sales and expiry return etc.	-	-
	13,916.02	**13,549.01**

(ii) Disaggregation of revenue : The above revenue components as well represents the dissagregation of revenue as per Ind AS -115.

(iii) Information about major customers
The Company's top 2 customers (31 March 2023: 2 customers), each contributing 10% or more to the Company's total revenue, collectively accounted for approximately 99.24% (31 March 2023: 99.99%) of the Company's overall revenue.

Note 24: Other income

Interest on Income tax refund	5.54	182.94
Interest income on fixed deposits	6.83	6.74
Government grants	164.00	71.60
Insurance Claim	-	36.13
Fair value gain / (loss) on current investments	(2.50)	88.82
Profit on sale of current investments (net)	270.02	44.00
Net gain on disposal of property, plant and equipment	0.51	14.95
Miscellaneous Income	4.69	24.54
Total	**449.09**	**469.72**

Government grants pertain to subsidy of property, plant and equipment of manufacturing set up. There are no unfulfilled conditions or contingencies attached to these grants.

Note 25: Cost of materials consumed

Raw material consumed		
Inventory at the beginning of the year	1,735.51	1,589.15
Add: Purchases	5,229.87	5,551.83
Less: inventory at the end of the year	(2,153.46)	(1,735.51)
Cost of materials consumed	**4,811.92**	**5,405.47**

Note 26: Purchases of stock-in-trade

Purchases of stock-in-trade	176.36	167.13
Total	**176.36**	**167.13**

Note 27: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Opening stock		
Work-in-progress	76.77	25.60
Finished goods	103.48	15.97
	180.25	41.57
Less: Closing stock		
Work-in-progress	59.71	76.77
Finished goods	23.87	103.48
	83.58	180.25
Total	**96.67**	**(138.68)**

Note 28: Employee benefits expenses

Salaries and wages	2,225.62	2,055.74
Contribution to provident and other funds (Refer Note 18)	90.08	84.26
Gratuity expense (Refer Note 18)	30.30	27.09
Staff welfare expenses	197.84	159.24
Total	**2,543.84**	**2,326.33**

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Note 29: Depreciation, impairment and amortisation expense

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
Depreciation on property, plant and equipment (Refer note 4)	849.42	1,022.47
Depreciation on right-of-use asset (Refer note 4.1)	6.11	6.11
Impairment of property, plant and equipment (Refer note 4)	28.37	7.86
Amortisation of intangible assets (Refer note 5)	1.81	3.68
Total	**885.71**	**1,040.12**

Note 30: Other expenses

Stores and spares	284.01	272.17
Manufacturing expenses	348.62	276.99
Power and fuel	1,401.34	1,310.75
Repairs and maintenance		
Plant and equipment	171.45	176.28
Buildings	104.92	41.59
Insurance	89.29	76.77
Rent (Refer note 4.1)	2.14	4.52
Rates and taxes	19.68	0.77
Contractual services	977.93	782.52
Travelling and conveyance expenses	254.14	255.49
Professional fees	202.08	66.53
Donations	0.91	0.50
Facility management expenses	136.63	129.66
Loss on foreign exchange fluctuation (net)	1.84	5.37
Sundry balances written off	-	1.73
Payments to the auditor (refer note below)	12.70	12.38
CSR expenditure (refer details below)	30.41	34.82
Miscellaneous expenses	181.37	192.15
Total	**4,219.46**	**3,640.99**

Payments to the auditor:

As auditor (net of goods and service tax)		
Audit fee	11.00	11.00
Tax audit fee	1.00	1.00
Reimbursement of expenses	0.70	0.38
Total	**12.70**	**12.38**

Details of CSR expenditure:

The Company has incurred Rs.30.41 Lakhs (previous year Rs. 34.82 Lakhs) towards CSR activities, as per Section 135 of the Companies Act, 2013 and Rules thereon. It is included in other expenses head in the Statement of Profit and Loss. Amount spent on construction/ aquisition of any assets is Nil during the year.

Gross amount required to be spent by the company during the year Rs. 30.31 Lakhs (previous year Rs. 34.53 Lakhs)

Particulars	For the year ended 31 Mar 2024	For the year ended 31 Mar 2023
Amount required to be spent	30.31	34.53
Amount of expense incurred	30.41	34.82
(Excess) / shortfall at the end of the year	(0.10)	(0.29)
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR Activities	Promoting Education MSL, School Infrastructure Strengthening, Health Infrastructure strengthening	Promoting Education MSL, School Infrastructure Strengthening, Health Infrastructure strengthening, Har Ghar Tiranga
Enterprise over which key managerial personnel of ultimate holding company are able to exercise significant influence - Payment to Cipla Foundation	30.41	34.53
Provision made w.r.t. Liability and movement in provision	No liability required to be created in the books	No liability required to be created in the books

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Note 31: Earnings per share (EPS)
Disclosure as required by Indian Accounting Standard (Ind AS) 33 Earnings Per Share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity holders for basic and diluted EPS	1,417.28	1,235.99
Weighted average number of equity shares for basic and diluted EPS	45,966	45,966
Basic and diluted EPS	**3,083.32**	**2,688.92**

Note 32: Commitments and contingencies
Commitments
i. Estimated amount of contracts remaining to be executed on capital account :
At 31 March 2024, the Company had commitments of Rs. 252.44 (31 March 2023: Rs. 201.37) relating to contracts unexecuted on capital account.

Contingent liability

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
i. Interest and penalty on education cess and secondary educated cess on excise duty	68.03	68.03

ii. Provident fund contingent liability note
Based on the judgement by the Honourable Supreme Court dated 28 February 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

Note 33: Segment reporting
The Company has only one segment which is Pharmaceuticals and primarily operates in domestic market. The Managing Director of the Company has been identifed as the Chief Operating Decision Maker. The Company's Managing Director, reviews the operating performance of the Company as a whole on a periodic basis. Therefore, disclosure relating to segments is not applicable and accordingly not made.

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Note 34 (I) : Related party disclosures

As per Ind AS 24 "Related Party Disclosures", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below :

During the year ended 31 March 2024, majority of the company's shares were held by Cipla limited, a Holding company.
List of related parties with whom transections are undertaken during the year and nature of control where control exists :

A. Ultimate Holding Company
Cipla Limited, India

B. Fellow Subsidiaries
Sitec Labs Limited, India
Cipla Health Limited, India
Cipla Pharma and Life Sciences Limited, India

C. Key Management Personnel
Mr. Rajendra Kumar Chopra - Director
Mr. Dinesh Jain - Director
Ms. Anisha Udeshi - Director
Mr. Atul Yeshwant Sant - Managing Director (resigned w.e.f. 28 April, 2023)
Mr. Ujwal Shendre - Managing Director (appointed w.e.f. 24 May 2023)
Mr. Pantha Kundu - Chief Financial Oficer (appointed w.e.f. 25 August 2023)
Mr. Chirag Hotchandani - Company Secretary
Mr. Giridhar Kshirsagar - Chief Financial Oficer (resigned w.e.f. 24 August 2023)

D. Trust over which entity has significant influence
Goldencross Pharma Limited Employees Gratuity Trust

E. Entity over which Ultimate Holding Company's key managerial personnel are able to exercise significant influence
Cipla Foundation

Note 34 (II): Disclosures in respect of related parties
During the year, the following transactions were carried out with the related parties in the ordinary course of business:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Dividend distributed		
Cipla Limited	3,968.73	-
Purchase of assets		
Cipla Limited	0.55	32.38
Purchase of goods		
Cipla Limited	138.08	324.98
Testing and analysis charges paid		
Sitec Labs Private Limited	-	0.01
Cipla Pharma and Life Science Limited	2.02	-
Sale of goods		
Cipla Limited	6,190.84	7,088.30
Cipla Health Limited	1,312.20	824.79
Sale of assets		
Cipla Limited	0.33	4.89
Rendering of services		
Cipla Limited	6,307.03	5,634.67
Reimbursement given of operating/other expenses		
Cipla Limited	35.23	37.98
Services charges paid :		
Cipla Limited	27.61	9.28
Donation given		
Cipla foundation	30.41	34.53
Receipt from gratuity trust		
Goldencross Pharma Limited Employees Gratuity Trust	40.72	-

Outstanding balances:

Particulars	As at 31 March 2024	As at 31 March 2023
Outstanding receivables		
Cipla Limited	1,165.18	1,067.27
Cipla Health Limited	182.74	8.87
Contribution payable to gratuity trust		
Goldencross Pharma Limited Employees Gratuity Trust	210.53	46.44

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 35 Financial instruments risk

Risk management objectives and policies

The Companys financial risk management is an integral part of how to plan and execute its business strategies. The Companys financial risk management policy is set by the Managing Board.

35.1 Market risk analysis

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to foreign exchange rates and price risk.

Foreign currency exchange rate risk

The Company's exposure to market risk includes changes in foreign exchange rates. Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD), Euros (EUR), Swedish Krona (SEK) and Pounds Sterling (GBP).

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	Foreign currency	As at 31 March 2024		As at 31 March 2023	
		Foreign currency (absolute numbers)	INR in Lakhs	Foreign currency (absolute numbers)	INR in Lakhs
Trade payables	EUR	34,814	31.37	30,466	26.47
	USD	22,997	19.20	22,074	18.14
	CHF	110	0.09	60	0.05
	GBP	-	-	67	0.06
	SEK	18	0.00	1,840	0.15
Capital Creditors	EUR	1,292	1.11	-	-
Advance to vendor	EUR	7,557	6.73	-	-
	USD	8,394	6.97	-	-
	SEK	36,552	2.84	-	-

For the year ended 31 March 2023, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Company would have insignificant impact on operating margins for the year .

Price Risk

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31 March 2024, the investments in debt mutual funds amounts to Rs. 3,873.84 Lakhs (31 March 2023: Rs. 2,741.68 Lakhs). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds. A 1% increase in prices would have led to approximately an additional Rs. 38.74 Lakhs gain in profit or loss (31 March, 2023: Rs. 27.42 Lakhs gain). A 1% decrease in prices would have led to an equal but opposite effect.

35.2 Credit risk analysis

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to this risk for receivables from customers.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. There is no credit risk on trade receivables as they comprise of receivables from Holding Company and fellow subsidiaries. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by government and quasi government organisations and certificates of deposit which are funds deposited at a bank for a specified time period.

The ageing analysis of the receivable (gross of provision) has been considered from the date the invoice falls due. Refer ageing in note no 12.

35.3 Liquidity risk analysis

Liquidity risk is 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. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.
Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financial liabilities maturing within one year:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables	1,462.30	676.92
Other financial liabilities	118.19	130.42
Total	**1,580.49**	**807.34**

For ageing of outstanding trade payables balance as at 31 March 2024 and 31 March 2023 from due date of their transactions, refer note 20.

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Note 36: Financial instruments

36.1 Financial Instrument by catogory and hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:
1. Fair value of trade receivable, cash and cash equivalent, other financial assets, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- **Level 3:** techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The carrying value and fair value of financial instruments by categories as at 31 March 2024 are as follows:

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade receivables	-	-	1,372.23	-	-	-	-	-	-	1,372.23
(ii) Investments in mutual funds	-	-	-	3,873.84	-	-	-	-	-	3,873.84
(iii) Cash and cash equivalents	-	-	122.61	-	-	-	-	-	-	122.61
(iv) Other non-current financial assets	-	-	142.60	-	-	-	-	-	-	142.60
(v) Other current financial assets	-	-	25.46	-	-	-	-	-	-	25.46
Total	-	-	**1,662.90**	**3,873.84**	-	-	-	-	-	**5,536.74**

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade payables	-	-	1,462.30	-	-	-	-	-	-	1,462.30
(ii) Other financial liabilities	-	-	118.19	-	-	-	-	-	-	118.19
Total			**1,580.49**	-	-	-				**1,580.49**

The carrying value and fair value of financial instruments by categories as at 31 March 2023, are as follows:

Particulars	Amortised cost			Financial assets/ liabilities			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade receivables	-	-	1,077.45	-	-	-	-	-	-	1,077.45
(ii) Investments in mutual funds	-	-	-	2,741.68	-	-	-	-	-	2,741.68
(iii) Investments	-	-	-	-	-	-	-	-	1,717.16	1,717.16
(iv) Cash and cash equivalents	-	-	124.19	-	-	-	-	-	-	124.19
(v) Other non-current financial assets	-	-	3,161.86	-	-	-	-	-	-	3,161.86
(vi) Other current financial assets	-	-	19.17	-	-	-	-	-	-	19.17
Total	-	-	**4,382.67**	**2,741.68**	-	-	-	-	**1,717.16**	**8,841.51**

Particulars	Amortised cost			Financial assets/ liabilities			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade payables	-	-	676.92	-	-	-	-	-	-	676.92
(ii) Other financial liabilities	-	-	130.43	-	-	-	-	-	-	130.43
Total			**807.35**							**807.35**

There were no transfers between Level 1 and Level 2 in 2023-24 and 2022-23

Note 37: Capital management policies and procedures

(i) The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns for its stakeholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirments of the financial convenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place to investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

(ii) Dividend on equity share

Particulars	As at 31 March 2024	As at 31 March 2023
Interim dividend on equity shares paid during the year (Rs. 8,634 per equity share of Rs.10 each)	3,968.73	-

Pursuant to the board approval dated 28 August 2023, the Company had paid interim dividend to the exiting shareholders as on 28 August 2023 ("record date") of the Company for the financial year 2023-24 at Rs. 8,634 per equity share, out of the total accumulated profits of the Company available for dividend distibution.

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Note No. 38: Ratios

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Change	Remarks
a) Current Ratio	Current assets	Current Liabilities	4.34	6.45	-33%	Refer note 1
b) Debt-Equity ratio	Total debt	Shareholder's Equity	-	-	NA	
c) Debt Service coverage ratio	Earnings available for debt service	Debt Service	-	-	NA	
d) Return on equity ratio (ROE)	Net profits after taxes	Average Shareholder's Equity	8.50%	6.82%	25%	
e) Inventory turnover ratio	Cost of goods sold	Average inventory	2.35	2.94	-20%	
f) Trade receivables turnover ratio	Revenue from operations	Average Accounts Receivable	11.38	12.57	-9%	
g) Trade payables turnover ratio	Purchases + stock in trade purchase + Other Expenses - sundry balance w/o	Average Trade Payables	9.00	11.22	-20%	
h) Net Capital turnover ratio	Revenue from operations	Working capital	2.18	2.44	-11%	
i) Net profit ratio	Net profit after tax	Revenue from sale of products and services	11.87%	11.78%	1%	
j) Return on capital employed	Earnings before interest and taxes (including other income)	Capital employed = Tangible Net worth + Total debt + Deferred tax liability	11.20%	8.43%	33%	Refer note 2
k) Return on Investment	Profit Before Tax and Finance Cost	Closing Total Assets	9.88%	7.98%	24%	

Reason for % change (>25%) :

1. Current ratio has reduced primarily on account of increase in trade payables.
1. Return on Capital Employed has increased on account of reduction in capital employed due to dividend distribution in the current year.

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Note 39 : Other significant notes

(i) The Company does not have any such 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).

(ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(iii) The Company does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iv) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity 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 on behalf of the Company,

(vii) The Company has not received any fund from any person or entity, 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.

(viii) The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Note 40 : Income tax Survey

The Income Tax Department conducted a Survey under Section 133A of the Income Tax Act on the Company starting from the date 31 January 2023 till 2 February 2023. The company at the time of survey has co-operated with the department. No assets of the company were seized by the department as part of the survey. During the year the Notices u/s 148A of the Act were issued for few assessment years, which were appropriately replied and the Company has received clean order from the Income tax authority.

Note 41: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorisation of these Financial Statements.

Note 42: Reclassification / Regroupings

The Company has restated the comparative financial information for 31 March 2023 as presented in these financial statements, due to change in classification of accrued expenses to trade payables from other financial liabilities as required under schedule III.

Impact on financial statement line items

Particulars	Notes	Amount as on 31 March 2023	Adjustments	Amount as on 31 March 2023
		Reported		Reclassified
Current Liabilities				
Trade Payables	20	659.89	17.03	676.92
Other current financial liabilities	20	147.46	(17.03)	130.43

No other material reclassifications / regroupings of previous years figures.

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Goldencross Pharma Limited
Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Rs. Lakhs, unless otherwise stated)

Note 43: Authorization of financial statements
The financial statements for the year ended 31 March 2024 were approved by the board of directors on 6 May 2024.

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 6 May 2024

For and on behalf of the **Board of Directors**

Ujwal Shendre
Managing Director
(DIN: 10173341)

Dinesh Jain
Director
(DIN: 00058069)

Pantha Kundu
Chief Financial Officer

Chirag Hotchandani
Company Secretary

Place: Mumbai
Date: 6 May 2024

GOLDENCROSS PHARMA LIMITED ★ MUMBAI - 400 063 ★

Jay Precision Pharmaceuticals Private Limited
Financial Statements for Financial Year 2023-24

JAI PRECISION PHARMACEUTICALS PRIVATE LIMITED

Financial Statements

FY: 2023-24

INDEPENDENT AUDITOR'S REPORT

To the Members of Jay Precision Pharmaceuticals Private Limited

Report on the Audit of the Financial Statements

1. OPINION

We have audited the accompanying financial statements of **Jay Precision Pharmaceuticals Private Limited** ("the Company"), which comprises the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

2. BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON:

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

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

In connection with our audit of the 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

4. RESPONSIBILITY OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 specified under section 133 of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors are 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 Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

5. AUDITOR'S RESPONSIBILITY 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal 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 with reference to financial statements in place and the operating effectiveness of such controls.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

i. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

ii. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give below in the Annexure 1B, a statement on the matters specified in paragraph 3 and 4 of the said order, to the extent applicable.

iii. Further to our comments in Annexure 1B, as required by section 143(3) of the Act, based on our audit, we report to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying financial statements.

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 financial statements dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f. We have also audited the internal financial controls with reference to the financial statements of the company as on 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date as per "Annexure 1A" expressed an unmodified opinion; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigation(s) which would impact its financial position as at 31st March 2024.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on 31 March 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.

iv. (a) The management has represented that, to the best of it's knowledge and belief, as disclosed in the note 40(i) to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

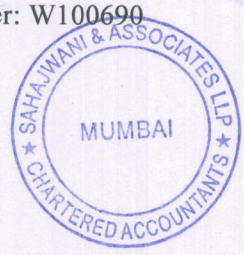
(b) The management has represented that, to the best of it's knowledge and belief, as disclosed in the note 40(f) to the financial statement, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Act.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **Sahajwani & Associates LLP**
Chartered Accountants
Firm's Registration Number: W100690



Ramesh Sahajwani
Partner
Membership No.: 010144

UDIN: 24010144BKALHC6627
Mumbai
30th April 2024

Annexure 1A to Independent Auditor's Report of even date to the members of Jai Precision Pharmaceuticals Private Limited on the financial statements for the year ended 31 March 2024

Independent Auditors Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the financial statements of **Jay Precision Pharmaceuticals Private Limited** as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

1. **Responsibilities of Management and those charged with governance for Internal Financial Controls**

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

2. **Auditor's responsibility for the audit of the Internal Financial Controls with reference to financial statements**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls with reference to financial statements, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to financial statements included obtaining an understanding of Internal Financial Controls, , assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

SAHAJWANI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls with reference to financial statements.

3. Meaning of Internal Financial Control with reference to financial statements

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

4. Inherent limitations of Internal Financial Controls with reference to financial statements

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

5. Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at March 31, 2024, based on the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sahajwani & Associates LLP**
Chartered Accountants
Firm's Registration Number: W100690

SAHAJWANI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Ramesh Sahajwani
Partner
Membership No.: 010144

UDIN: 24010144BKALHC6627
Mumbai
30th April 2024

Annexure 1B referred to in Paragraph 6(ii) of the Independent Auditor's report of even date to the members of Jay Precision Pharmaceuticals Private Limited, on the financial statements for the year ended 31st March, 2024.

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

(i) (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) The company has a regular programme of physical verification of its Property, Plant and Equipment, under which assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties of the Company disclosed in note 3 to the financial statements are held in the name of the Company.

(d) The company has not revalued its Property, Plant and Equipment during the year. Further, the company does not hold any Right of use or intangible assets.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company

(iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, limited liability partnerships or other parties during the year

and hence reporting under clauses 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3 (v) of the order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In our opinion and according to the information and explanations given to us:

(a) The Company is generally regular in depositing with appropriate authority undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as may be applicable, with the appreciate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than 6 months from the date they became payable.

(b) There are no statutory dues referred to in sub-clause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts

(ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us including

representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(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 made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year

(xii) The Company is not a Nidhi Company and the Nidhi Rules (2014) are not applicable to it. Accordingly, reporting under Clause 3(xii) of the order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us and based on our examinations, the company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act 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, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The company has not incurred any cash losses in the current financial year and in the immediately preceding financial year. Accordingly, reporting under Clause 3(xvii) of the Order is not applicable to the Company.

(xviii) There has been no resignation of the statutory auditors during the year, Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and

management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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) According to the information and explanations given to us, the Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent amounts towards CSR. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Sahajwani & Associates LLP**
Chartered Accountants
Firm's Registration Number: W100690

Ramesh Sahajwani
Partner
Membership No.: 010144

UDIN: 24010144BKALHC6627
Mumbai
30th April 2024

JAY PRECISION PHARMACEUTICALS PRIVATE LIMITED

Balance sheet as at 31st Mar, 2024

(All amounts are in Rs. lakhs unless otherwise stated)

Particulars	Notes	As at 31st Mar, 2024	As at 31st March, 2023
Assets			
1. Non-current assets			
a) Property, plant and equipment	3	9,794.72	9,248.60
b) Capital work-in-progress	3.1	2,062.48	299.66
c) Financial assets			
(i) Other financial assets	4	50.96	49.17
d) Income tax assets (Net)	5	181.30	87.20
e) Other non-current assets	6	381.99	266.00
Total non-current assets		**12,471.45**	**9,950.63**
2. Current assets			
a) Inventories	7	1,097.42	948.23
b) Financial assets			
(i) Investments	8	3,790.65	-
(ii) Trade receivables	8.1	1,853.26	3,131.82
(iii) Cash and cash equivalents	9	420.66	3,641.64
(iv) Other financial assets	10	2.94	1.78
c) Other current assets	11	276.12	73.83
Total current assets		**7,441.05**	**7,797.30**
Total Assets		**19,912.50**	**17,747.93**
Equity and liabilities			
1. Equity			
a) Equity share capital	12	401.00	401.00
b) Other equity	13	17,689.46	15,956.12
Total equity		**18,090.46**	**16,357.12**
2. Liabilities			
Non-current liabilities:			
a) Financial liabilities		-	-
b) Deferred tax liabilities (Net)	14	547.53	469.28
c) Provisions	15	93.27	105.18
Total non-current liabilities:		**640.80**	**574.46**
Current liabilities:			
a) Financial liabilities			
(i) Trade payables	16		
(a) total outstanding dues of micro and small enterprises		123.13	194.71
(b) total outstanding dues other than (i) (a) above		513.41	450.98
(ii) Other financial liabilities	17	528.40	109.52
b) Other current liabilities	18	8.38	13.38
c) Provisions	15	7.92	47.76
Total current liabilities		**1,181.24**	**816.35**
Total liabilities		**1,822.04**	**1,390.81**
Total Equity and Liabilities		**19,912.50**	**17,747.93**
Significant accounting policies & Key accounting estimates and judgments	1&2		
The accompanying notes form an integral part of these financial statements	3 - 43		

As per our report of even date

For Sahajwani & Associates LLP
Chartered Accountants
Firm's Registration Number: W100690

Ramesh Sahajwani
Partner
M. No. 010144

Place: Mumbai
Date: 30th April 2024

For and on Behalf of Board of Directors of
Jay Precision Pharmaceuticals Private Limited

Xerxes Rao
Managing Director
DIN: 00479927

Dinesh Jain
Director
DIN: 00058069

Mandar Kurghode
Company Secretary

Place: Mumbai
Date: 30th April 2024

JAY PRECISION PHARMACEUTICALS PRIVATE LIMITED
Statement of Profit and Loss for the period ended 31st Mar, 2024
(All amounts are in Rs. lakhs unless otherwise stated)

Particulars	Notes	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
1. Income			
(a) Revenue from operations			
(i) Revenue from sale of products	19	16,089.79	14,617.34
(ii) Other operating income	20	46.37	43.69
		16,136.16	**14,661.03**
(b) Other income	21	159.63	184.96
Total income		**16,295.79**	**14,845.99**
2. Expenditure			
(a) Cost of materials consumed	22	6,478.33	6,172.41
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(141.93)	(22.49)
(c) Employee benefits expense	24	431.92	372.70
(d) Finance costs		-	-
(e) Depreciation and amortisation expenses	25	680.90	650.62
(f) Other expenses	26	2,746.22	2,448.63
Total expenses		**10,195.44**	**9,621.87**
3. Profit before exceptional items and tax		**6,100.35**	**5,224.12**
4. Exceptional items		-	-
5. Profit before tax		**6,100.35**	**5,224.12**
6. Tax expense (Net)	14		
(a) Current tax		1,478.19	1,270.47
(b) Deferred tax (credit)/charge		79.15	68.91
(c) Short provision / Excess provision		-	(2.19)
7.Profit for the year		**4,543.01**	**3,886.93**
8.Other comprehensive income	27		
a)(i) Items that will not be reclassified to profit or loss		(3.57)	(3.75)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.90	0.94
b)(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
9.Total comprehensive income for the year		**4,540.34**	**3,884.12**
10.Earnings per equity share of face value of Rs.10 each			
Basic	30	**113.23**	**96.86**
Diluted	30	**113.23**	**96.86**
Significant accounting policies & key accounting estimates and judgments	1&2		
The accompanying notes form an integral part of these financial statements	3 - 43		

As per our report of even date

For Sahajwani & Associates LLP
Chartered Accountants
Firm's Registration Number: W100690

SAHAJWANI & ASSOCIATES LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Ramesh Sahajwani
Partner
M. No. 010144

Place: Mumbai
Date: 30th April 2024

For and on Behalf of Board of Directors of
Jay Precision Pharmaceuticals Private Limited

JAY PRECISION PHARMACEUTICALS PVT. LTD.

Xerxes Rao
Managing Director
DIN: 00479927

Dinesh Jain
Director
DIN: 00058069

Mandar Kurghode
Company Secretary

Place: Mumbai
Date: 30th April 2024

JAY PRECISION PHARMACEUTICALS PRIVATE LIMITED
Statement of Cash Flow for the period ended 31st March, 2024
(All amounts are in Rs. lakhs unless otherwise stated)

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	**6,100.35**	**5,224.12**
Adjustments to reconcile Profts before Tax to Net Cash Flows:		
Depreciation and amortisation expense	680.90	650.62
Sundry Balance written off / (back)	2.98	(30.24)
Unrealised foreign exchange (gain) / loss (Net)	(9.08)	1.47
Net Gain on Current Investment Carried at FVTPL	(90.65)	-
Sale of Fixed Assets (Profit)/Loss	(2.73)	-
Interest Income	(41.87)	(140.35)
	539.55	**481.50**
Operating profit before working capital changes	**6,639.90**	**5,705.62**
Adjustments for :		
Decrease / (Increase) in Trade Receivables	1,278.70	(1,471.52)
Decrease / (Increase) in Inventories	(149.19)	34.42
(Decrease)/Increase in Trade Payables	(0.21)	255.79
Decrease / (Increase) in Other Assets	(325.96)	(7.04)
(Decrease) / Increase in Other Liabilities	355.58	(91.39)
Cash generated from operations	**7,798.82**	**4,425.88**
Less : Income Taxes Paid (including tax deducted at source)	(1,572.29)	(1,198.77)
A. NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES	**6,226.53**	**3,227.11**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work-in-progress)	(2,992.11)	(798.92)
Purchase of Mutual Funds	(3,700.00)	-
Sale of property, plant and equipment	5.00	-
Interest received	46.60	136.49
B. NET CASH FLOW GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**(6,640.51)**	**(662.43)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,807.00)	(2,486.20)
C. NET CASH USED IN FINANCING ACTIVITIES	**(2,807.00)**	**(2,486.20)**
D. NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	**(3,220.98)**	**78.48**
Cash And Cash Equivalents		
At the beginning of the period	3,641.64	3,563.16
At the end of the period	420.66	3,641.64
NET (DECREASE) / INCREASE DURING THE PERIOD	**(3,220.98)**	**78.48**

Note 1. Cash Flow statement has been prepared under "Indirect Method", set out in Ind AS 7 (Statement of Cash Flows)
Note 2. Cash and cash Equivalents Represent Cash and Cash deposit with bank, which are considered to be highly liquid
Note 3. There are no borrowings as on 31st March 2024 and 31st March 2023. Hence the Net Debt movement disclosure has not been presented.

The Accompanying notes form an integral part of these financial statements 3 - 43

As per our report of even date

For Sahajwani & Associates LLP
Chartered Accountants
Firm's Registration Number: W100690

Ramesh Sahajwani
Partner
M. No. 010144

Place: Mumbai
Date: 30th April 2024

For and on Behalf of Board of Directors of
Jay Precision Pharmaceuticals Private Limited

Xerxes Rao
Managing Director
DIN: 00479927

Dinesh Jain
Director
DIN: 00058069

Mandar Kurghode
Company Secretary

Place: Mumbai
Date: 30th April 2024

JAY PRECISION PHARMACEUTICALS PRIVATE LIMITED

Statement of Changes in Equity for the year ended 31st March 2024

(All amounts are in Rs. lakhs unless otherwise stated)

A. Equity Share Capital (Refer Note 12)

Particulars	Balance as at 31st March 2022	Change during the year 2022-23	Balance as at 31st March 2023	Change during the year 2023-24	Balance as at 31st March 2024
Number	40,10,000	-	40,10,000	-	40,10,000
Amount	401.00	-	401.00	-	401.00

B. Other Equity (Refer Note 13)

Particulars	Attributable to the owners of the Company		Total
	Reserves and surplus		
	Capital reserve	Retained earnings	
For the year ended 31st March 2023:			
As at 1st April 2022	**1,487.89**	**13,070.31**	**14,558.20**
Profit for the period	-	3,886.93	3,886.93
Other comprehensive income	-	(2.81)	(2.81)
Total	**1,487.89**	**16,954.43**	**18,442.32**
Dividend	-	(2,486.20)	(2,486.20)
As at 31st March 2023	**1,487.89**	**14,468.23**	**15,956.12**
For the year ended 31st March 2024:			
As at 1st April 2023	**1,487.89**	**14,468.23**	**15,956.12**
Profit for the period	-	4,543.01	4,543.01
Other comprehensive income	-	(2.67)	(2.67)
Total	**1,487.89**	**19,008.57**	**20,496.46**
Dividend	-	(2,807.00)	(2,807.00)
As at 31st March 2024	**1,487.89**	**16,201.57**	**17,689.46**

The accompanying notes form an integral part of these financial statements 3 - 43

As per our report of even date

For Sahajwani & Associates LLP
Chartered Accountants
Firm's Registration Number: W100690

Ramesh Sahajwani
Partner
M. No. 010144

Place: Mumbai
Date: 30th April 2024

For and on Behalf of Board of Directors of
Jay Precision Pharmaceuticals Private Limited

Xerxes Rao
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DIN: 00479927

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DIN: 00058069

Mandar Kurghode
Company Secretary

Place: Mumbai
Date: 30th April 2024

JAY PRECISION PHARMACEUTICALS PRIVATE LIMITED
Note to the Financial Statements for the year ended 31st Mar, 2024

1 Corporate information

Jay Precision Pharmaceuticals Private Limited (CIN: U33111MH2012PTC234037) (the Company) is a company incorporated in India on 01/08/2012 under the provisions of the Companies Act, 2013, having registered office at Tower A, 1st floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. The Company is a Subsidiary of Cipla Limited, a global pharmaceutical company which uses cutting edge technology and innovation to meet everyday needs of all patients. The company's operating business includes manufacturing and selling of Respiraotory devices such as Dose Counter Actuator, Synchrobreate Actuator, Revoliser Devices, etc.

2 Material Accounting policies:

2.1 Basis of preparation

(a) Compliance with Indian Accounting Standards (Ind-AS)

These financial statements have been prepared and presented in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act and accounting principles generally accepted in India.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31st March 2024.

(b) Consistency of Accounting Policies

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

(c) Basis of Measurement

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

- certain financial assets and liabilities are measured at fair value or at amortised cost depending upon classification
- defined benefit plans are measured at fair value

(d) Functional currency and rounding off amounts

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 lacs or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than ₹ 500/- is presented as ₹ 0.00 lakhs.

2.2 Current and Non-Current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, Presentation of Financial Statements.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

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c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:
A liability is classified as current when it satisfies any of the following criteria:
a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Deferred Assets and Liabilities are always disclosed as non-current.

2.3 Use of estimates and Judgements

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Examples of such estimates include estimation of useful lives of tangible and intangible assets, valuation of inventories, sales return, employee costs, assessments of recoverable amounts of deferred tax assets and cash generating units, provisions against litigations and contingencies.

Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical estimates and judgements:

(a) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties are assessed individually by management based on the specific facts and circumstances.

In assessing the realizability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

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(b) Provisions & Contingent Liabilities

The company exercises judgement in determining if a particular matter is possible, probable or remote. The company also exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(c) Useful lives of property, plant and equipment, and intangible assets

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

(d) Inventories obsolescence

The factors that the company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the company business and markets. The company considers all these factors and adjusts the inventory obsolescence to reject its actual experience on a periodic basis.

(e) Expected credit loss

The company applies Expected Credit Losses ("ECL") model for measurement and recognition of loss allowance on the following:

- Trade receivables and lease receivables
- Financial assets measured at amortised cost (other than trade receivables and lease receivables)
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

In accordance with Ind AS 109 - Financial Instruments, the company applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from Contracts with Customers.

For this purpose, the company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

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JAY PRECISION PHARMACEUTICALS PVT. LTD.

In case of other assets, the company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve months ECL is measured and recognised as loss allowance.

However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

(f) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases.

To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgement. The actuarial assumptions used by the company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(g) Impairment of non-financial assets

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(h) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4 Property, Plant & Equipment

(i) Recognition & Measurement

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non-refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in

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JAY PRECISION PHARMACEUTICALS PVT. LTD.

circumstances indicate that the carrying value may not be recoverable. The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS and regarded thereafter as historical cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in the nature of repairs and maintenance are recognised in the profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for the provision is met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on property, plant and equipment (other than freehold land) is provided based on useful life of the assets as prescribed in Schedule II of the Act. Depreciation on property, plant and equipment, which are added/ disposed off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss.

For certain class of assets, based on the technical evaluation and assessment, the company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the company are different from those prescribed in the Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

The estimated useful lives are as follows:

Factory buildings	30 years
Plant and equipment	2 to 15 years
Furniture, fixtures & office equipment	10 years
Computer	3 years
Office Equipment	5 years

(iii) Derecognition

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

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2.5 Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses, including impairment on inventories, are recognised in the profit or loss.

2.6 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at 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 items denominated in foreign currency at prevailing reporting date, exchange rates are recognised in the profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.7 Inventories:

Inventories consists of raw materials and packing material, stores, spares and consumables, work-in-progress, stock- in-trade and finished goods and are measured at the lower of cost and net realisable value after providing for obsolescence, if any.

Cost of inventories is determined on a weighted moving average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in- progress, cost includes an appropriate share of overheads based on normal operating capacity.

Raw materials and consumables are considered at replacement cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of consumables, engineering spares (such as machinery spare parts), which are used in operating machines or consumed as indirect materials in the manufacturing process.

2.8 Revenue Recognition:

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured

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JAY PRECISION PHARMACEUTICALS PVT. LTD.

at the fair value of the consideration received or receivable, net of returns and applicable trade discounts, allowances, goods and services tax (GST) and amounts collected on behalf of third parties.

(i) Sale of products

The majority of customer contracts that the Company enters into consist of a single performance obligation for the delivery of pharmaceutical products. The Company recognises revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party.

The Company records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment the Company considers its historical record of performance on similar contracts.

(ii) Service fees

Revenue from services rendered, is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

(iii) Interest income

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

(iv) Lease Rent income

Rent Income is accrued on time proportionate basis taking in to account the rate and other terms and conditions agreed.

(v) Dividend Income

Dividend Income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(vi) Other Income

Other Income consists of litigation settlement income, rent income, insurance claim, miscellaneous income and is recognised when it is probable that the economic benefits will flow to the company and amount of income can be measured reliably.

2.9 Employee benefits

(i) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive

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obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined benefit plan

Gratuity obligations

Post-retirement benefit plans such as gratuity for eligible employees of the Company is determined on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to the profit or loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

(iii) Defined contribution plans

Post-retirement contribution plans such as Employees' Pension Scheme, Employee's Provident Fund, Labour Welfare Fund, Employee State Insurance Corporation (ESIC) are charged to the profit or loss for the year when the contributions to the respective funds accrue. The company does not have any obligation other than the contribution made.

(iv) Other benefit plan

Liability in respect of compensated absences is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

(v) Termination benefits

Termination benefits are recognised in the profit or loss when:

- the Company has a present obligation as a result of past event;
- a reliable estimate can be made of the amount of the obligation; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2.10 Taxes

Income tax expense comprises of current tax expense and deferred tax charged/credit. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity.

(i) Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the

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reporting date and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax:

Deferred tax is recognised using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

2.11 Leases :

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) The Company as a lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess (1) the contract involves the use of an identified asset, (2) the company has substantially all of the economic benefit from use of the asset through the period of lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangement in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of- use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

The lease liability is initially measured at amortised cost at the present value of the future lease payments.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and 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 risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

(iii) Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

2.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.14 Contingencies

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.15 Employee Stock Option Plan

In accordance with the SEBI regulation, the compensation cost of stock option granted by holding company to Managing Director of the company is calculated based on the intrinsic value method, i.e the excess of the market price of share immediately prior to date of grant over the exercise price to be paid by the him. The compensation cost is ammortised to the statement of Profit & Loss over the vesting period of the stock option.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

2.17 Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Financial instruments

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

(i) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

Impairment of financial assets

The company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109 - Financial Instruments, the company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset. For this purpose, the company follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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(ii) Financial liabilities

Classification

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

Initial recognition and measurement

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

The company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 - Financial Instruments are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the profit or loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the profit or loss. The company has not designated any financial liability as fair value through profit and loss.

De-recognition

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

Offsetting financial instruments

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

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

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- the amount determined in accordance with the expected credit loss model as per Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

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(All amounts are in Rs. lakhs unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Freehold land	Buildings	Plant & machinery	Furniture & fixtures	Computer	Office Equipments	Total
Gross block							
As at 1st April, 2022	**2,670.30**	**2,141.02**	**7,920.01**	**268.04**	**36.80**	**502.95**	**13,539.12**
Additions	-	-	688.68	9.79	7.51	8.17	714.14
Disposals	-	-	-	-	-	-	-
As at 31st March, 2023	**2,670.30**	**2,141.02**	**8,608.69**	**277.83**	**44.30**	**511.12**	**14,253.26**
Additions	-	-	1,210.85	1.37	13.72	3.35	1,229.29
Disposals	-	-	5.56	-	-	-	5.56
As at 31st March, 2024	**2,670.30**	**2,141.02**	**9,813.99**	**279.19**	**58.02**	**514.47**	**15,476.99**
Depreciation and impairment							
As at 1st April, 2022	-	**445.62**	**3,344.59**	**122.54**	**22.93**	**418.36**	**4,354.04**
Depreciation charge for the year	-	68.85	526.86	25.93	6.44	22.54	650.62
Disposals	-	-	-	-	-	-	-
As at 31st March, 2023	-	**514.47**	**3,871.44**	**148.47**	**29.38**	**440.90**	**5,004.66**
Depreciation charge for the year		69.03	558.22	26.67	5.74	21.24	680.90
Disposals	-		3.29				3.29
As at 31st March, 2024	-	**583.50**	**4,426.37**	**175.14**	**35.12**	**462.14**	**5,682.27**
Net Book Value							
As at 31st March, 2024	**2,670.30**	**1,557.51**	**5,387.62**	**104.06**	**22.91**	**52.33**	**9,794.72**
As at 31st March, 2023	**2,670.30**	**1,626.55**	**4,737.25**	**129.35**	**14.93**	**70.22**	**9,248.60**
As at 31st March, 2022	**2,670.30**	**1,695.39**	**4,575.43**	**145.50**	**13.86**	**84.59**	**9,185.08**

3.1 Details of capital work-in-progress

Particulars	As at 31st March, 2024	As at 31st March 2023
Opening Balance	**299.66**	**214.88**
Additions during the year	2,992.11	798.92
Capitalised during the year	(1,229.29)	(714.14)
Closing Balance	**2,062.48**	**299.66**

3.2 Capital work-in-progress Ageing for the year ended 31st March 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,062.48	-	-	-	**2,062.48**
Projects temporarily suspended	-	-	-	-	-
Total	**2,062.48**	-	-	-	**2,062.48**

Capital work-in-progress Ageing for the year ended 31st March 2023

Projects in progress	299.66	-	-	-	**299.66**
Projects temporarily suspended	-	-	-	-	-
Total	**299.66**	-	-	-	**299.66**

i. The title deeds of the immovable properties are held in the name of the company
ii. The company has not revalued its property, plant and equipment
iii. The company has not created any charge on its property, plant and equipment
iv. There are no capital work-in-progress, whose completion is either overdue or has exceeded its cost compared to its original plan as on 31st March, 2024 and 31st March, 2023
v. Capital work-in-progress does not include any project which is temporarily suspended

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Note to the Financial Statements for the year ended 31st Mar, 2024

(All amounts are in Rs. lakhs unless otherwise stated)

Note 4: Other financial assets

Particulars	31st Mar, 2024	31st March, 2023
(Unsecured, Considered Good except otherwise stated)		
Security Deposit	50.96	49.17
	50.96	**49.17**

Note 5: Income tax assets (Net)

Particulars	31st Mar, 2024	31st March, 2023
Non Current Tax Assets (Net)	181.30	87.20
	181.30	**87.20**

Note 6: Other non-current assets

Particulars	31st Mar, 2024	31st March, 2023
(Unsecured, considered good, except otherwise stated)		
Capital Advances	381.99	266.00
	381.99	**266.00**

Note 7: Inventories

Particulars	31st Mar, 2024	31st March, 2023
Raw materials and Packing Material	458.05	451.53
Goods in Transit of Raw Material	141.48	140.74
Work in progress	348.14	290.44
Finished goods	149.75	65.52
	1,097.42	**948.23**

Note 8: Investments

Particulars	31st Mar, 2024	31st March, 2023
Investments in Mutual Funds (quoted)	3,790.65	-
(Carried at fair value through profit or loss)		
	3,790.65	**-**

Note 8.1: Trade receivables

Particulars	31st Mar, 2024	31st March, 2023
(Carried at amortised cost, except otherwise stated)		
Trade receivables		
Unsecured, considered good	1,853.26	3,131.82
Doubtful	-	-
Total trade receivables	**1,853.26**	**3,131.82**

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Note to the Financial Statements for the year ended 31st Mar, 2024

Note 8.1: Trade receivables analysis

Particulars	31st Mar, 2024	31st March, 2023
From related parties	1,852.04	3,127.01
From others	1.22	4.81
Total	**1,853.26**	**3,131.82**

No trade or other receivable are due from directors or other officers of the company

Note 8.2: Trade receivables ageing

Particulars	31st Mar, 2024	31st March, 2023
A. Undisputed Trade Receivables-considered good	**1,853.26**	**3,131.82**
Less than 6 months	1,844.25	3,131.82
6 Months - 1 year	9.01	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
B. Disputed Trade Receivables	-	-
Total (A+B)	**1,853.26**	**3,131.82**

There are no trade receivables which have significant increase in credit risk and trade receivables which are credit impaired

Note 9: Cash and cash equivalents

Particulars	31st Mar, 2024	31st March, 2023
Balances with banks		
in current account	11.07	11.07
in deposit accounts (original maturity less than 3 months)	409.59	3,630.57
Cash on hand	-	-
	420.66	**3,641.64**

Note 10: Current financial assets - others

Particulars	31st Mar, 2024	31st March, 2023
Other receivables		
Interest receivable	2.94	1.78
	2.94	**1.78**

Note 11: Other current assets

Particulars	31st Mar, 2024	31st March, 2023
Balance with Government Authorities	206.87	19.05
Advance to Suppliers	55.04	51.37
Prepaid expenses	10.82	2.80
Advance to Employees	3.39	0.61
	276.12	**73.83**

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12. Share Capital

Authorised share capital

Particulars	Numbers	Amount in lakhs
Equity shares		
At 1st April 2022	**45,00,000**	**450.00**
Increase / (decrease) during the year	-	-
At 31st March 2023	**45,00,000**	**450.00**
Increase / (decrease) during the year	-	-
At 31st March, 2024	**45,00,000**	**450.00**

Issued, subscribed and paid up
Equity shares of Rs. 10 each issued, subscribed and fully paid

Particulars	Numbers	Amount in lakhs
At 1st April 2022	**40,10,000**	**401.00**
Changes during the year	-	-
At 31st March 2023	**40,10,000**	**401.00**
Changes during the year	-	-
At 31st March, 2024	**40,10,000**	**401.00**

Details of shareholders holding more than 5% shares in the company

	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	% Holding	Number of shares	% Holding
Equity Shares of Rs. 10 fully paid up.				
Cipla Ltd	24,05,997	60.00%	24,05,997	60.00%
Xerxes Rao	12,83,199	32.00%	12,83,199	32.00%
Smita Rao	3,20,800	8.00%	3,20,800	8.00%
	40,09,996	**100.00%**	**40,09,996**	**100.00%**

Details of shares held by promoters

	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	% Holding	Number of shares	% Holding
Equity Shares of Rs. 10 fully paid up.				
Cipla Ltd *	24,06,000	60.00%	24,06,000	60.00%
Xerxes Rao	12,83,199	32.00%	12,83,199	32.00%
Smita Rao	3,20,800	8.00%	3,20,800	8.00%
Xal Engineering (India) Private Limited	1	0.00%	1	0.00%
	40,10,000	**100.00%**	**40,10,000**	**100.00%**

* Three individuals holds one equity share each jointly with Cipla Ltd. The legal and beneficial owner of the said shares is Cipla Ltd.

There is no change in the promoters share holding for the year ended on 31st March 2024 and 31st March 2023

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of the equity share, as reflected in the records of the company as of the date of the shareholders meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders meeting in case of vote by Ballot. In case of vote by show of hands, each shareholder will have only one vote.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all Outside liabilities and the preferential amounts. However as on date no such outside liabilities or preferential amounts exists. The distribution will be in proportion to the number of equity shares held by the shareholders.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

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.

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13. Other equity

Particulars	As at 31st Mar, 2024	As at 31st March, 2023
Capital reserve		
As at the beginning of the period	1,487.89	1,487.89
Add / Less: Change during the year	-	-
As at the end of the period	**1,487.89**	**1,487.89**
Retained earnings		
As at the beginning of the period	14,468.23	13,070.31
Add: Profit during the year	4,543.01	3,886.93
Add: OCI for the year	(2.67)	(2.81)
Less: Dividend on equity shares paid during the year	(2,807.00)	(2,486.20)
As at the end of the period	**16,201.57**	**14,468.23**
Total other equity		
As at the beginning of the period	**15,956.12**	**14,558.20**
As at the end of the period	**17,689.46**	**15,956.12**

Note 14: Income Taxes

The major components of income tax expense are as under:

Particulars	31st Mar, 2024	31st March, 2023
A. Profit or loss section		
Current income tax:		
Current income tax charge	1,478.19	1,270.47
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	79.15	68.91
Income tax expense reported in the statement of profit or loss	**1,557.34**	**1,339.38**
B. OCI section - Deferred tax related to items recognised in OCI during in the year:		
Deferred Tax Liability on Items that will not be reclassified to Profit or Loss	(0.90)	(0.94)
Income tax Income / (expense) charged to OCI	**(0.90)**	**(0.94)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax:

Particulars	31st Mar, 2024	31st March, 2023
Accounting profit before income tax	6,100.35	5,224.12
Applicable Tax Rate	25.168%	25.168%
Computed Income tax at India's statutory income tax rate	1,535.34	1,314.81
Adjustments in respect of current income tax of previous years	-	(2.19)
Prior Years Adjustment to Deferred Tax	-	-
Tax Effect of non-deductible expenses i.e. taxable	22.00	19.19
Tax effect on account of change in tax rate	-	-
Others	-	5.38
Income tax expense reported in the statement of profit and loss	**1,557.34**	**1,337.19**
Effective income tax rate	**25.53%**	**25.60%**

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Deferred tax liabilities (net):

The movement on the deferred tax account is as follows:

Particulars	31st Mar, 2024	31st March, 2023
Opening balance	**469.28**	**401.31**
Tax income/(expense) during the period recognised in profit or loss	79.15	68.91
Tax income/(expense) during the period recognised in OCI	(0.90)	(0.94)
Closing balance	**547.53**	**469.28**

Component of Deferred Tax Liabilities/(Asset)

Particulars	Balance Sheet 31st Mar, 2024	Balance Sheet 31st March, 2023
Property, Plant and Equipments	566.17	519.44
Employment Benefits	(20.61)	(53.03)
Others	1.97	2.87
Net deferred tax Liabilities/(Asset)	**547.53**	**469.27**

Particulars	Profit & Loss 31st Mar, 2024	Profit & Loss 31st March, 2023
Property, Plant and Equipments	46.73	(35.93)
Employment Benefits	9.60	6.97
Others	21.92	(39.00)
Deferred tax expense/(income)	**78.25**	**(67.96)**

Note 15: Provisions
Non Current

Particulars	31st Mar, 2024	31st March, 2023
Provision for Employee Benefit (Gratuity) (Refer Annexure II)	93.27	105.18
	93.27	**105.18**

Current

Particulars	31st Mar, 2024	31st March, 2023
Provision for Employee Benefit (Gratuity) (Refer Annexure II)	7.92	47.76
	7.92	**47.76**

Note 16: Trade payables

Particulars	31st Mar, 2024	31st March, 2023
(Carried at amortised cost, except otherwise stated)		
Total outstanding dues of micro enterprises and small enterprises	123.13	194.71
Total outstanding dues of other than micro enterprises and small enterprises	513.41	450.98
	636.54	**645.69**

There are no micro and small enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2024 and no Interest payment made during the year to any micro and small enterprises. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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Note 16.1: Trade payables ageing

Particulars	31st Mar, 2024	31st March, 2023
Undisputed Trade Payables-considered good		
Micro, small and medium enterprises		
Less than 1 year	123.13	194.71
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**123.13**	**194.71**
Other than micro, small and medium enterprises		
Less than 1 year	513.41	450.98
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**513.41**	**450.98**
Disputed Trade Payables		
Micro, small and medium enterprises	-	-
Other than micro, small and medium enterprises	-	-
	-	-

Note 17: Other financial liabilities

Particulars	31st Mar, 2024	31st March, 2023
Capital Creditors	410.63	7.28
Employees Dues	117.77	102.24
	528.40	**109.52**

Note 18: Other current liabilities

Particulars	31st Mar, 2024	31st March, 2023
Statutory Dues	8.38	13.38
	8.38	**13.38**

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19. Revenue from sale of products

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Sale of products	16,089.79	14,617.34
	16,089.79	**14,617.34**

20. Other operating income

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Scrap Sales	46.17	43.69
Others	0.20	-
	46.37	**43.69**

21. Other income

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Interest income		
Bank Interest	38.61	98.69
Other Interest	3.26	41.65
Rent received	15.30	10.20
Profit on Sale of Fixed Assets	2.73	-
Net Gain on Current Investment Carried at FVTPL	90.65	-
Balance written back	-	34.42
Net Gain on foreign currency transaction & translation	9.08	-0.00
	159.63	**184.96**

22. Cost of materials consumed

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Materials Consumed		
Inventory at the beginning of the year	592.27	649.18
Add: Purchases	6,485.59	6,115.50
Less: inventory at the end of the year	(599.53)	(592.27)
Cost of material consumed	**6,478.33**	**6,172.41**

23. Changes in inventories of finished goods (including stock-in-trade) and work-in-progress

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Opening Stock		
Work-in-Process	290.44	280.43
Finished Goods	65.52	53.04
Less: Closing Stock		
Work-in-Process	(348.14)	(290.44)
Finished Goods	(149.75)	(65.52)
	(141.93)	**(22.49)**

24. Employee benefits expenses

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Salaries & Wages	383.67	325.60
Contribution to provident and other funds	12.86	11.68
Gratuity expense	27.97	23.31
Staff welfare expenses	7.42	12.11
	431.92	**372.70**

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25. Depreciation and amortization expense

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Depreciation on property, plant and equipment	680.90	650.62
	680.90	**650.62**

26. Other expenses

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Repairs and maintenance - Plant and equipment	126.56	167.30
Repairs and maintenance - Building	11.54	31.95
Insurance	35.58	28.81
Rates and taxes	12.37	23.60
Power and Fuel	855.54	757.92
Printing and stationery	6.70	6.49
Conveyance and Travelling	54.69	50.43
Contractual services	1,317.63	1,099.67
Processing Charges	25.93	21.26
Net Loss on foreign currency transaction & translation	-	1.47
Stores & Spares	70.19	27.47
Professional fees	37.54	31.69
Audit fees	16.50	16.50
Donations	0.36	0.78
Freight , Octroi & Transportation expenses	16.04	34.32
CSR expenditure (refer Note 31)	83.97	70.70
Postage and Telephone Expenses	0.21	0.54
Balance written Off	2.98	4.18
Miscellaneous expenses	33.39	37.54
Non-Executive Director's Remuneration	38.50	36.00
	2,746.22	**2,448.63**

27. Other Comprehensive Income

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Items that will not be reclassified to profit or loss:		
Actuarial Gain / (Losses) on Gratuity Obligation for the period	(3.57)	(3.75)
Deferred Tax Asset (Liability) on above losses	0.90	0.94
	(2.67)	**(2.81)**

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28. Contingent Liabilities and Commitments

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Contingent Liabilities:		
Central Sales Tax Act, 1956 FY 2015-16	-	-
Central Sales Tax Act, 1956 FY 2016-17	-	-
MVAT Act, 2002 FY 2016-17	-	-
	-	-

29. The Particulars of Managerial Remuneration:

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Salaries	176.45	159.36
Company's Contribution to PF	6.21	5.64
	182.66	**165.00**

30. Earning Per Share

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Net Profit available for equity share holder	4,540.34	3,884.12
Weighted average number of equity shares for Basic and diluted EPS	40,10,000	40,10,000
Face Value per share	10.00	10.00
Basic and diluted EPS	**113.23**	**96.86**

31. Corporate Social Responsibility (CSR) Expenditure

The Company has incurred a total expenditure of Rs. 83.97 lakhs (previous year Rs. 70.70 lakhs), towards CSR activities, as per section 135 of the Companies Act, 2013 and Rules thereon. It is included in other expenses head in the statement of Profit and Loss. Amount spent on construction/acquisition of any assets is Nil during the year. Gross amount required to be spent by the Company during the year is Rs. 83.97 Lakh (Previous year Rs. 70.70 Lakh).

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
Amount spent during the year		
Donation to the trust set for CSR purpose	83.97	70.70
	83.97	**70.70**

32. Payments to the auditor:

Particulars	For the year ended 31st Mar, 2024	For the year ended 31st March, 2023
As auditor		
Statutory audit fees	12.75	12.75
Tax audit fees	3.75	3.75
	16.50	**16.50**

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33. Related Party
Related Party Disclosures have been set out in a statement annexed herewith. The related parties as defined by IND AS – 24 'Related Party Disclosures" have been identified on the basis of disclosure made by the Key Managerial Persons taken on record by the board. (Annexure I).

34. Employee Benefits
The Company has adopted Indian Accounting Standard 19 "Employee Benefits", the Company has classified various benefits, disclosures of the same have been set out in a statement annexed herewith. (Annexure II). The Company has during the year provided the gratuity as per actuarial valuation as of the balance sheet date.

35. Ratio Analysis:
The Ratio Analysis have been set out in a statement annexed herewith (Annexure III)

36. Segment Information
In accordance with Indian Accounting Standard (Ind AS) – 108 "Operating Segments", the company has only one reporting segment, which is pharmaceuticals.

37. Financial Instruments Risk
Fair value measurement
The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial risk management objectives and policies
The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk
Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rates, price and other market changes. The company's exposure to market risk is mainly due to foreign exchange rates.

Foreign currency exchange rate risk
The Company's exposure to market risk includes changes in foreign exchange rates. Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US Dollars (USD).

(a) Foreign Exchange exposures outstanding at the year end

		31-03-2024		31-03-2023	
		Foreign Currency	INR	Foreign Currency	INR
Trade receivables	USD	-		-	-
Trade payable	USD	(0.01)	(1.02)	(1.48)	(123.49)
	EUR	(0.00)	(0.08)		
Net assets / (liabilities)		(0.01)	(1.11)	(1.48)	(123.49)

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(b) Sensitivity analysis

A reasonably possible change in foreign exchange rates by 5% would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular interest rates remain constant.

Particulars	31-03-2024		31-03-2023
Movement in exchange rate			
FC - INR	5%		5%
Impact on profit / loss			
FC - INR	(0.06)		(6.17)

Every 5% increase/ (decrease) of the respective foreign currencies compared to the functional currency of the Company would have insignificant impact on operation margins for the year ended 31st March, 2024 and 31st March, 2023

Credit risk

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to this risk for receivables from customers.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include certificates of deposit, which are funds deposited at a bank for a specified time period.

The aging analysis of the receivable has been considered from the date the invoice as at March 31, 2024:

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 yrs	Total
Trade Receivables Considered Good	1,844.25	9.01	-	-	-	1,853.26

The aging analysis of the receivable has been considered from the date the invoice as at March 31, 2023:

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 yrs	Total
Trade Receivables Considered Good	3,131.82	-	-	-	-	3,131.82

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial asset. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2024:

Particulars		Below 1 Year	1-2 Years	2-3 Years	Above 3 Years	Total
Trade Payable	MSME (Undisputed)	123.13	-	-	-	123.13
	Others (Undisputed)	513.41	-	-	-	513.41
Other Financial Liabilities		528.40	-	-	-	528.40

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The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023:

Particulars		Below 1 Year	1-2 Years	2-3 Years	Above 3 Years	Total
Trade Payable	MSME (Undisputed)	194.71	-	-	-	194.71
	Others (Undisputed)	450.98	-	-	-	450.98
Other Financial Liabilities		109.52	-	-	-	109.52

38. Financial instruments

Financial Instrument by category and hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale:

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivable, cash and cash equivalent, other current financial asset, short term borrowing, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The carrying value and fair value of financial instruments by categories as at 31 March 2024, are as follows:

Particulars	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets				
At amortise cost				
Trade Receivables	1,853.26			1,853.26
Cash and Cash Equivalents	420.66			420.66
Deposits	50.96			50.96
Other financial assets	2.94			2.94
At fair value through profit or loss				
Investments	3,790.65	3,790.65		
Financial Liabilities				
At amortise cost				
Trade Payables	636.54			636.54
Other financial liabilities	528.40			528.40

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Note to the Financial Statements for the year ended 31st Mar, 2024

39. Capital Management Policies and Procedures

The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns for its stakeholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place to investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

40. Other Notes:

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against them for holding any Benami property.

b. The Company does not have any such 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).

c. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

d. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

e. The Company have not traded or invested in Crypto Currency or Virtual Currency during the financial year

f. The Company has not received any fund from any person(s) or entity(ies), 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

g. The Company have not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year

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

i. The Company has not advanced or loaned funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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Note to the Financial Statements for the year ended 31st Mar, 2024

42. Authorisation of Financial Statements
The financial statement for the year ended March 31, 2024 were approved by the board of directors on 30th April 2024

43. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our report of even date

For Sahajwani & Associates LLP
Chartered Accountants
Firm's Registration Number: W100690

Ramesh Sahajwani
Partner
M. No. 010144

Mumbai
Date: 30th April 2024

For and on Behalf of Board of Directors of
Jay Precision Pharmaceuticals Private Limited

Xerxes Rao
Managing Director
DIN: 00479927

Dinesh Jain
Director
DIN: 00058069

Mandar Kurghode
Company Secretary

Mumbai
Date: 30th April 2024

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Note to the Financial Statements for the year ended 31st Mar, 2024

Names of Related parties with whom the Company has transacted during the year

Relation	Name of the Related Party
Director / Key Management Personnel	Xerxes rao Zubin Rao Geena Malhotra Dinesh Jain Amrita Nautiyal Achin Gupta Chandrashekhar Iyer Sanjive Baranwal - CFO (Appointed w.e.f - 14-03-2024 and Resigned -29-04-2024 Mandar Kurghode -Company Secretary
Companies in which a director or his relative is a member or director	Xal Engineering (India) Pvt Ltd Jay Precision Products (India) Pvt Ltd
Post Employement Benefits Trust	Jay Precision Pharmaceuticals Group Gratuity Fund
Holding Company	Cipla Limited
Associate / Fellow Subsidiary Company	Cipla Maroc SA
	Medispray Laboratories Pvt Ltd
	Cipla Foundation

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Annexure : 1
Related Party Transactions

Sr. No.	Name of the Party and Relationship	Nature of Transaction	Amount	
			2023-24	2022-23
	Director / Key Management Personnel			
1	Xerxes Rao	Managerial Remuneration	181.50	165.00
		Dividend	898.24	795.58
2	Amrita Nautiyal	Sitting Fees paid	2.75	3.00
3	Chandrashekhar Iyer	Sitting Fees paid	2.75	3.00
4	Zubin Rao	Commission	33.00	30.00
5	Sanjive Baranwal	Managerial Remuneration	1.16	-
	Relative of Director			
6	Smita Rao	Dividend	224.56	198.90
	Companies in which a director or his relative is a member or director			
7	Xal Engineering	Dividend	0.00 (Rs. 70/-)	0.00 (Rs. 62/-)
8	Jay Precision Products (India) Pvt Ltd	Purchase of Material / Expenses	69.61	67.15
		Purchase of Capital Goods	1,254.58	667.45
		Rent received	15.30	10.20
		Sale of Products	19.07	22.42
		Reimbursement of Income Tax refund	-	92.76
	Holding Company			
9	Cipla Ltd	Dividend	1,684.20	1,491.72
		Sale of Products	15,440.41	14,110.93
		Reimbursement of expenses		33.49
	Fellow Subsidiaries			
10	Cipla Maroc SA	Sale of Products	15.68	2.10
11	Medispray Laboratories Pvt Ltd	Sale of Products	622.44	484.45
	Entities over which holding Company is able to exercise control/ significant influence			
12	Cipla Foundation	CSR Expenditure	83.97	70.70
	Post Employement Benefits Trust			
13	Jay Precision Pharmaceuticals Group Gratuity Fund	Contribution to group Gratuity Trust	76.81	-
14	**Outstanding Receivable / (Payable)**			
	Xerxes Rao		(39.27)	(34.92)
	Zubin Rao		(29.70)	(27.00)
	Cipla Ltd		1,659.06	3,076.68
	Medispray Laboratories Pvt Ltd		166.35	35.75
	Jay Precision Products (India) Pvt Ltd		407.84	259.95

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JAY PRECISION PHARMACEUTICALS PVT. LTD.

JAY PRECISION PHARMACEUTICALS PRIVATE LIMITED

Note to the Financial Statements for the year ended 31st Mar, 2024
(All amounts are in Rs. lakhs unless otherwise stated)
Annexure – II

In accordance with Indian Accounting Standard (Ind AS) -19 "Employee Benefits", the company has classified various benefits as under :

Defined Benefit Plans
(A) Gratuity

Valuation in respect of gratuity have been carried out by independent actuary by using Projected unit credit method as stipulated in Ind AS 19 to determine the Plan liability as on Balance sheet date and current service cost ,based on the following assumption :

(i) Assumption as on valuation date

Particulars	2023-24		2022-23	
	Own Employee	Employee of Service provider*	Own Employee	Employee of Service provider*
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount Rate	7.21%	7.21%	7.41%	7.50%
Rate of Increase in compensation	7.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year	7.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year	7.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year	7.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year
Rate of return on plan assets	7.21%	0.00%	0.00%	0.00%
Rate of Employee Turnover	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.

(ii) Changes in present value of obligation :

Particulars	2023-24		2022-23	
	Own Employee	Employee of Service provider*	Own Employee	Employee of Service provider*
PVO at the beginning of the year	67.48	85.46	62.32	68.11
Interest Cost	5.00	6.41	4.28	4.91
Current Service Cost	3.12	13.44	2.61	11.51
Benefits Paid	(2.51)	(3.97)	-	(4.54)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-	-
Actuarial (gain)/loss on obligations-Due to Change in Financial Assumption	2.02	4.48	(0.61)	(0.99)
Actuarial (gain)/loss on obligations-Due to Experience	3.64	(6.58)	(1.12)	6.46
PVO at the end of the year	**78.75**	**99.25**	**67.48**	**85.46**

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JAY PRECISION PHARMACEUTICALS PVT. LTD.

(iii) **Changes in fair value of Plan assets :**

Particulars	2023-24		2022-23	
	Own Employee	Employee of Service provider*	Own Employee	Employee of Service provider*
Fair value of Plan assets at beginning of period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	76.81		-	-
Benefits Paid	-	-	-	-
Actuarial gain/(loss) on Plan assets	-	-	-	-
Fair value of Plan assets at the end of period	76.81	-	-	-

(iv) **Amount Recognized in the Balance Sheet:**

Particulars	2023-24		2022-23	
	Own Employee	Employee of Service provider*	Own Employee	Employee of Service provider*
PVO at the end of the year	(78.75)	(99.25)	(67.48)	(85.46)
Fair Value of Plan Assets at the end of the year	76.81	-	-	-
Funded status	(1.94)	(99.25)	(67.48)	(85.46)
Unrecognized Actuarial Gain/(Loss)	-	-	-	-
Net Asset/ (Liability) Recognized in the Balance Sheet	**(1.94)**	**(99.25)**	**(67.48)**	**(85.46)**

(v) **Expenses Recognized in Statement of Profit & Loss:**

Particulars	2023-24		2022-23	
	Own Employee	Employee of Service provider*	Own Employee	Employee of Service provider*
Current Service Cost	3.12	13.44	2.61	11.51
Interest Cost	5.00	6.41	4.28	4.91
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain) or Loss		-	-	-
Expenses Recognized in statement of Profit & Loss.	**8.12**	**19.85**	**6.89**	**16.42**

(via) **Expenses Recognized in Other Comprehensive Income (OCI):**

Particulars	2023-24		2022-23	
	Own Employee	Employee of Service provider*	Own Employee	Employee of Service provider*
Actuarial (Gains)/Losses on Obligation For the Period	5.66	(2.09)	(1.72)	5.48
Return on Plan Assets, Excluding Interest	-	-	-	-
Change in Asset Ceiling	-	-	-	-
Net (Income)/Expense For the Period Recognized in OCI	**5.66**	**(2.09)**	**(1.72)**	**5.48**

(vii) **Movement in the liability recognised in the Balance Sheet**

Particulars	2023-24		2022-23	
	Own Employee	Employee of Service provider*	Own Employee	Employee of Service provider*
Opening Net Liability	67.48	85.46	62.32	68.11
Expenses Recognized in Statement of Profit or	8.12	19.85	6.89	16.42
Expenses Recognized in OCI	5.66	(2.09)	(1.72)	5.48
Benefit Paid Directly by the Employer	(2.51)	(3.97)	-	(4.54)
Contribution Paid	(76.81)	-	-	-
Closing Net Liability	**1.94**	**99.25**	**67.48**	**85.46**

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JAY PRECISION PHARMACEUTICALS PVT. LTD.

(viii) **Category of Assets**

Particulars	2023-24		2022-23	
	Own Employee	Employee of Service provider*	Own Employee	Employee of Service provider*
Insurance Fund	76.81	-	-	-
Closing Net Liability	**76.81**	-	-	-

(ix) **Sensitivity Analysis**

Particulars	2023-24		2022-23	
	Own Employee	Employee of Service provider*	Own Employee	Employee of Service provider*
Delta Effect of +0.5% Change in Rate of Discounting	(1.61)	(4.73)	(0.95)	(4.07)
Delta Effect of -0.5% Change in Rate of Discounting	1.69	5.15	1.02	4.42
Delta Effect of +2% Change in Rate of Salary Increase	7.32	23.56	4.52	20.36
Delta Effect of -2% Change in Rate of Salary Increase	(6.22)	(17.41)	(3.60)	(14.96)
Delta Effect of +0.5% Change in Rate of Employee Turnover	0.20	1.08	0.19	1.10
Delta Effect of -0.5% Change in Rate of Employee Turnover	(0.21)	(1.16)	(0.20)	(1.18)

The sensitivity analysis 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.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation 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 projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(xi) **Maturity analysis of the benefit payments :**

Projected Benefits Payable in future years from the Date of Reporting	2023-24		2022-23	
	Own Employee	Employee of Service provider*	Own Employee	Employee of Service provider*
1st Following Year	5.00	6.04	42.14	5.98
2nd Following Year	5.13	6.39	1.73	5.51
3rd Following Year	27.89	6.42	1.76	5.73
4th Following Year	11.53	6.91	1.75	5.74
5th Following Year	22.64	6.85	5.87	5.78
Sum of Years 6 to 10	15.89	37.03	16.28	31.58
Sum of Years 11 and above	27.88	179.69	24.34	166.29

* Company hired some employees from manpower service provider where ultimate liability of employees are on company

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JAY PRECISION PHARMACEUTICALS PVT. LTD.

JAY PRECISION PHARMACEUTICALS PRIVATE LIMITED
Note to the Financial Statements for the year ended 31st Mar, 2024

Annexure III **Analytical Ratios**

Sr. No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
1	**Current Ratio**	Current Assets	Current Liabilities	6.30	9.55	-34.05%	a
2	**Debt – Equity Ratio**	Total Debt	Shareholder's Equity	NA	NA	NA	NA
	This ratio is not applicable as company does not have any debt						
3	**Debt Service Coverage Ratio**	Earnings available for debt service	Debt Service	NA	NA	NA	NA
	This ratio is not applicable as company does not have any debt						
4	**Return on Equity (ROE):**	Net Profits after taxes	Average Shareholder's Equity	26.36%	24.81%	6.27%	b
5	**Inventory Turnover Ratio**	Sales	Average Inventory	15.78	15.19	3.89%	b
6	**Trade receivables turnover ratio**	Net Credit Sales	Avg. Accounts Receivable	6.47	6.12	5.80%	b
7	**Trade payables turnover ratio**	Net Credit Purchases	Average Trade Payables	10.12	11.83	-14.47%	b
8	**Net capital turnover ratio**	Net Sales	Working Capital	2.58	2.10	22.74%	b
9	**Net profit ratio**	Net Profit	Net Sales	28.14%	26.49%	6.21%	b
10	**Return on capital employed (ROCE)**	Earning before interest and taxes	Capital Employed[1]	32.71%	31.02%	5.44%	b
11	**Return on Investments**	Interest and Treasury Income[2]	Monthly Average Investments[3]	6.59%	4.28%	54.16%	c

1. Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability
2. Interest on fixed deposits + incomefrom mutual funds
3. Average of monthly balances of fixed deposits + investments in mutual funds

Reason for variance (> 25%)
a. Variance is majorly due to decrease in trade receivables
b. There is no significant change (25% or more) in FY 2023-24 in comparison to FY 2022-23
c. Higher return is mainly due to Income from mutual funds investments made during FY 2023-24

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JAY PRECISION PHARMACEUTICALS PVT. LTD.

Medispray Laboratories Private Limited

Financial Statements for Financial Year 2023-24

Financial Statements

Medispray Laboratories Private Limited

2023-2024

Plot No 344/345 Kundaim Industrial Estate,
Kundaim, Goa – 403 115

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Independent Auditor's Report

To the Members of Medispray Laboratories Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Medispray Laboratories Private Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 specified under section 133 of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. 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

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of Board of Directors' 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; and

- 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.

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

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

b) 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, including the manner prescribed in Rule 3(1) of Companies (Accounts) Rules, 2014, except that the audit trail feature was not enabled at the database level as further stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

c) The financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the maintenance of accounts and other matters connected therewith refer to our comments in paragraph 13(b) above on reporting under Section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under rule 11(g) of the of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an modified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, as detailed in note 32 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 39(vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 39(vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year ended 31 March 2024 is in compliance with section 123 of the Act.

vi. Based on examination which included test checks, the Company in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level of the accounting software and the same has been 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 such audit trail features being tampered with. The Audit trail feature (edit log) at the database level for the direct changes was not enabled, however, the Company had adequate controls in the accounting software such as strict user rights and access of administrator log in through the application layer.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCD5820

Place: Mumbai
Date: 6 May 2024

Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Medispray Laboratories Private Limited on the financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report 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) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right of use assets under which the assets are physically verified in a phased manner over a period of three year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in Note 4 to the financial statements are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has not made any investment in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii)(a) and 3(iii)(b) of the Order is not applicable to the Company.

(b) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	94.34	94.34	A.Y. 1999-2000	High Court
Income Tax Act, 1961	Income Tax	71.71	71.71	A.Y. 2000-2001	Income Tax Appellate Tribunal
Customs Act, 1962	Customs Duty	81.50	6.04	April 2013 – Feb 2014	Commissioner of Customs (Appeals)
Central GST Act, 2017	Excise Duty	35.35	-	FY 2017-18	The Customs Excise and Service Tax Appellate Tribunal
Central GST Act, 2017	Excise Duty	321.63	-	FY 2017-18	The Customs Excise and Service Tax Appellate Tribunal

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central GST Act, 2017	Transitional credit of Education cess and Higher Education cess	60.57	55.06	June & July 2017	Office of the Commissioner Appeals, CGST & Customs, Goa
Central GST Act, 2017	Goods and service tax	1.97	-	July 2017 - March 2018	Superintendent - CGST

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(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 made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one unregistered CIC as part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

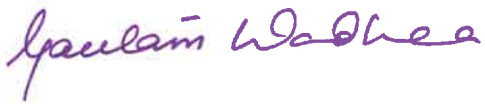
(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(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 plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCD5820

Place: Mumbai
Date: 6 May 2024

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure II to the Independent Auditor's Report of even date to the members of Medispray Laboratories Private Limited on the financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Medispray Laboratories Private Limited** ('the Company') as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') ("the Guidance Note"). 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

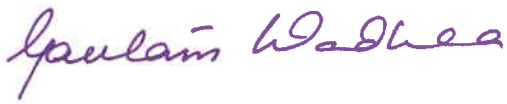
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCD5820

Place: Mumbai
Date: 6 May 2024

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Medispray Laboratories Private Limited
Balance sheet as at 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	9,092.70	7,017.83
(b) Right-of-use asset	4.1	545.19	575.50
(c) Capital work-in-progress	4.2	914.05	1,618.91
(d) Intangible assets	5	21.68	33.89
(e) Financial assets			
- Other financial assets	6	341.85	259.65
(f) Income tax assets (net)	7	541.47	541.53
(g) Deferred tax assets (net)	18	-	54.30
(h) Other non-current assets	8	211.93	202.80
		11,668.87	**10,304.41**
2. Current assets			
(a) Inventories	9	4,685.24	3,725.24
(b) Financial assets			
- Investments	10	265.47	7,322.57
- Trade receivables	11	3,969.92	4,352.29
- Cash and cash equivalents	12	367.96	2,002.67
- Other financial assets	13	68.18	19.90
(c) Other current assets	14	2,782.67	2,077.72
		12,139.44	**19,500.39**
Total assets		**23,808.31**	**29,804.80**
B. Equity and liabilities			
1. Equity			
(a) Share capital	15	5.10	5.10
(b) Other equity	16	14,271.87	23,672.04
Total equity		**14,276.97**	**23,677.14**
2. Non-current liabilities			
(a) Financial liabilities			
- Lease liabilities	4.1	66.12	84.40
(b) Provisions	17	441.02	311.04
(c) Deferred tax liabilities (net)	18	62.64	-
		569.78	**395.44**
3. Current liabilities			
(a) Financial liabilities			
- Trade payables	19		
(i) Total outstanding dues of micro enterprises and small enterprises		395.75	259.17
		5,682.74	4,641.33
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			
- Lease liabilities	4.1	15.09	19.27
- Other financial liabilities	20	405.02	540.71
(b) Other current liabilities	21	1,621.28	111.51
(c) Provisions	17	819.21	153.32
(d) Current tax liabilities (net)	7.1	22.47	6.91
		8,961.56	**5,732.22**
Total equity and liabilities		**23,808.31**	**29,804.80**

The accompanying notes form an integral part of these financial statement.

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 6 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of **the Board of Directors**

Sanjay Mishra
Managing Director
(DIN: 09773380)

Anisha Udeshi
Director
(DIN: 08757230)

Piyush Salot
Chief Financial Officer

Place: Mumbai
Date: 6 May 2024

MEDISPRAY LABORATORIES PRIVATE LIMITED
Plot No. 344/345, Kundaim Industrial Estate, Kundaim, India
GOA - 403 115

Medispray Laboratories Private Limited
Statement of profit and loss for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
(a) Revenue from operations	22	40,786.78	34,279.58
(b) Other income	23	814.38	685.35
Total income		**41,601.16**	**34,964.93**
Expenses			
(a) Cost of materials consumed	24	21,027.60	17,447.40
(b) Purchase of stock-in-trade	25	178.85	108.69
(c) Changes in inventories of finished goods , work-in-progress and stock-in-trade	26	(337.01)	276.77
(d) Employee benefit expenses	27	5,569.22	4,891.99
(e) Finance cost	28	23.85	16.30
(f) Depreciation, impairment and amortisation expense	29	1,032.79	904.01
(g) Other expenses	30	5,997.89	5,041.71
Total expenses		**33,493.19**	**28,686.87**
Profit before tax		**8,107.97**	**6,278.06**
Tax expenses (net)			
Current tax	18	2,069.93	1,532.81
Deferred tax charge	18	259.46	89.73
Profit for the year (I)		**5,778.58**	**4,655.52**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of post employement benefit obligation	17	(566.29)	34.31
(ii) Income tax relating to these items	18	142.52	(8.63)
Other comprehensive income for the year (II)		**(423.77)**	**25.68**
Total comprehensive income for the year (I+II)		**5,354.81**	**4,681.20**
Earnings per equity share of face value of Rs. 10 each			
Basic and diluted (in Rs.)	31	11,326.11	9,124.89

The accompanying notes form an integral part of these financial statement.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 6 May 2024

For and on behalf of **the Board of Directors**

Sanjay Mishra
Managing Director
(DIN: 09773380)

Anisha Udeshi
Director
(DIN: 08757230)

Piyush Salot
Chief Financial Officer

Place: Mumbai
Date: 6 May 2024

Medispray Laboratories Private Limited
Statement of cash flows for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	8,107.97	6,278.06
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, impairment and amortisation expense	1,032.79	904.01
Unrealised foreign exchange gain (net)	(17.24)	(29.69)
Loss on disposal of property, plant and equipment (net)	22.53	15.08
Fair value gain on financial assets measured at fair value through profit/ (loss)	243.57	(234.72)
Profit on sale of current investments	(889.09)	(157.09)
Sundry balances written back (net)	(27.63)	(38.84)
Interest expense on lease liability (refer note 4.1)	9.15	11.39
Interest expense - others	14.70	4.91
Interest income	(107.90)	(67.87)
Provision for expected credit loss written back	(3.04)	(208.45)
Operating profit before working capital changes	**8,385.81**	**6,476.79**
Adjustments for :		
Decrease in trade receivables	402.65	1,003.00
(Increase) / decrease in inventories	(960.00)	59.98
(Increase) / decrease in other assets and other financial assets	(804.50)	11.15
Increase / (decrease) in trade payables, other liabilities, other financial liabilities and provisions	2,905.05	(23.20)
Working capital adjustments	**1,543.20**	**1,050.93**
Cash generated from operations	**9,929.01**	**7,527.72**
Income tax paid (net)	(2,054.31)	(2,251.82)
Net cash flow generated from operating activities (a)	**7,874.70**	**5,275.90**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	63.81	23.96
Purchase of property, plant and equipment, intangibles and Capital work-in-progress (Refer Note ii below)	(2,617.39)	(2,270.60)
Proceed from / (investment) in mutual funds (net)	7,702.62	(2,838.76)
Interest received	128.14	61.31
Net cash flow generated from / (used in) investing activities (b)	**5,277.18**	**(5,024.09)**
Cash flow from financing activities		
Payment of lease liability (including interest expense on lease liability)	(31.61)	(30.72)
Dividend paid	(14,754.98)	-
Net cash flow used in financing activities (c)	**(14,786.59)**	**(30.72)**
Net (decrease) / increase in cash and cash equivalents (a+b+c)	**(1,634.71)**	**221.09**
Cash and cash equivalents at the beginning of the year	2,002.67	1,781.58
Cash and cash equivalents at the end of the year (refer note 12)	**367.96**	**2,002.67**

Note:

i. The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS-7) Statement of Cash Flows.
ii. Purchase and sale of property, plant and equipment represents additions and deletions to property, plant and equipment adjusted for movement of capital work in progress, capital advances, capital creditors during the year.
iii. The Company does not have any borrowings and lease liabilities in the current and previous year and hence no net debt movement is disclosed.

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 6 May 2024

For and on behalf of **the Board of Directors**

Sanjay Mishra
Managing Director
(DIN: 09773380)

Anisha Udeshi
Director
(DIN: 08757230)

Piyush Salot
Chief Financial Officer

Place: Mumbai
Date: 6 May 2024

Medispray Laboratories Private Limited
Statement of changes in equity for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

(a) Equity share capital (refer note 15)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	5.10	5.10
Changes in equity share capital during the year	-	-
Balance at the end of the year	**5.10**	**5.10**

(b) Other equity (refer note 16)

Particulars	Reserves and surplus					Total other equity
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings	
As at 1 April 2022	50.00	350.00	53.96	612.85	17,924.03	**18,990.84**
Profit for the year	-	-	-	-	4,655.52	**4,655.52**
Other comprehensive income	-	-	-	-	25.68	**25.68**
Balance as at 31 March 2023	**50.00**	**350.00**	**53.96**	**612.85**	**22,605.23**	**23,672.04**
Profit for the year	-	-	-	-	5,778.58	**5,778.58**
Other comprehensive income	-	-	-	-	(423.77)	**(423.77)**
Dividend paid (refer note 38)	-	-	-	-	(14,754.98)	**(14,754.98)**
Balance as at 31 March 2024	**50.00**	**350.00**	**53.96**	**612.85**	**13,205.06**	**14,271.87**

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

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 6 May 2024

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of **the Board of Directors**

Sanjay Mishra
Managing Director
(DIN: 09773380)

Anisha Udeshi
Director
(DIN: 08757230)

Piyush Salot
Chief Financial Officer

Place: Mumbai
Date: 6 May 2024

MEDISPRAY LABORATORIES PRIVATE LIMITED ★ Plot No. 344/345, Kundaim Industrial Estate, Kundaim India ★ GOA - 403 115 ★

Medispray Laboratories Private Limited
Summary of material accounting policies as at and for the year ended 31 March 2024

Note 1: Corporate information

Medispray Laboratories Private Limited ('the Company') (CIN no. U52311GA1992PTC002801) is a company domiciled in India and is incorporated on 27 February 1992 under the provisions of Companies Act applicable in India. Medispray Laboratories Private Limited is a wholly owned subsidiary of Meditab Specialities Limited (Formerly known as Meditab Specialities Private Limited). The Company is primarily engaged in the business of development, manufacture, and marketing of pharmaceutical products. The registered office of the Company is at Plot No. 344/345, Kundaim Industrial Estate, Kundaim, Goa 403115.

Note 2: Material accounting policies and key accounting estimates and judgements

2.1 Basis of preparation

(i) Compliance with Indian Accounting Standards (Ind-AS)

The financial statements of the Company as at and for the year ended 31 March 2024 have been prepared and presented in accordance with Indian Accounting Standards ("Ind-AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015],and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time and other relevant provisions of the Act and accounting principles generally accepted in India.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2024.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

- Financial assets and liabilities are measured at fair value or at amortised cost depending on classification;
- Defined benefit plans – plan assets measured at fair value;
- Lease liability and right of use of assets – measured at fair value; and

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

(iv) Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee (INR) 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 lakhs or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than INR 500/- is presented as INR 0.00 lakhs.

2.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, *Presentation of Financial Statements*.

Assets:
An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

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b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of assets and liabilities, respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

2.3 Use of estimates and judgements

The preparation of financial statements requires management of the Company to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

2.3.1 Judgements

(i) Leases

Ind AS 116 *"Leases"* requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations considering the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realizability of deferred tax assets, management considers whether some portion or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

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Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

2.3.2 Estimates

(i) Useful lives of property, plant and equipment and intangible assets

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

(ii) Expected credit loss

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables.
- Financial assets measured at amortized cost (other than trade receivables).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

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(iii) Valuation of Inventories

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

(iii) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(iv) Impairment

An impairment loss is recognised for the amount by which an assets or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(v) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4 Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non- refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore it is not depreciated. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable (Refer note 2.7 for more details). The Company had applied for the one-time transition exemption of considering the carrying cost on the transition date i.e., April 1, 2015, as the deemed cost under Ind AS. Hence

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regarded thereafter as historical cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on the property, plant and equipment (other than freehold land) is provided based on useful life of the assets as prescribed in Schedule II to the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss. Leased assets are depreciated over shorter of lease term or useful life of respective assets.

For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

The estimated useful lives are as follows:

Property, plant and equipment	**Useful life**
Buildings	
- Factory and administrative buildings	30 to 99 years
- Ancillary structures	3 to 10 years
Plant and equipment	2 to 25 years
Furniture, fixtures and office equipment	3 to 8 years
Vehicles	8 years

(iii) De-recognition

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

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2.5 Intangible assets

(i) Recognition and measurement

Intangible assets consist of computer software and is measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

(ii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals is charged to the profit or loss.

(iii) Amortization

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 3 to 6 Years

(iv) De-recognition

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition.

2.6 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses, including impairment on inventories, are recognised in the profit or loss.

2.7 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at 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 items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.8 Inventories

Inventories consists of raw materials and packing materials, stores, spares and consumables, work-in-progress, stock-in-trade and finished goods and are measured at the lower of cost and net realizable value after providing for obsolescence, if any.

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Cost of inventories is determined on a weighted moving average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Raw materials and packing materials are considered at replacement cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of packing materials, engineering spares (such as machinery spare parts), which are used in operating machines or consumed as indirect materials in the manufacturing process.

2.9 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset and presented within other income.

When loans or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

Government grants that are receivable on satisfying export or revenue conditions with no future related cost are recognised in profit or loss in the period such conditions are met.

The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between initial carrying value of the loan and the proceeds received. The loan is subsequently measured at amortized cost.

Export entitlements from Government authority are recognised in the profit or loss as other operating revenue when the right to receive is established as per the terms of the scheme in respect of the exports made by the Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

2.10 Revenue recognition

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. The transaction price of goods sold, and services rendered is net of returns and applicable trade discounts, allowances and goods and services tax and amounts collected on behalf of third parties.

(i) Sale of products:

The majority of customer contracts that the Company enters into consist of a single performance obligation for the delivery of pharmaceutical products. The Company recognize revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. The Company records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment the Company considers its historical record of performance on similar contracts.

(ii) Service fee

Revenue from services rendered, is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

(iii) Interest income

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

(iv) Other Income

Other Income is recognised when it is probable that economic benefits will flow to the company and amount of income can be measured reliably.

2.11 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution

Post retirement contribution plans such as Employees' Pension Scheme and Employees' Provident Fund, labour welfare fund, Employee State Insurance Corporation (ESIC) are charged to the profit or loss for the year when the contributions to the respective funds accrue. The Company does not have any obligation other than the contribution made.

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(iii) Defined benefit plans

a) Gratuity obligations

Post-retirement benefit plans such as gratuity is determined on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to profit or loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Other benefit plan

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised based on undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated based on an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the profit or loss and are not deferred.

(iv) Termination benefits

Termination benefits are recognised in the profit or loss when:

- the Company has a present obligation as a result of past event;
- a reliable estimate can be made of the amount of the obligation; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2.12 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.

(i) Current income tax:

Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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(ii) Deferred tax:

Deferred tax is recognized using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.13 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.16 Contingencies

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.17 Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Financial instruments

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

(i) Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) Initial recognition and measurement

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

(c) Subsequent measurement

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

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(d) De-recognition

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

(e) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset. For this purpose, the Company follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(ii) Financial liabilities

(a) Classification

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

(b) Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, financial guarantee contracts.

(c) Subsequent measurement

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in profit or loss.

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(d) De-recognition

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

(iii) Offsetting financial instruments

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

3. Recent accounting pronouncements

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.

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Note 4: Property, plant and equipment

Particulars	Freehold land	Buildings and flats	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Gross block							
Balance as at 1 April 2022	**10.34**	**4,027.70**	**9,021.70**	**464.56**	**84.21**	**41.03**	**13,649.54**
Additions for the year	-	82.00	652.65	21.49	3.85	-	759.99
Deletions and adjustments during the year	-	(1.59)	(240.93)	-	(0.08)	-	(242.60)
Balance as at 31 March 2023	**10.34**	**4,108.11**	**9,433.42**	**486.05**	**87.98**	**41.03**	**14,166.93**
Additions for the year	-	384.48	2,704.84	37.24	3.21	-	3,129.77
Deletions and adjustments during the year	-	-	(277.36)	(3.06)	-	-	(280.42)
Balance as at 31 March 2024	**10.34**	**4,492.59**	**11,860.90**	**520.23**	**91.19**	**41.03**	**17,016.28**
Accumulated depreciation and impairment							
Balance as at 1 April 2022	-	**1,168.91**	**4,902.12**	**339.36**	**66.23**	**24.64**	**6,501.26**
Depreciation charge for the year	-	136.18	686.49	21.14	3.67	3.92	851.40
Deletions and adjustments during the year	-	(0.61)	(202.87)	-	(0.08)	-	(203.56)
Balance as at 31 March 2023	-	**1,304.48**	**5,385.74**	**360.50**	**69.82**	**28.56**	**7,149.10**
Depreciation charge for the year	-	143.03	792.23	21.89	4.04	3.92	965.11
Impairment during the year[1]	-	-	3.45	-	-	-	3.45
Deletions and adjustments during the year	-	-	(191.24)	(2.84)	-	-	(194.08)
Balance as at 31 March 2024	-	**1,447.51**	**5,990.18**	**379.55**	**73.86**	**32.48**	**7,923.58**
Net book value							
As at 31 March 2024	**10.34**	**3,045.08**	**5,870.72**	**140.68**	**17.33**	**8.55**	**9,092.70**
As at 31 March 2023	**10.34**	**2,803.63**	**4,047.68**	**125.55**	**18.16**	**12.47**	**7,017.83**

Notes :

1. The impairment loss relates to certain property, plant and equipment that has been assessed as non-usable by the management and has been recorded at the scrap value less cost to sell.
2. The title deeds of all immovable properties (other than properties where the Company is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Company.
3. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
4. The Company has not revalued its Property, Plant and Equipment, Right of Use assets and intangible assets during the year.

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Note 4.1 : Leases
Following are the changes in the carrying value of right of use :

Particulars	Category of ROU assets		Total
	Leasehold Land	Building	
Balance as of 1 April 2022	501.64	117.50	619.14
Depreciation for the year	(18.62)	(25.02)	(43.64)
Balance as at 31 March 2023	**483.02**	**92.48**	**575.50**
Additions during the year	18.66	-	18.66
Depreciation for the year	(23.88)	(25.09)	(48.97)
Balance as at 31 March 2024	**477.80**	**67.39**	**545.19**

The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2024	As at 31 March 2023
Current Lease Liabilities	15.09	19.27
Non-Current Lease Liabilities	66.12	84.40
	81.21	**103.67**

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2024 on an undiscount basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	34.85	30.66
1-5 years	52.15	109.42
Less: Finance Component	(5.79)	(36.41)
	81.21	**103.67**

The following is the movement in lease liabilities during the year ended 31 March 2024:

Particulars	Amount
Balance as at 1 April 2022	123.00
Interest cost on lease liability	11.39
Payment of lease liabilities	(30.72)
Balance as at 31 March 2023	**103.67**
Interest cost on lease liability	9.15
Payment of lease liabilities	(31.61)
Balance as at 31 March 2024	**81.21**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Lease expense recorded for short-term leases is Rs. 94.27 for the year ended 31 March 2024 and Rs. 63.38 for the year ended 31 March 2023, as the Company has elected not to recognise a lease liability for short term leases or for leases for low value assets.

The aggregate depreciation on ROU assets has been included under depreciation, impairement and amortisation expenes in the statement of profit and loss.

Note 4.2 : Capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	1,618.91	133.05
Additions during the year	2,446.62	2,270.68
Capitalised during the year	(3,151.48)	(784.82)
Closing balance	**914.05**	**1,618.91**

Capital work-in-progress ageing schedule

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	877.83	1588.58
1-2 years	21.04	27.90
2-3 years	12.75	2.43
More than 3 years	2.43	-
Total	**914.05**	**1,618.91**

Notes :
1. There are no projects whose completion is overdue or has exceeded its cost compared to its original plan (as amended).
2. CWIP does not include any project temporarily suspended.

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Note 5: Intangible assets

Particulars	Computer - Software	Total
Gross block		
Balance as at 1 April 2022	**105.25**	**105.25**
Additions for the year	24.83	24.83
Deletions during the year	-	-
Balance as at 31 March 2023	**130.08**	**130.08**
Additions for the year	3.05	3.05
Deletions during the year	-	-
Balance as at 31 March 2024	**133.13**	**133.13**
Accumulated amortization and impairment		
Balance as at 1 April 2022	**87.22**	**87.22**
Amortisation charge for the year	8.97	8.97
Balance as at 31 March 2023	**96.19**	**96.19**
Amortisation charge for the year	15.26	15.26
Balance as at 31 March 2024	**111.45**	**111.45**
Net book value		
As at 31 March 2024	**21.68**	**21.68**
As at 31 March 2023	**33.89**	**33.89**

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 6: Non-current financial assets - others		
(Unsecured, considered good, except otherwise stated)		
Fixed deposit held as margin money (with maturity more than 12 months)*	226.40	138.06
Interest accrued on fixed deposits	23.97	44.21
Security Deposits	91.48	77.38
	341.85	**259.65**
* Amount held as margin money under lien with tax authorities and electricity department.		
Note 7: Income tax assets (net)		
Advance income tax, net	541.47	541.53
	541.47	**541.53**
Note 7.1: Current tax liabilities (net)		
Provision for income tax, net	22.47	6.91
	22.47	**6.91**
Note 8: Other non-current assets		
Capital advances	130.02	69.72
Prepaid expense	8.44	12.18
VAT receivable	73.47	120.90
	211.93	**202.80**
Note 9: Inventories		
(Lower of cost or net realisable value)		
Raw materials and packing materials*	3,116.28	2,481.83
Work-in-progress	1,100.09	637.08
Finished goods	302.36	428.36
Stores, spares and consumables	166.51	177.97
	4,685.24	**3,725.24**
* includes Goods in transit amounting to Rs. 27.94 (31 March 2023 Rs. Nil)		
The Company recorded inventory write down (net) of Rs. 312.33 (31 March 2023 Rs. 233.19). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock -in- trade in the statement of profit or loss.		
Note 10: Current Investments		
(Carried at fair value through profit and loss)		
Investment in mutual funds (unquoted)	265.47	7,322.57
Aggregate amount of unquoted investments	**265.47**	**7,322.57**
Aggregate market value of unquoted investments	**265.47**	**7,322.57**
Note 11: Trade receivables		
(Carried at amortised cost, except otherwise stated)		
Unsecured, considered good*	3,969.92	4,352.29
Unsecured, considered doubtful	167.03	489.89
Less : Allowance for expected credit loss	(167.03)	(489.89)
	3,969.92	**4,352.29**
*Includes amounts due from related parties (refer note 34)	2,583.91	1,966.09

Trade receivable ageing schedule

As at 31 March 2024	Not Due	Outstanding for following periods from due date of payments					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade receivables							
- Considered good	3,564.20	21.80	13.03	-	-	370.89	3,969.92
- Considered doubtful		-	-	-	-	167.03	167.03
- Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
b) Disputed trade receivables							-
- Considered good	-	-	-	-	-	-	-
- Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
- Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**3,564.20**	**21.80**	**13.03**	**-**	**-**	**537.92**	**4,136.95**

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Note 11: Trade receivables (Continued)

As at 31 March 2023	Not Due	Outstanding for following periods from due date of payments					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade receivables							
- Considered good	3,907.34	-	74.06	-	370.89	-	4,352.29
- Considered doubtful		-	-	-	-	489.89	489.89
- Undisputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
b) Disputed trade receivables							-
- Considered good	-	-	-	-	-	-	-
- Disputed trade receivables which have	-	-	-	-	-	-	-
- Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**3,907.34**	**-**	**74.06**	**-**	**370.89**	**489.89**	**4,842.18**

- Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

- Other than disclosed in note 34, there are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

Particulars	As at 31 March 2024	As at 31 March 2023
Note 12: Cash and cash equivalents		
Balances with banks		
In current accounts	367.22	15.64
In fixed deposits (original maturity less than 3 months)	-	1,984.07
Cash on hand	0.74	2.96
	367.96	**2,002.67**
Note 13: Current financial assets - others		
(Unsecured, considered good, except otherwise stated)		
Export incentives receivable	68.18	19.90
	68.18	**19.90**
Note 14: Other current assets		
Balances with statutory authorities	2,418.92	1,648.30
Advance to suppliers	54.26	98.88
Prepaid expenses	283.43	257.42
Other advances	26.06	73.12
	2,782.67	**2,077.72**

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Note 15: Share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of Rs. 10 each	1,00,000	10.00	1,00,000	10.00
Redeemable Preference shares of Rs. 100 each	5,00,000	500.00	5,00,000	500.00
	6,00,000	**510.00**	**6,00,000**	**510.00**
Issued				
Equity shares of Rs. 10 each	51,020	5.10	51,020	5.10
	51,020	**5.10**	**51,020**	**5.10**
Subscribed and paid-up				
Equity shares of Rs. 10 each fully paid up	51,020	5.10	51,020	5.10
	51,020	**5.10**	**51,020**	**5.10**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024	As at 31 March 2023
No. of shares outstanding at the beginning of the year	51,020	51,020
Add: Allotment during the year	-	-
No. of shares outstanding at the end of the year	**51,020**	**51,020**

Details of shareholders holding more than 5 percent shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holdings	Number of shares	% of holdings
Meditab Specialities Limited (Holding Company including 6 equity shares held by its nominee)	51,020	100%	51,020	100%
	51,020	**100%**	**51,020**	**100%**

There is no change in promoters shareholding during the year ended 31 March 2024 and 31 March 2023

Terms/ rights attached to equity shares
The Company has only one class of equity shares having face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
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 shareholders.

Terms/ rights attached to Redeemable Preference Shares
The Company has only one class of Redeemable Preference Shares having face value of Rs.100 per share.
The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Aggregrate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preeceding the reporting date.

The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preeceding the reporting date.

Note 16: Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Capital Reserve	50.00	50.00
Capital redemption reserve	350.00	350.00
Securities premium	53.96	53.96
General reserve	612.85	612.85
Retained earnings	13,205.06	22,605.23
	14,271.87	**23,672.04**

Capital reserve - The Company recognised profit or loss on sale, issue, purchase or cancellation of the Company's own equity instruments to capital reserve. Capital reserve may be used by the Company only for some specific purpose.

Capital redemption reserve - The Company recognised capital redemption reserve on redemption of preference shares.The amount of capital redemption reserve is equal to nominal amount of the prefrence shares issued.

Securities premium - Securities premium is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

General reserve - The General reserve is used from time to time to transfer profit from retained earning for appropriation purpose.

Retained earnings - Retained earnings represent the Company's undistributed profits.

The movement in respect of each of other equity components form part of statement of changes in equity, hence not reproduced here.

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Note 17: Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Compensated absences	441.02	311.04
	441.02	**311.04**
Current:		
Gratuity	690.18	37.96
Compensated absences	52.81	50.24
Performance bonus	76.22	65.12
	819.21	**153.32**

(i) Compensated Absences

The Company allows employees to accumulate compensated absences. The employees can carry forward a portion of their unutilized compensated absences and use them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences during the period when the employee renders services that increases this entitlement. As at 31 March 2024, the outstanding compensated absences were ₹ 493.83 lakhs (31 March 2023 - ₹ 361.28 lakhs).

(ii) Gratuity

The Company provides for gratuity, a defined benefit plan based on actuarial valuation as of the reporting date, based upon which, the Company contributes all the ascertained liabilities to the insurer managed funds. The Company operates gratuity plan through a trust, wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

The plan exposes the Company to actuarial risks such as asset volatility, changes in bond yields, inflation risks.

A reconciliation of the Company's defined benefit obligation (DBO) and plan assets to the amounts presented in the balance sheet for each of the reporting periods is presented below:

Disclosures for defined benefit plans based on actuarial reports as on 31 March 2024

Particulars	2024 Gratuity (Funded Plan)	2023 Gratuity (Funded Plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	782.90	723.06
Interest cost	58.64	51.05
Current service cost	71.54	68.16
Liability Transferred In/ Acquisitions	-	1.61
Liability Transferred Out/ Divestments	-	(5.62)
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	422.00	(13.13)
Actuarial changes arising from changes in experience assumptions	158.69	(7.50)
Benefit Paid Directly by the Employer	(1.69)	(13.24)
Benefits paid from the fund	(33.97)	(21.49)
Liability at the end of the year	**1,458.11**	**782.90**
ii. Change in fair value of assets		
Opening fair value of plan assets	744.94	712.71
Expected return on plan assets	55.80	50.32
Contribution by employer	(13.24)	(6.27)
Assets Transferred In/Acquisitions	-	1.61
Assets Transferred Out/ Divestments	-	(5.62)
Actuarial gain/(loss) / return on plan assets, excluding interest income	14.40	13.68
Benefits paid	(33.97)	(21.49)
Closing fair value of plan assets	**767.93**	**744.94**
iii. Amount recognised in balance sheet		
Present value of obligations as at year end	(1,458.11)	(782.90)
Fair value of plan assets as at year end	767.93	744.94
Net liability recognised	**(690.18)**	**(37.96)**
iv. Expenses recognised in profit or loss		
Current service cost	71.54	68.16
Interest on defined benefit obligation	2.84	0.73
Total expense recognised in profit or loss	**74.38**	**68.89**
v. Expenses recognised in other comprehensive income (OCI)		
Actuarial (Gains)/losses on obligation for the period	580.69	(20.63)
Return on Plan Assets, excluding interest income	(14.40)	(13.68)
Net income for the period recognised in OCI	**566.29**	**(34.31)**
vi. Actual return on plan assets		
Expected return on plan asset	55.80	50.32
Actuarial gain on plan asset	14.40	13.68
Actual return on plan assets	**70.20**	**64.00**
vii. Asset information		
Insurer managed funds	**100%**	**100%**
viii. Expected employer's contribution for the next year	**184.98**	**74.38**

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Note 17: Provisions (contd.)

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense :

Principal actuarial assumptions used	2024 Gratuity (Funded Plan)	2023 Gratuity (Funded Plan)
Discount rate (per annum)	7.21%	7.49%
Salary growth rate	9.00% p.a.	7.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year
Attrition rate	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant:

Sensitivity analysis for significant actuarial assumptions

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
Discount rate	Increase by 1%	Decrease by 1%	Increase by 0.5%	Decrease by 0.5%
(Increase)/decrease in the defined benefit liability	61.11	65.42	(29.97)	31.95
Salary growth rate	Increase by 1%	Decrease by 1%	Increase by 2%	Decrease by 2%
Increase/(decrease) in the defined benefit liability	280.17	(222.37)	141.89	(113.38)
Attrition rate	Increase by 1%	Decrease by 1%	Increase by 0.5%	Decrease by 0.5%
Increase/(decrease) in the defined benefit liability	(7.99)	8.42	5.91	(6.22)

Maturity analysis of the benefit payments: from the fund

Projected benefits payable in future years from the date of reporting	As at 31 March 2024	As at 31 March 2023
1st Following Year	73.94	49.27
2nd Following Year	68.77	57.31
3rd Following Year	71.77	50.59
4th Following Year	89.91	57.20
5th Following Year	144.27	62.54
Sum of Years 6 To 10	653.36	361.66
Sum of Years 11 and above	1,996.07	965.68

(iii) Contribution to provident fund and other funds

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employee's pension scheme	81.27	94.60
Provident fund	109.64	107.71
Others - ESIS, Labour welfare fund etc	11.15	25.56
	202.06	**227.87**

(iv) Performance bonus

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	65.12	66.98
Provision made during the year	76.22	69.58
Bonus paid/adjusted during the year	(65.12)	(71.44)
Closing balance	**76.22**	**65.12**

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Note 18: Tax expenses (net)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statement of profit and loss		
Profit or loss section		
Current tax charge	2,069.93	1,532.81
Deferred tax charge	259.46	89.73
	2,329.39	**1,622.54**
OCI section - tax related to items recognised in OCI during the year:		
Income tax relating to re-measurements gain on defined benefit plans	142.52	(8.63)
	142.52	**(8.63)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and March 2023:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit before Income tax	8,107.97	6,278.06
At India's statutory income tax rate of 25.168 % (31 March 2023 25.168%)	2,040.61	1,580.05
Effect of prior year adjustments	219.22	(20.53)
Effect of non-deductible expenses	40.96	39.57
Others	28.60	23.45
Income tax expense reported in the statement of profit or loss	**2,329.39**	**1,622.54**
Effective income tax rate	**28.73%**	**25.84%**

Deferred tax (net)
Deferred tax relates to the following:

Particulars	As at 1 April 2023	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2024
Deferred tax assets (gross)				
Employee benefit obligation	191.38	52.17	-	243.55
Advance licence	15.74	-	-	15.74
Allowance for expected credit loss	123.31	(81.26)	-	42.05
Total deferred tax assets	**330.43**	**(29.09)**	**-**	**301.34**
Deferred tax liability (gross)				
Property, plant and equipment, investment property and other intangible assets	(164.64)	(291.67)	-	(456.31)
Investment in mutual fund	(61.77)	61.30	-	(0.47)
Actuarial gain/loss	(49.72)	-	142.52	92.80
Total deferred tax liability	**(276.13)**	**(230.37)**	**142.52**	**(363.98)**
Deferred tax liabilities (net)	**54.30**	**(259.46)**	**142.52**	**(62.64)**

Pariculars	As at 1 April 2022	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2023
Deferred tax assets (gross)				
Employee benefit obligation	174.32	17.06	-	191.38
Advance licence	15.74	-	-	15.74
Allowance for expected credit loss	171.10	(47.79)	-	123.31
Total deferred tax assets	**361.16**	**(30.73)**	**-**	**330.43**
Deferred tax liability (gross)				
Property, plant and equipment, investment property and other intangible assets	(164.71)	0.07	-	(164.64)
Investment in mutual fund	(2.70)	(59.07)	-	(61.77)
Actuarial gain/loss	(41.09)	-	(8.63)	(49.72)
Total deferred tax liability	**(208.50)**	**(59.00)**	**(8.63)**	**(276.13)**
Deferred tax (net)	**152.66**	**(89.73)**	**(8.63)**	**54.30**

All deferred tax assets have been recognised in the balance sheet.

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 19: Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	395.75	259.17
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises*	5,682.74	4,641.33
	6,078.49	**4,900.50**

*- includes related party dues of Rs. 172.96 (31 March 2023 - Rs. 36.83) (refer note 34).

As at 31 March 2024	Unbilled	Not Due	Outstanding for following periods from due date of payments				Total
			Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade payables							
- MSME	-	395.75	-	-	-	-	**395.75**
- Others	108.82	1,936.09	1,229.23	37.52	49.14	2,321.94	**5,682.74**
b) Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	**108.82**	**2,331.84**	**1,229.23**	**37.52**	**49.14**	**2,321.94**	**6,078.49**

As at 31 March 2023	Unbilled	Not Due	Outstanding for following periods from due date of payments				Total
			Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade payables							
- MSME	-	259.17	-	-	-	-	**259.17**
- Others	98.96	563.59	1,554.09	109.31	2,015.18	300.20	**4,641.33**
b) Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	**98.96**	**822.76**	**1,554.09**	**109.31**	**2,015.18**	**300.20**	**4,900.50**

Details of dues to Micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	395.75	259.17
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

Particulars	As at 31 March 2024	As at 31 March 2023
Note 20: Other financial liabilities		
Capital creditors	160.87	271.35
Employee dues	174.29	199.50
Security deposit	7.25	7.25
Import advance licenses	62.61	62.61
	405.02	**540.71**
Note 21: Other current liabilities		
Advance from customers*	0.80	1.66
Statutory dues	1,620.38	109.85
Other payables	0.10	-
	1,621.28	**111.51**

* Also termed as contract liabilities under Ind AS 115 - Revenue from contracts with customer

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 22: Revenue from operations*		
Sale of products	35,171.12	28,981.39
Rendering of services	5,406.63	5,109.16
Other operating revenue		
Export incentives	124.55	105.69
Scrap sales	84.48	83.34
	40,786.78	**34,279.58**
*Refer note 34 for related party transactions.		
(i) Reconcilation of revenue from sale of products and services with the contracted price		
Contracted price	40,577.75	34,090.55
Less: Trade discount, sales and expiry return etc.	-	-
	40,577.75	**34,090.55**
(ii) Disaggregation of revenue : The above revenue components as well represents the dissagregation of revenue as per Ind AS -115.		
(iii) Contract balances		
Contract balances from contracts with customers	0.80	1.66
	0.80	**1.66**
(iv) Revenue recognised in the reporting period included in the contract liability in the beginning of the year		
Opening balance	1.66	7.75
Addition during the year	0.80	1.66
Repaid/revenue recognised during the year	(1.66)	(7.75)
	0.80	**1.66**
(v) Information about major customers		
Revenue from the Company's top customer, Cipla Limited, accounted for 81.15% (31 March 2023: 90.55%) of the Company's total revenue. No other single customer represents 10% or more of the Company's total revenue for the years ended 31 March 2024 and 31 March 2023 respectively.		
Note 23: Other income		
Interest income	107.90	67.87
Fair value gain on financial assets measured at fair value through profit/ (loss)	(243.57)	234.72
Profit on sale of current investments	889.09	157.09
Net gain on foreign currency translation and transaction	-	170.53
Sundry balance written back (net)	27.63	38.84
Miscellaneous income	33.33	16.30
	814.38	**685.35**
Note 24: Cost of materials consumed		
Raw material consumed		
Inventory at the beginning of the year	2,481.83	2,291.92
Add: Purchases	21,662.05	17,637.31
Less: Inventory at the end of the year	(3,116.28)	(2,481.83)
Cost of materials consumed	**21,027.60**	**17,447.40**
Note 25: Purchase of stock-in-trade		
Stock-in-trade	178.85	108.69
	178.85	**108.69**
Note 26: Changes in inventories of finished goods ,work-in-progress and stock-in-trade		
Opening stock		
Work-in-progress	637.08	1,035.46
Finished goods (including stock-in-trade)	428.36	306.75
Less: Closing stock		
Work-in-progress	(1,100.09)	(637.08)
Finished goods (including stock-in-trade)	(302.36)	(428.36)
	(337.01)	**276.77**
Note 27: Employee benefit expense		
Salaries, wages and bonus	5,046.07	4,382.44
Contribution to provident and other funds (refer note 17)	202.06	227.87
Gratuity expense (refer note 17)	74.38	68.89
Staff welfare expenses	246.71	212.79
	5,569.22	**4,891.99**

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 28: Finance cost		
Interest expense - others	14.70	4.91
Interest on lease liability (refer note 4.1)	9.15	11.39
	23.85	**16.30**
Note 29: Depreciation, impairment and amortisation expense		
Depreciation of property, plant and equipment (refer note 4)	965.11	851.40
Depreciation on right-of-asset (refer note 4.1)	48.97	43.64
Impairment of property, plant and equipment (refer note 4)	3.45	-
Amortisation of intangible assets (refer note 5)	15.26	8.97
	1,032.79	**904.01**
Note 30: Other expenses		
Manufacturing expenses	986.51	695.43
Stores and spares	441.08	343.83
Power and fuel	1,379.57	1,401.77
Repairs and maintenance:		
Plant and equipment	485.64	401.96
Buildings	164.90	114.90
Facility management expenses	141.98	108.61
Rates and taxes	5.78	9.18
Freight and forwarding	132.43	266.46
Rent (refer note 4.1)	94.27	63.38
Insurance	61.42	55.45
Telephone, postage and courier	28.68	28.11
Professional fees	165.02	147.16
Contractual services	798.61	617.18
Loss on disposal of property, plant and equipment (net)	22.53	15.08
Net Loss on foreign currency translation and transaction	14.54	-
Printing and stationery	69.25	60.08
Payments to the auditor (refer note below)	13.68	13.38
Travelling expenses	118.19	88.13
Allowance for expected credit loss	(3.04)	(208.45)
Commission on sales	543.88	451.55
Corporate social responsibility expenditure (refer details below)	138.87	138.60
IT expenses	120.21	129.97
Miscellaneous expenses	73.89	99.95
Total	**5,997.89**	**5,041.71**
Payments to the auditor:		
Audit fee	12.00	12.00
Tax audit fee	1.00	1.00
Reimbursement of expenses	0.68	0.38
Total	**13.68**	**13.38**

Details of CSR expenditure:
The Company has incurred Rs.138.87 lakhs (previous year Rs.138.60 lakhs) towards CSR activities, as per Section 135 of the Companies Act, 2013 and Rules thereon. It is included in other expenses in the Statement of Profit and Loss. Amount spent on construction/ aquisition of any assets is Nil during the year.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount required to be spent	138.77	138.60
Amount of expense incurred	138.87	138.60
(Excess) / shortfall at the end of the year	(0.10)	-
Total of previous year shortfall		-
Reason for shortfall	NA	NA
Nature of CSR Activities	Mobile Science Lab, Mobile health Van expense, Books, school infrastructure & Environment sustainability	Mobile Science Lab, Mobile health Van expense, Books & school infrastructure
Details of related party transaction - Payment to Cipla Foundation	138.77	138.60
Provision made w.r.t. Liability and movement in provision	No liability created in the books	No liability created in the books

The Company does not have any ongoing projects as at 31 March 2024.

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Note 31: Earnings per share (EPS)

Disclosure as required by Indian Accounting Standard (Ind AS) 33 Earnings Per Share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity holders for basic and diluted EPS	5,778.58	4,655.52
Weighted average number of equity shares for basic and diluted EPS	51,020	51,020
Basic and Diluted EPS	**11,326.11**	**9,124.89**

Note 32: Commitments and Contingencies
Commitments

i. Estimated amount of contracts remaining to be executed on capital account :
At 31 March 2024, the Company had commitments of Rs 642.16 (31 March 2023: Rs 445.82) relating to contracts unexecuted on capital account.

ii. Provident fund
There has been a Supreme Court (SC) judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. In view of the interpretative aspects related to the Judgement including the effective date of application, the Company has been advised to await further developments in this matter. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

Contingent liabilities

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Guarantee towards Electricity connection	210.00	124.97
Guarantee towards Commercial tax (VAT), Goa	11.00	11.00
Inadmissible transitional Credit of E.Cess & SHE Cess	60.57	65.06
	281.57	**201.03**

Note 33: Segment reporting
The Company is organised based on the nature of the business and there is only one segment which is pharmaceuticals. The Managing Director of the Company has been identifed as the Chief Operating Decision Maker. The Company's Managing Director, reviews the operating performance of the Company as a whole on a periodic basis. Therefore, disclosure relating to segments is not applicable and accordingly not made.

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Note 34 (I) : Related party disclosures
As per Ind AS 24 "Related Party Disclosures", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below :

During the year ended 31 March 2024, majority of the company's shares were held by Meditab Specialities Limited, a Holding company.

List of related parties with whom trasactions are undertaken during the year and nature of control where control exists :

A. Ultimate Holding Company
Cipla Limited, India

B. Holding Company
Meditab Specialities Limited, India

C. Fellow Subsidiaries
Sitec Labs Limited, India
Jay Precision Pharmaceuticals Private Limited, India
Cipla Maroc SA, Morocco
Cipla Pharma and Life Sciences Limited, India

D.Entities over which Ultimate Holding Company's key managerial personnel has significant influence
Cipla Foundation

E. Key Management Personnel
Mr. Dinesh Jain - Director
Ms. Patsy Jeffery - Director (resigned w.e.f. 13 March 2024)
Mrs. Anisha Udeshi - Director
Mr. Sanjay Gorana - Managing Director (resigned w.e.f 28 September 2022)
Mr. Sanjay Kumar Mishra - Manging Director (appointed w.e.f 21 October 2022)
Mr. Siddharth Agarwal - Chief Financial Officer (resigned w.e.f. 25 August 2023)
Mr. Piyush Salot - Chief Financial Officer (appointed w.e.f. 26 August 2023)
Ms. Simona Dsouza - Company Secretary (resigned w.e.f. 9 May 2023)

F. Trust over which entity has significant influence
Medispray Laboratories Private Limited employee comprehensive gratuity scheme

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Note 34 (II): Disclosures in respect of related parties

During the year, the following transactions were carried out with the related parties in the ordinary course of business:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchase of goods :		
Cipla Limited	4,141.08	4,228.22
Meditab Specialities Limited	-	0.38
Jay Precision Pharmaceuticals Private Limited	622.42	484.45
Purchase of property, plant and equipment :		
Cipla Limited	36.02	143.13
Meditab Specialities Limited	11.77	-
Processing charges received :		
Cipla Limited	5,406.63	5,108.57
Meditab Specialities Limited	-	0.59
Sale of goods :		
Cipla Limited	27,522.54	23,547.33
Meditab Specialities Limited	0.01	0.03
Cipla Maroc SA	1,575.44	90.18
Processing charges paid :		
Cipla Limited	308.53	110.44
Testing and analysis charges paid :		
Sitec Labs Limited	3.09	13.22
Cipla Pharma and Life Sciences Limited	-	1.04
Reimbursement received :		
Cipla Limited	50.72	23.27
Meditab Specialities Limited	11.89	6.65
Reimbursement paid :		
Cipla Limited	56.65	55.21
Meditab Specialities Limited	1.90	0.36
Service charges paid :		
Cipla Limited	50.45	46.94
Sale of property, plant and equipment:		
Cipla Limited	0.01	0.12
Sale of MEIS Licence		
Cipla Limited	-	81.87
Donations		
Cipla Foundation	138.87	138.60
Dividend paid		
Meditab Specialities Limited	14,754.98	-

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Outstanding balances:

Particulars	As at 31 March 2024	As at 31 March 2023
Outstanding payables :		
Sitec Labs Limited	1.67	1.08
Jay Precision Pharmaceuticals Private Limited	166.33	35.75
Meditab Specialities Limited	4.96	-
Outstanding receivables :		
Cipla Limited	2,220.18	1,965.38
Meditab Specialities Limited	-	0.71
Cipla Maroc SA	363.73	-
Contribution payable to gratuity scheme:		
Medispray Laboratories Private Limited employee comprehensive gratuity scheme	690.18	37.96

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Note 35: Financial instruments risk

Risk management objectives and policies
The Companys financial risk management is an integral part of how to plan and execute its business strategies. The Companys financial risk management policy is set by the Managing Board.

35.1 Market risk analysis

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to foreign exchange rates and price risk.

Foreign currency exchange rate risk
The Company's exposure to market risk includes changes in foreign exchange rates. Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD), Euros (EUR) and Pounds Sterling (GBP).

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	Foreign currency	As at 31 March 2024		As at 31 March 2023	
		Foreign Currency (Absolute amount)	INR (in lakhs)	Foreign Currency (Absolute amount)	INR (in lakhs)
Trade payables	CHF	59	0.05	59	0.05
	EUR	2,53,643	173.08	8,32,355	698.91
	GBP	4,618	4.40	11,682	11.44
	ZAR	21,169	0.98	21,169	0.98
Trade receivables	USD	30,495	23.26	45,406	23.30
Capital creditors	USD	20,80,995	1,297.77	24,78,214	2,040.35
	EURO	1,028	0.84	1,028	0.84

For the year ended 31 March 2024, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Company would have insignificant impact on operation margins for the year ended 31 March 2024.

Price risk
The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31 March 2024, the investments in mutual funds amounts to Rs. 265.47 lakhs (31 March 2023: Rs. 7,322.57 lakhs). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. A 1% increase in prices would have led to approximately an additional Rs.2.65 lakhs gain in profit or loss (31 March 2022: Rs. 73.23 lakhs gain). A 1% decrease in prices would have led to an equal but opposite effect.

35.2 Credit risk analysis

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to this risk for receivables from customers.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and certificates of deposit which are funds deposited at a bank for a specified time period.

The ageing analysis of the receivable (gross of provision) has been considered from the date the invoice falls due. Refer note 11 for ageing.

Movement in allowance for expected credit loss

Particulars	Amount
As at 1 April 2022	679.79
Bad debts recovered	(208.45)
Written off during the year	-
Effects of changes in the foreign exchange rates	18.55
As at 31 March 2023	**489.89**
Bad debts recovered	(3.04)
Written off during the year	(273.34)
Effects of changes in the foreign exchange rates	(46.48)
As at 31 March 2024	**167.03**

35.3 Liquidity risk analysis

Liquidity risk is 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. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management
The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.
Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides the details of contractual maturities of significant financial liabilities as of 31 March 2024

Particulars	Less than 1 year	1-5 years	Total
Trade payables	6,078.49	-	6,078.49
Lease liabilities	34.85	52.15	87.00
Other financial liabilities	244.15	160.87	405.02
	6,357.49	**213.02**	**6,570.51**

The table below provides the details of contractual maturities of significant financial liabilities as of 31 March 2023

Particulars	Less than 1 year	1-5 years	Total
Trade payables	4,900.50	-	4,900.50
Lease liabilities	30.66	109.42	140.08
Other financial liabilities	269.36	271.35	540.71
	5,200.52	**380.77**	**5,581.29**

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

MEDISPRAY LABORATORIES PRIVATE LIMITED ★ Plot No. 344/345, Kundaim Industrial Estate, Kundaim, India ★ GOA - 403 115 ★

Note 36: Financial instruments-

36.1 Financial Instrument by catogory and hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:
1. Fair value of trade receivable, cash and cash equivalent, other current financial asset, short term borrowing, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- **Level 3:** techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying value and fair value of financial instruments by categories as at 31 March 2024, are as follows:

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade receivables	-	-	3,969.92	-	-	-	-	-	-	3,969.92
(ii) Investments in mutual funds	-	-	-	265.47	-	-	-	-	-	265.47
(iii) Cash and cash equivalents	-	-	367.96	-	-	-	-	-	-	367.96
(iv) Other non-current financial assets	-	-	341.85	-	-	-	-	-	-	341.85
(v) Other current financial assets	-	-	68.18	-	-	-	-	-	-	68.18
Total	**-**	**-**	**4,747.91**	**265.47**	**-**	**-**	**-**	**-**	**-**	**5,013.38**

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade payables	-	-	6,078.49	-	-	-	-	-	-	6,078.49
(ii) Lease liability	-	-	81.21	-	-	-	-	-	-	81.21
(iii) Other financial liabilities	-	-	405.02	-	-	-	-	-	-	405.02
Total	**-**	**-**	**6,564.72**	**-**	**-**	**-**	**-**	**-**	**-**	**6,564.72**

The carrying value and fair value of financial instruments by categories as at 31 March 2023, are as follows:

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade receivables	-	-	4,352.29	-	-	-	-	-	-	4,352.29
(ii) Investments in mutual funds	-	-	-	7,322.57	-	-	-	-	-	7,322.57
(iii) Cash and cash equivalents	-	-	2,002.67	-	-	-	-	-	-	2,002.67
(iv) Other non-current financial assets	-	-	259.65	-	-	-	-	-	-	259.65
(v) Other current financial assets	-	-	19.90	-	-	-	-	-	-	19.90
Total	**-**	**-**	**6,634.51**	**7,322.57**	**-**	**-**	**-**	**-**	**-**	**13,957.08**

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade payables	-	-	4,900.50	-	-	-	-	-	-	4,900.50
(ii) Lease liability	-	-	103.67	-	-	-	-	-	-	103.67
(ii) Other financial liabilities	-	-	540.71	-	-	-	-	-	-	540.71
Total	**-**	**-**	**5,544.88**	**-**	**-**	**-**	**-**	**-**	**-**	**5,544.88**

There were no transfers between Level 1 and Level 2 in 2023-24 and 2022-23

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

MEDISPRAY LABORATORIES PRIVATE LIMITED ★ Plot No. 344/345, Kundaim Industrial Estate, Kundaim, India ★ GOA - 403 115 ★

Medispray Laboratories Private Limited
Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Note 37: Ratios

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Variance	Remarks
a) Current ratio	Current assets	Current Liabilities	1.35	3.40	-60.2%	Refer note 1
b) Debt equity ratio	Total debt	Shareholder's Equity	NA	NA	NA	
c) Debt service coverage ratio	Earnings available for debt service	Debt Service	NA	NA	NA	
d) Return on equity ratio	Net profits after taxes	Average Shareholder's Equity	30.45%	21.82%	39.6%	Refer note 2
e) Inventory turnover ratio	Cost of goods sold	Average inventory	4.96	4.75	4.5%	
f) Trade receivables turnover ratio	Revenue from sale of products and services	Average Accounts Receivable	9.80	7.24	35.4%	Refer note 3
g) Trade payables turnover ratio	Purchases + Purchases of Stock in Trade + Other expenses - CSR expenditure - allowance for credit loss - loss on sale of property plant and equipment	Average Trade Payables	5.04	4.60	9.6%	
h) Net capital turnover ratio	Revenue from sale of products and services	Working capital	12.83	2.49	415.5%	Refer note 4
i) Net profit ratio	Net profit after tax	Revenue from sale of products and services	14.17%	13.58%	4.3%	
j) Return on capital employed	Profit Before Tax and Finance Cost	Capital employed = Tangible Net worth + Total debt + Deferred tax liability	56.71%	26.58%	113.3%	Refer note 2
k) Return on investments	Profit Before Tax and Finance Cost	Closing Total Assets	34.16%	21.12%	61.7%	Refer note 5

Reason for % change (>25%) :

1. The decrease in the current ratio primarily resulted from a reduction in current assets due to the redemption of current investments for dividend distribution
2. The return on equity ratio and return on capital employed ratio improved due to a reduction in shareholder's equity resulting from dividend distribution
3. The trade receivables turnover ratio improved as a result of higher revenue in the current year and a reduction in average accounts receivables
4. The net capital turnover ratio improved due to higher revenue in the current year and a reduction in working capital, primarily resulting from the redemption of current investments for dividend
5. The return on investments ratio has improved as a result of higher profits in the current year and reduction in total asset position

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MEDISPRAY LABORATORIES PRIVATE LIMITED ★ Plot No. 344/345, Kundaim Industrial Estate, Kundaim, India ★ GOA - 403 115 ★

Note 38: Capital management policies and procedures

(i) The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns for its stakeholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirments of the financial convenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place to investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

(ii) Dividend on Equity Shares

Particualrs	As at 31 March 2024	As at 31 March 2023
Interim dividend on equity shares paid during the year Rs. 28,920 per equity shares of Rs. 10 each (31 March 2023 Nil)	14,754.98	-

Pursuant to board approval dated 4 March 2024, the Company had paid interim dividend to the existing shareholders as on 31 December 2023 ("record date") of the Company for the financial year 2023-24 at Rs. 28,920.00 per equity share, out of the total accumulated profits of the company available for dividend distribution.

Note 39: Other significant notes

(i) The Company do not have any such 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).

(ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(iii) The Company do not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iv) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity 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 on behalf of the Company,

(vii) The Company has not received any fund from any person or entity, 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.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
(ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

Note 40: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorisation of these financial statements.

Note 41: Previous year figures have been regrouped or reclassified wherever necessary to conform to current year's presentation.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

MEDISPRAY LABORATORIES PRIVATE LIMITED
Plot No. 344/345,
Kundaim Industrial
Estate,
Kundaim, India
★ GOA - 403 115 ★

Note 42: Reclassification / Regroupings

The Company has restated the comparative financial information for 31 March 2023 as presented in these financial statements, due to change in classification of accrued expenses to trade payables from other financial liabilities as required under schedule III.

Impact on financial statement line item (In INR lakhs)

Particulars	Notes	Amount as on 31 March 2023	Adjustments	Amount as on 31 March 2023
		Reported		Reclassified
Current Liabilities				
Trade Payables	19	4,801.54	98.96	4,900.50
Other financial liabilities - current	20	639.67	(98.96)	540.71

No other material reclassifications / regroupings of previous years figures.

Note 43: Authorization of financial statements

The financial statements for the year ended 31 March 2024 were approved by the board of directors on 6 May 2024.

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 6 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of **the Board of Directors**

Sanjay Mishra
Managing Director
(DIN: 09773380)

Anisha Udeshi
Director
(DIN: 08757230)

Piyush Salot
Chief Financial Officer

Place: Mumbai
Date: 6 May 2024

MEDISPRAY LABORATORIES PRIVATE LIMITED ★ GOA - 403 115 ★ Plot No. 344/345, Kundaim Industrial Estate, Kundaim, India

Meditab Specialities Limited

Financial Statements for Financial Year FY 2023-24

Financial Statements

Meditab Specialities Limited

2023-2024

Tower A, 1st Floor, Peninsula Business Park
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Independent Auditor's Report

To the Members of Meditab Specialities Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Meditab Specialities Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 specified under section 133 of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. 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

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of Board of Directors' 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; and

- 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.

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

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

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, including the manner prescribed in Rule 3(1) of Companies (Accounts) Rules, 2014, except that the audit trail feature was not enabled at the database level as further stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

c) The financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the maintenance of accounts and other matters connected therewith refer to our comments in paragraph 13(b) above on reporting under Section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under rule 11(g) of the of the Companies (Audit and Auditors) Rules, 2014 (as amended);

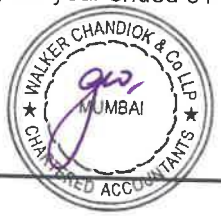
g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, as detailed in note 32 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;



iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 38(vi) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

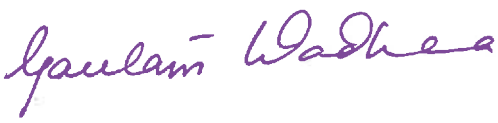
b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 38(vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year ended 31 March 2024 is in compliance with section 123 of the Act.

vi. Based on examination which included test checks, the Company in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level of the accounting software and the same has been 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 such audit trail features being tampered with. The Audit trail feature (edit log) at the database level for the direct changes was not enabled, however, the Company had adequate controls in the accounting software such as strict user rights and access of administrator log in through the application layer.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: **24508835BKFFCC8676**

Place: Mumbai
Date: 6 May 2024

Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Meditab Specialities Limited on the financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report 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) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification. .

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee), disclosed in Note 4 to the financial statements are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii)(a) and 3(iii)(b) of the Order is not applicable to the Company.

(b) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

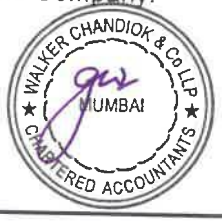
Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central GST Act, 2017	Transitional credit	147.54	13.41	June 2017	The Customs Excise and Service Tax Appellate Tribunal

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us including representation received from the management of the Company, confirmations received from banks and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.



(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate company.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(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 made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) (a) According to the information and explanations given to us, the Company is not required to have an internal audit system as per the provisions of section 138 of the Act. However, the Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a) and (b) of the Order are not applicable to the Company.

a) The Company is a Core Investment Company (CIC) as defined in the regulations made by the RBI. According to the information and explanations given to us, the Company is exempted from registration and it continues to fulfil such criteria of non-registration.

b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC other than the Company.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(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 plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCC8676

Place: Mumbai
Date: 6 May 2024

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Annexure II to the Independent Auditor's Report of even date to the members of Meditab Specialities Limited on the financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Meditab Specialities Limited** ('the Company') as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') ("the Guidance Note"). 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCC8676

Place: Mumbai
Date: 6 May 2024

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Meditab Specialities Limited
Balance sheet as at 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	1,104.91	1,165.70
(b) Right-of-use assets	4.1	5.86	5.91
(c) Capital work-in-progress	4.2	1,150.83	1,097.98
(d) Intangible assets	5	-	-
(e) Financial assets			
- Investments	6	30,204.59	38,846.59
- Other financial assets	7	69.81	58.63
(f) Income tax assets (net)	8	1,729.67	281.64
(g) Deferred tax assets (net)	9	-	57.97
(h) Other non-current assets	10	1,290.93	71.64
		35,556.60	**41,586.06**
2. Current assets			
(a) Inventories	11	41.62	27.07
(b) Financial assets			
- Investments	12	18,272.76	1,878.09
- Trade receivables	13	513.90	977.29
- Cash and cash equivalents	14	20.71	18.39
- Other financial assets	15	0.34	0.35
(c) Other current assets	16	113.11	95.17
Total current assets		**18,962.44**	**2,996.36**
Total assets		**54,519.04**	**44,582.42**
(B) Equity and liabilities			
1. Equity			
(a) Equity share capital	17	71.18	71.18
(b) Other equity	18	45,238.02	38,542.60
		45,309.20	**38,613.78**
2. Non-current liabilities:			
(a) Other non-current liabilities	19	5,573.99	5,573.99
(b) Provisions	20	59.80	56.60
(c) Deferred tax liabilities	9	89.84	-
		5,723.63	**5,630.59**
3. Current liabilities			
(a) Financial liabilities			
- Trade payables	21		
(i) total outstanding dues of micro enterprises and small enterprises		60.78	43.77
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		160.92	162.23
- Other financial liabilities	22	43.44	26.92
(b) Other current liabilities	23	3,119.80	36.66
(c) Provisions	20	101.27	68.47
Total current liabilities		**3,486.21**	**338.05**
Total equity and liabilities		**54,519.04**	**44,582.42**

The accompanying notes form an integral part of these financial statement.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 6 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Sanjay Mishra
Managing Director
(DIN: 09773380)

Dinesh Jain
Director
(DIN:00058069)

Girish Zamwar
Chief Financial Officer

Pavankumar Yadav
Company Secretary

Place: Mumbai
Date: 6 May 2024

Meditab Specialities Limited
Statement of Profit and Loss for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
(a) Revenue from operations	24	2,598.76	2,457.78
(b) Other income	25	37,781.52	144.29
Total income		**40,380.28**	**2,602.07**
Expenses			
(a) Cost of materials consumed	26	166.46	95.76
(b) Employee benefits expense	27	1,087.99	961.56
(c) Depreciation and amortisation expense	28	168.35	400.17
(d) Finance cost	29	2.32	-
(e) Other expenses	30	908.03	718.49
Total expense		**2,333.15**	**2,175.98**
Profit before tax		**38,047.13**	**426.09**
Tax expense (net)			
Current tax expense	9	225.28	194.32
Deferred tax expense / (credit)	9	151.63	(78.15)
Profit for the year (I)		**37,670.22**	**309.92**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of post-employement benefit obligation	20	(13.50)	(4.02)
(ii) Income tax relating to these items	9	3.82	1.01
Other comprehensive income for the year (II)		**(9.68)**	**(3.01)**
Total comprehensive income for the year (I + II)		**37,660.54**	**306.91**
Earnings per equity share of face value of Rs. 1 each			
Basic and diluted (in Rs)	31	529.19	4.35

The accompanying notes form an integral part of these financial statement.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 6 May 2024

For and on behalf of the **Board of Directors**

Sanjay Mishra
Managing Director
(DIN: 09773380)

Dinesh Jain
Director
(DIN:00058069)

Girish Zamwar
Chief Financial Officer

Pavankumar Yadav
Company Secretary

Place: Mumbai
Date: 6 May 2024

Meditab Specialities Limited
Statement of Cash Flows for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash Flow from operating activities		
Profit before tax	**38,047.13**	**426.09**
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation, impairment and amortisation expense	168.35	400.17
Gain on disposal of property, plant and equipment (net)	(1.13)	-
Unrealised foreign exchange losses / (gains) (net)	2.78	(0.01)
Sundry balance written off (net)	1.23	5.30
Profit on sale of current investments	(508.61)	(23.24)
Fair value gain on current investments	(479.15)	(10.34)
Interest income	(3.18)	(109.03)
Dividend income	(26,318.53)	-
Gain on buyback of shares by subsidiary	(10,468.72)	-
Interest expense on others	2.32	-
Operating profit before working capital changes	**442.49**	**688.94**
Adjustments for :		
Decrease / (increase) in trade receivables	463.39	(507.89)
(Increase) / decrease in inventories	(14.55)	5.94
(Increase) / decrease in other assets and other financial assets	(23.12)	28.69
Increase / (decrease) in trade payables, other liabilities, other financial liabilities and provisions	3,121.75	(2,304.69)
Cash generated from operations	**3,989.96**	**(2,089.01)**
Income tax refunds (paid) / received (including tax deducted at sources)	(1,673.31)	2,052.80
Net cash flow generated from / (used in) operating activities (a)	**2,316.65**	**(36.21)**
Cash flow from Investing activities		
Purchase of property, plant and equipment (including capital work-in-progress) (refer note ii below)	(1,390.81)	(43.89)
Proceeds from buy back of shares by subsidiary	19,110.71	-
Proceeds from on disposal of property, plant and equipment (refer note 5)	16.09	100.20
Investment in mutual funds (net)	(15,406.91)	(135.28)
Interest received	3.18	109.05
Dividend received	26,318.53	-
Net cash generated from investing activities (b)	**28,650.79**	**30.08**
Cash flow from Financing activities		
Dividend paid	(30,965.12)	-
Net cash used in financing activities (c)	**(30,965.12)**	**-**
Net increase / (decrease) in cash and cash equivalents (a+b+c)	**2.32**	**(6.13)**
Cash and cash equivalents at the beginning of the year	18.39	24.52
Cash and cash equivalents at the end of the year (refer note 14)	**20.71**	**18.39**

Note
i. The above cash flow statement has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS-7) Statement of Cash Flows.
ii. Purchase and sale of property, plant and equipment represents additions and deletions to property, plant and equipment adjusted for movement of capital work in progress, capital advances, capital creditors during the year.
iii. The Company does not have any borrowings and lease liabilities in the current and previous year and hence no net debt movement is disclosed.

The accompanying notes form an integral part of these financial statement.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 6 May 2024

For and on behalf of the **Board of Directors**

Sanjay Mishra
Managing Director
(DIN: 09773380)

Dinesh Jain
Director
(DIN:00058069)

Girish Zamwar
Chief Financial Officer

Pavankumar Yadav
Company Secretary

Place: Mumbai
Date: 6 May 2024

Meditab Specialities Limited
Statement of changes in equity for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

(a) Equity share capital (refer note 17)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	71.18	71.18
Changes in equity share capital during the year	-	-
Balance at the end of the year	**71.18**	**71.18**

B. Other equity (refer note 18)

Particulars	Attributable to the equity holders					Total other equity
	Capital reserve	Securities premium	General reserve	Equity component of loan taken from Holding company	Retained earnings	
As at 1 April 2022	29.54	24,874.37	244.82	10,749.87	2,337.09	38,235.69
Profit for the year	-	-	-	-	309.92	309.92
Other comprehensive income	-	-	-	-	(3.01)	(3.01)
Balance as at 31 March 2023	**29.54**	**24,874.37**	**244.82**	**10,749.87**	**2,644.00**	**38,542.60**
Profit for the year	-	-	-	-	37,670.22	37,670.22
Other comprehensive income	-	-	-	-	(9.68)	(9.68)
Dividend paid (refer note 37)	-	-	-	-	(30,965.12)	(30,965.12)
Balance as at 31 March 2024	**29.54**	**24,874.37**	**244.82**	**10,749.87**	**9,339.42**	**45,238.02**

The accompanying notes form an integral part of these financial statement

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date : 6 May 2024

For and on behalf of the **Board of Directors**

Sanjay Mishra
Managing Director
(DIN: 09773380)

Dinesh Jain
Director
(DIN:00058069)

Girish Zamwar
Chief Financial Officer

Pavankumar Yadav
Company Secretary

Place: Mumbai
Date : 6 May 2024

Meditab Specialities Limited
Summary of material accounting policies as at and for the year ended 31 March 2024

Note 1: Corporate information

Meditab Specialities Limited ('the Company') (CIN no. U23240MH1996PLC104442) is a company domiciled in India and is incorporated on 11 December 1996 under the provisions of Companies Act applicable in India. Meditab Specialities Limited is a wholly owned subsidiary of Cipla Limited. The Company is primarily engaged in the business of development, manufacture, and marketing of pharmaceutical products. The registered office of the Company is at Tower A, 1st Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra - 400013.

Note 2: Material accounting policies and key accounting estimates and judgements

2.1 Basis of preparation

(i) Compliance with Indian Accounting Standards (Ind AS)

The financial statements of the Company as at and for the year ended 31 March 2024 have been prepared and presented in accordance with Indian Accounting Standards ("Ind-AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015],and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time and other relevant provisions of the Act and accounting principles generally accepted in India.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2024.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

- Financial assets and liabilities are measured at fair value or at amortised cost depending on classification;
- Defined benefit plans – plan assets measured at fair value;
- Lease liability and right of use of assets – measured at fair value;

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

(iv) Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee (INR) 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 lakhs or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than INR 500/- is presented as INR 0.00 lakhs.

2.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, *Presentation of Financial Statements*.

Assets:
An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;

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c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of assets and liabilities, respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

2.3 Use of estimates and judgements

The preparation of financial statements requires management of the Company to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

2.3.1 Judgements

(i) Leases

Ind AS 116 *"Leases"* requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realizability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company

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will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

2.3.2 Estimates

(i) Useful lives of property, plant and equipment and intangible assets

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

(ii) Expected credit loss

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables.
- Financial assets measured at amortized cost (other than trade receivables).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

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(iii) Valuation of Inventories

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

(iii) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(iv) Impairment

An impairment loss is recognised for the amount by which an assets or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(v) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4 Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment, are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non- refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore it is not depreciated. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable (Refer note 2.7 for more details). The Company had applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS. Hence

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regarded thereafter as historical cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on the property, plant and equipment (other than freehold land) is provided based on useful life of the assets as prescribed in Schedule II to the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss. Leased assets are depreciated over shorter of lease term or useful life of respective assets.

For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

The estimated useful lives are as follows:

Property, plant and equipment	**Useful life**
Buildings	
- Factory and administrative buildings	30 to 99 years
- Ancillary structures	3 to 10 years
Plant and equipment	2 to 25 years
Furniture, fixtures and office equipment	3 to 8 years
Vehicles	8 years

(iii) De-recognition

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

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2.5 Intangible assets

(i) Recognition and measurement

Intangible assets consist of computer software and is measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

(ii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals is charged to the profit or loss.

(iii) Amortization

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 3 to 6 Years

(iv) De-recognition

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition.

2.6 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses, including impairment on inventories, are recognised in the profit or loss.

2.7 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at 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 items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.8 Inventories

Inventories consists of raw materials and packing materials, stores, spares and consumables, work-in-progress, stock-in-trade and finished goods and are measured at the lower of cost and net realizable value after providing for obsolescence, if any.

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Cost of inventories is determined on a weighted moving average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Raw materials and packing materials are considered at replacement cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Stores and spares are inventories that do not qualify to be recognised as property, plant and equipment and consists of packing materials, engineering spares (such as machinery spare parts), which are used in operating machines or consumed as indirect materials in the manufacturing process.

2.9 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset and presented within other income.

When loans or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

Government grants that are receivable on satisfying export or revenue conditions with no future related cost are recognised in profit or loss in the period such conditions are met.

The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between initial carrying value of the loan and the proceeds received. The loan is subsequently measured at amortized cost.

2.10 Revenue recognition

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. The transaction price of goods sold and services rendered is net of returns and applicable trade discounts, allowances and goods and services tax and amounts collected on behalf of third parties.

(i) Sale of products:

The majority of customer contracts that the Company enters into consist of a single performance obligation for the delivery of pharmaceutical products. The Company recognize revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. The Company records product sales net of estimated incentives/discounts, returns, and other related charges. These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns

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are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment the Company considers its historical record of performance on similar contracts.

(ii) Service fee

Revenue from services rendered, is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

(iii) Interest income

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

(iv) Dividend income

Dividend Income is recognised when the Company's right to receive payment is established by the balance sheet date.

(v) Other Income

Other Income is recognised when it is probable that economic benefits will flow to the company and amount of income can be measured reliably.

2.11 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution

Post retirement contribution plans such as Employees' Pension Scheme and Employees' Provident Fund, labour welfare fund, Employee State Insurance Corporation (ESIC) are charged to the profit or loss for the year when the contributions to the respective funds accrue. The Company does not have any obligation other than the contribution made.

(iii) Defined benefit plans

a) Gratuity obligations

Post-retirement benefit plans such as gratuity is determined on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to profit or loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Other benefit plan

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the profit or loss and are not deferred.

(iv) Termination benefits

Termination benefits are recognised in the profit or loss when:

- the Company has a present obligation as a result of past event;
- a reliable estimate can be made of the amount of the obligation; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

2.12 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.

(i) Current income tax:

Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax:

Deferred tax is recognized using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred

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tax asset to be utilized. Un-recognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.13 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Company as a lessee

The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

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2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.16 Contingencies

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.17 Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Financial instruments

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

(i) Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

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(b) Initial recognition and measurement

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

(c) Subsequent measurement

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

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(d) Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the profit or loss. Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.

(e) De-recognition

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

(f) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset. For this purpose, the Company follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment

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loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(ii) Financial liabilities

(a) Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, as appropriate.

(b) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, financial guarantee contracts.

(c) Subsequent measurement

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in profit or loss.

(d) De-recognition

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

(iii) Offsetting financial instruments

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

3. Recent accounting pronouncements:

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.

Note 4: Property, plant and equipment

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Total
Gross block					
Balance as at 1 April 2022	909.64	2,816.81	126.25	15.69	3,868.39
Additions for the year	-	-	-	-	-
Deletions and adjustments during the year	-	-	-	-	-
Balance as at 31 March 2023	909.64	2,816.81	126.25	15.69	3,868.39
Additions for the year	-	120.23	-	2.24	122.47
Deletions and adjustments during the year	-	(48.56)	-	-	(48.56)
Balance as at 31 March 2024	909.64	2,888.48	126.25	17.93	3,942.30
Accumulated depreciation and impairment					
Balance as at 1 April 2022	652.69	1,524.20	112.29	13.49	2,302.67
Depreciation charge for the year	33.25	361.25	4.20	1.32	400.02
Deletions and adjustments during the year	-	-	-	-	-
Balance as at 31 March 2023	685.94	1,885.45	116.49	14.81	2,702.69
Depreciation charge for the year	13.31	153.86	1.04	0.09	168.30
Deletions and adjustments during the year	-	(33.60)	-	-	(33.60)
Balance as at 31 March 2024	699.25	2,005.71	117.53	14.90	2,837.39
Net book value					
As at 31 March 2024	210.39	882.77	8.72	3.03	1,104.91
As at 31 March 2023	223.70	931.36	9.76	0.88	1,165.70

Notes :

1. The title deeds of all immovable properties (other than properties where the Company is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Company.
2. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
3. The Company has not revalued its Property, Plant and Equipment, Right of Use assets and intangible assets during the year.

Note 4.1 : Leases

Movement in right of use assets:

Particulars	Category of ROU assets
	Land and Building
Balance as of 1 April 2022	5.96
Depreciation	0.05
Balance as at 31 March 2023	5.91
Depreciation	0.05
Balance as at 31 March 2024	5.86

Lease expense recorded for short-term leases was Rs. 5.34 (Rs. 5.41 for the year ended 31 March 2023) as the Company has elected not to recognise a lease liability for short term leases or for leases for low value assets.

Note 4.2 : Capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	1,097.98	1,052.58
Additions during the year	175.32	45.40
Capitalised during the year	(122.47)	-
Closing balance	1,150.83	1,097.98

Capital work-in-progress ageing schedule

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	96.53	45.40
1-2 years	1.72	0.55
2-3 years	0.55	-
More than 3 years	1,052.03	1,052.03
Total	1,150.83	1,097.98

Projects temporarily suspended (projects under legal proceedings - refer note 32)

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	1,047.67	1,047.67
Total	1,047.67	1,047.67

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(All amounts in Rs. lakhs, unless otherwise stated)

Note 5: Intangible assets

Particulars	Computer - Software	Total
Gross block		
Balance as at 1 April 2022		
Additions for the year	21.35	21.35
Deletions during the year	-	-
Balance as at 31 March 2023	-	-
Additions for the year	**21.35**	**21.35**
Deletions during the year	-	-
Balance as at 31 March 2024	-	-
	21.35	**21.35**
Accumulated amortization and impairment		
Balance as at 1 April 2022		
Amortisation charge for the year	21.25	21.25
Deletions during the year	0.10	0.10
Balance as at 31 March 2023	-	-
Amortisation charge for the year	**21.35**	**21.35**
Deletions during the year	-	-
Balance as at 31 March 2024	-	-
	21.35	**21.35**
Net book value		
As at 31 March 2024	-	-
As at 31 March 2023	-	-

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 6: Non-current investments		
Investments in unquoted equity instruments of subsidiaries (carried at cost)		
Unquoted equity shares		
27,708,335 (31 March 2023 - 44,620,100) ordinary shares of USD 1/- each fully paid up of Meditab Holdings Limited, Republic of Mauritius (refer note 1 below)	14,159.09	22,801.08
51,020 (31 March 2023 - 51,020) equity shares of Rs. 10/- each fully paid up, of Medispray Laboratories Private Limited, Goa	2,292.66	2,292.66
16,006 (31 March 2023 - 16,006) equity shares of Rs. 10/- each fully paid up of Sitec Labs Limited, Mumbai	4,340.52	4,340.52
Investments in unquoted equity instruments of associates		
20,502,525 (31 March 2023 - 20,502,525) equity shares of Rs. 10/- each fully paid up of Stempeutics Research Private Limited, Bengaluru (refer note 2 below)	6,997.04	6,997.04
Other investments		
Investments in government and trust securities:		
National Saving Certificates		
Equity component of intercompany deposits	-	0.01
Sitec Labs Private Limited (equity component of intercorporate deposits)		
Aggregate amount of investments	2,415.28	2,415.28
	30,204.59	**38,846.59**

Note 1 - Pursuant to board meeting dated 26 December 2023, the Board of Meditab Holdings Limited approved buy back of 16.91 million ordinary shares of USD 1/- each for a consideration of USD 23 million (at a premium of USD 0.36) (equivalent to Rs. 19,110.71 lakhs) from the Company. Despite the buyback, Meditab Holdings Limited remains a wholly owned subsidiary of the Company, as the reduction in paid-up capital does not affect the Company's 100% stake in Meditab Holdings Limited. Consequently, the Company has recorded gain of Rs. 10,468.72 lakhs in the current year being excess premium paid / gain on buyback.

Note 2 - The Company's stake in Stempeutics Research Private Limited has reduced from 40.78% to 35.98%; however, the Company continues to have a significant influence in the associate.

Note 7: Non-current financial assets - other		
(Unsecured, considered good, except otherwise stated)		
Fixed deposit held as margin money (with maturity more than 12 months)	57.68	56.36
Interest accrued on fixed deposits	1.06	1.06
Security deposits	11.07	1.21
	69.81	**58.63**
Note 8: Income tax assets (net)		
(a) Advance tax (gross)	7,720.49	5,809.68
(b) Provision for tax (gross)	(5,990.82)	(5,528.04)
	1,729.67	**281.64**

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Note 9: Tax expenses (net)

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statement of profit or loss		
Profit and loss section		
Current tax expense	225.28	194.32
Deferred tax expense / (credit)	151.63	(78.15)
Total tax expense	**376.91**	**116.17**
OCI section - tax related to items recognised in OCI during the year:		
Income tax relating to re-measurements gain on defined benefit plans	3.82	1.01
	3.82	**1.01**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit before income tax	38,047.13	426.09
At India's statutory income tax rate of 25.168% (31 March 2023 25.168%)	9,575.70	107.23
Effect of prior year adjustments	57.41	(10.89)
Effect of weighted deductions and exemption	(9,258.61)	-
Effect of non-deductible expenses for tax purpose	2.41	1.97
Others	-	17.86
Income tax expense reported in the statement of profit and loss	**376.91**	**116.17**
Effective income tax rate	**0.99%**	**27.26%**

Deferred tax (net)

Deferred tax relates to the following:

Particulars	As at 1 April 2023	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2024
Deferred tax assets (gross)				
Employee benefit obligation	34.20	7.68	3.82	45.70
Allowance for expected credit loss	111.83	1.68	-	113.51
Total deferred tax assets	**146.03**	**9.36**	**3.82**	**159.21**
Deferred tax liabilities (gross)				
Property, plant and equipment	(81.60)	(40.40)	-	(122.00)
Investment in mutual fund	(6.46)	(120.59)	-	(127.05)
Total deferred tax liability	**(88.06)**	**(160.99)**	**-**	**(249.05)**
Deferred tax liabilities (net)	**57.97**	**(151.63)**	**3.82**	**(89.84)**

Particulars	As at 1 April 2022	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2023
Deferred tax assets (gross)				
Employee benefit obligation	28.39	4.80	1.01	34.20
Allowance for expected credit loss	103.15	8.68	-	111.83
Total deferred tax assets	**131.54**	**13.48**	**1.01**	**146.03**
Deferred tax liabilities (gross)				
Property, plant and equipment	(148.87)	67.27	-	(81.60)
Investment in mutual fund	(3.86)	(2.60)	-	(6.46)
Total deferred tax liability	**(152.73)**	**64.67**	**-**	**(88.06)**
Deferred tax assets (net)	**(21.19)**	**78.15**	**1.01**	**57.97**

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 10: Other non-current assets		
Prepaid expenses	3.81	3.40
Capital advances	1,229.41	4.13
Balance with government authorities	57.71	64.11
	1,290.93	**71.64**
Note 11: Inventories		
(Lower of cost or net realisable value)		
Raw materials*	10.73	8.74
Stores, spares and consumables	30.89	18.33
	41.62	**27.07**

* includes Goods in transit amounting to Rs. 4.84 (31 March 2023: Rs. Nil)

The Company recorded inventory write down (net) of Rs 0.97 (31 March, 2023 Rs 6.80). This is included as part of cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock -in- trade in statement of profit and loss.

Note 12: Current investments		
(Carried at fair value through profit or loss)		
Investments - mutual funds (unquoted)	18,272.76	1,878.09
Aggregate market value of unquoted investments	**18,272.76**	**1,878.09**
	18,272.76	**1,878.09**
Note 13: Trade receivables		
(Carried at amortised cost, except otherwise stated)		
Unsecured, considered good*	513.90	977.29
Unsecured, considered doubtful	451.02	444.34
Less : Allowance for expected credit loss	(451.02)	(444.34)
*Includes amounts due from related parties (refer note 34)	**513.90**	**977.29**
	513.90	**977.27**

Trade Receivable ageing schedule:

As at 31 March 2024	Not Due	Outstanding for following periods from due date of payments				Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	More than 3 years	
a) Undisputed trade receivables						
- Considered good	277.53	141.89	-	94.48	-	513.90
- Considered doubtful	-	-	-	-	451.02	451.02
- Undisputed trade receivables which have significant increase in credit	-	-	-	-	-	-
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-
b) Disputed trade receivables						
- Considered good	-	-	-	-	-	-
- Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-
- Disputed trade receivables - credit impaired						
Total	**277.53**	**141.89**	**-**	**94.48**	**451.02**	**964.92**

As at 31 March 2023	Not Due	Outstanding for following periods from due date of payments				Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	More than 3 years	
a) Undisputed trade receivables						
- Considered good	827.09	55.72	94.48	-	-	977.29
- Considered doubtful	-	-	-	-	444.34	444.34
- Undisputed trade receivables which have significant increase in credit	-	-	-	-	-	-
- Undisputed trade receivables - credit impaired	-	-	-	-	-	-
b) Disputed trade receivables						
- Considered good	-	-	-	-	-	-
- Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-
- Disputed trade receivables - credit impaired						
Total	**827.09**	**55.72**	**94.48**	**-**	**444.34**	**1,421.63**

Notes:

- Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. the Company holds the Trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

- Other than disclosed in note 34, there are no trade receivables due from any director or any officer of the Company, either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.

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Meditab Specialities Limited
Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Note 14: Cash and cash equivalents		
Balances with banks		
In current accounts	20.63	18.34
Cash on hand	0.08	0.05
	20.71	**18.39**
Note 15: Current financial assets- Others		
(Unsecured, considered good, except otherwise stated)		
Export incentive receivable	-	0.01
Other receivables	0.34	0.34
	0.34	**0.35**
Note 16: Other current assets		
Other advances	0.93	11.19
Balance with statutory authorities	49.19	41.07
Advance to suppliers	7.40	5.54
Prepaid expenses	55.59	37.37
	113.11	**95.17**

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(All amounts in Rs. lakhs, unless otherwise stated)

Note 17: Equity share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of Rs. 1 each	1,00,00,000	100.00	1,00,00,000	100.00
	1,00,00,000	**100.00**	**1,00,00,000**	**100.00**
Issued				
Equity shares of Rs. 1 each	71,18,416	71.18	71,18,416	71.18
	71,18,416	**71.18**	**71,18,416**	**71.18**
Subscribed and paid-up				
Equity shares of Rs. 1 each fully paid up	71,18,416	71.18	71,18,416	71.18
	71,18,416	**71.18**	**71,18,416**	**71.18**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024	As at 31 March 2023
No. of shares outstanding at the beginning of the year	71,18,416	71,18,416
Add: Allotment during the year	-	-
No. of shares outstanding at the end of the year	**71,18,416**	**71,18,416**

Details of shareholders holding more than 5 percent shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Numbers	% Holding	Numbers	% Holding
Cipla Limited (Holding Company including 6 (Previous Year 6) equity shares held by its nominee)	71,18,416	100%	71,18,416	100%
	71,18,416	**100%**	**71,18,416**	**100%**

There is no change in the promoter shareholding during 31 March 2024 and 31 March 2023 respectively

Terms/ rights attached to equity shares
The Company has only one class of equity shares having face value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

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.

Note 18: Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserve	29.54	29.54
Securities premium reserve	24,874.37	24,874.37
General reserve	244.82	244.82
Equity component of loan taken from Holding company	10,749.87	10,749.87
Retained earnings	9,339.42	2,644.00
Total	**45,238.02**	**38,542.60**

Capital reserve - The Company recognised profit or loss on sale, issue, purchase or cancellation of the Company's own equity instruments to capital reserve. Capital reserve may be used by the Company only for some specific purpose.

Securities premium reserve - Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.

General reserve - The General reserve is used from time to time to transfer profit from retained earning for appropriation purpose.

Equity component of loan taken from Holding company : Borrowing from Cipla Limited carries nil rate of interest. The excess of transaction value over the fair value at the inception date is recognised as equity component of interest free borrowing.

Retained earnings : Retained earnings represent the Company's undistributed profits.
The movement in respect of each of other equity components form part of statement of changes in equity, hence not reproduced here.

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Particulars	As at 31 March 2024	As at 31 March 2023 (Restated refer note no 24)
Note 19: Other non-current liabilities		
Advance from related party (refer note 34)	5,573.99	5,573.99
	5,573.99	**5,573.99**
Note 20: Provisions		
The liabilities recognised for employee obligations consist of the following amounts:		
Non-current		
Compensated absences	59.80	56.60
	59.80	**56.60**
Current:		
Gratuity	84.93	52.44
Compensated absences	7.42	7.19
Performance bonus	8.92	8.84
	101.27	**68.47**

(i) Compensated absences
The Company allows employees to accumulate compensated absences. The employees can carry forward a portion of their unutilized compensated absences and use them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences during the period when the employee renders services that increases this entitlement. As at 31 March 2024, the outstanding compensated absences were ₹ 67.22 lakhs (31 March 2023 - ₹ 63.79 lakhs).

(ii) Gratuity
The Company provides for gratuity, a defined benefit plan based on actuarial valuation as of the reporting date, based upon which, the Company contributes all the ascertained liabilities to the Insurer Managed Funds. The Company operates gratuity plan through a trust, wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

A reconciliation of the Company's defined benefit obligation (DBO) and plan assets to the amounts presented in the balance sheet for each of the reporting periods is presented below:

Particulars	2024 Gratuity (funded plan)	2023 Gratuity (funded plan)
i. Change in defined benefit obligation		
Opening defined benefit obligation	155.89	137.69
Interest cost	11.86	9.93
Current service cost	14.99	13.88
Actuarial (gain)/ loss on obligations - due to change in demographic assumptions	-	-
Actuarial (gain)/ loss on obligations - due to change in financial assumptions	8.50	(2.37)
Actuarial (gain)/ loss on obligations - due to change in experience	9.07	0.86
Benefits paid from the fund	-	-
Benefits paid directly by the Employer	(15.76)	(4.10)
Liability at the end of the year	**184.55**	**155.89**
ii. Change in fair value of assets		
Opening fair value of plan assets	103.45	104.72
Interest income	7.86	8.36
Return on plan assets, excluding interest income	4.07	(5.53)
Benefits paid	(15.76)	(4.10)
Closing fair value of plan assets	**99.62**	**103.45**
iii. Amount recognised in Balance Sheet		
Present value of obligations as at year end	(184.55)	(155.89)
Fair value of plan assets as at year end	99.62	103.45
Net liability recognised	**(84.93)**	**(52.44)**
iv. Expenses recognised in profit or loss		
Current service cost	14.99	13.88
Interest on defined benefit obligation	4.00	1.57
Total expense recognised in profit or loss	**18.99**	**15.45**
v. Expenses recognised in other comprehensive income (OCI)		
Actuarial changes arising from changes in financial assumptions	17.57	(1.51)
Return on plan assets, excluding interest income	(4.07)	5.53
	13.50	**4.02**
vi. Actual return on plan assets		
Expect return on plan assets	7.86	8.36
Actuarial gain/(loss) on plan assets	4.07	(5.53)
Actual return on plan assets	**11.93**	**2.83**

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Note 20: Provisions (contd.)

The actuarial calculations used to estimate commitments and expenses in respect of gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expense :

Principal actuarial assumptions used	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount rate (per annum)	7.24%	7.60%
Salary growth rate	7.00% p.a. for the next 1 years, 5.00% p.a. thereafter, starting from the 2nd year	7.00% p.a. for the next 1 years, 5.00% p.a. thereafter, starting from the 2nd year
Attrition rate	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

The sensitivity analysis below has been determined based on reasonable possible changes of the respective assumption occurring at the end of the reporting period while holding all other assumptions constant:

Sensitivity analysis for significant actuarial assumptions

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
Discount rate	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
(Increase)/decrease in the defined benefit liability	(7.39)	7.91	(6.27)	6.71
Salary growth rate	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
Increase/(decrease) in the defined benefit liability	35.31	(27.73)	30.05	(23.59)
Attrition rate	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
Increase/(decrease) in the defined benefit liability	1.44	(1.52)	1.44	(1.53)

Maturity analysis of the benefit payment from the fund

Projected benefits payable in future years from the date of reporting	As at 31 March 2024	As at 31 March 2023
1st following year	11.62	10.07
2nd following year	11.89	10.28
3rd following year	11.88	10.40
4th following year	11.88	10.39
5th following year	22.56	10.39
Sum of years 6 to 10	74.84	71.93
Sum of years 11 and above	240.08	216.93

(iii) Contribution to provident fund and other funds

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employee's pension scheme	15.24	15.41
Provident fund	23.47	21.02
Others - ESIS, Labour welfare fund and others	2.44	2.03
Total	**41.15**	**38.46**

(iv) Performance bonus

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	8.84	8.81
Provision made during the year	8.92	8.84
Bonus paid/adjusted during the year	(8.84)	(8.81)
Closing	**8.92**	**8.84**

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 21: Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	60.78	43.77
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises*	160.92	162.23
	221.70	**206.00**

* Includes payable to related parties Nil (31 March 2023 : Rs. 1.06) - refer note 34

Trade Payable ageing schedule:

As at 31 March 2024	Unbilled	Not Due	Outstanding for following periods from due date of payments				
			Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
a) Undisputed trade payables							
- MSME	-	60.78	-	-	-	-	60.78
- Others	16.51	65.55	40.41	6.50	3.03	3.92	135.92
b) Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	25.00	25.00
Total	**16.51**	**126.33**	**40.41**	**6.50**	**3.03**	**28.92**	**221.70**

As at 31 March 2023	Unbilled	Not Due	Outstanding for following periods from due date of payments				
			Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
a) Undisputed trade payables							
- MSME	-	43.77	-	-	-	-	43.77
- Others	13.85	56.25	55.87	4.46	0.99	5.81	137.23
b) Disputed trade payables							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	25.00	25.00
Total	**13.85**	**100.02**	**55.87**	**4.46**	**0.99**	**30.81**	**206.00**

1. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting		
- Principal amount due to micro and small enterprises	60.78	43.77
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

Note 22: Other financial liabilities - current		
(Carried at amortised cost, except otherwise stated)		
Capital Creditors	18.02	8.23
Dues to employees	23.42	16.70
Deposits from customers and others	2.00	1.99
	43.44	**26.92**
Note 23: Other current liabilities		
Advance from customers*	0.55	0.46
Statutory dues	3,119.22	36.20
Other payables	0.03	-
	3,119.80	**36.66**

*(Also, termed as contract liabilities under Ind AS 115- Revenue from contracts with customers)

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 24: Revenue from operations*		
Sale of products	407.38	234.28
Rendering of services	2,176.49	2,210.19
Other operating revenue		
Export incentives	-	3.95
Scrap sales	14.89	9.36
Total	**2,598.76**	**2,457.78**
*Refer note 34 for related party transactions		

(i) Reconciliation of revenue from sale of products and services with the contracted price

Contracted price	2,583.87	2,444.47
Less : Trade discounts, sales and expiry return etc.	-	-
	2,583.87	**2,444.47**

(ii) Disaggregation of revenue : The above revenue components as well represents the disaggregation of revenue as per Ind AS -115.

(iii) Contract balances

Contract balances from contracts with customers	**0.55**	**0.46**

(iv) Revenue recognised in the reporting period included in the contract liability in the beginning of the year

Opening balance	0.46	-
Addition during the year	0.55	0.46
Repaid/revenue recognised during the year	(0.46)	-
	0.55	**0.46**

(v) Information about major customers

Revenue from the Company's top customer, Cipla Limited, accounted for 100.00% (31 March 2023: 99.17%) of the Company's total revenue. No other single customer represents 10% or more of the Company's total revenue for the years ended 31 March 2024 and 31 March 2023 respectively.

Note 25: Other income		
Interest income on fixed deposit		
-On Fixed deposits	3.18	2.87
-On Income tax refund	-	106.16
Dividend income (refer note 34)	26,318.53	-
Gain on disposal of property, plant and equipment (net)	1.13	-
Profit on sale of current investments	508.61	23.24
Fair value gain on current investments	479.15	10.34
Gain on buyback of shares by subsidiary (refer note 6)	10,468.72	
Net gain on foreign currency translation and transaction	-	0.01
Miscellaneous income	2.20	1.67
Total	**37,781.52**	**144.29**

Pursuant to Board resolution dated 4 March 2024 passed by Medispray Laboratories Private Limited, a subsidiary; the Company has received interim dividend @ Rs. 28,920 per share on the number of equity shares held by the Company.

Pursuant to Board resolution dated 20 April 2023 and 22 November 2023 passed by Meditab Holding Limited, a subsidiary; the Company has received interim dividend aggregating to USD 14.0 million (in two tranches of USD 7.2 million and USD 6.8 million) on the number of equity shares held by the Company.

Note 26: Cost of materials consumed		
Raw material consumed		
Inventory at the beginning of the year	8.74	9.58
Add: Purchases during the year	168.45	94.92
Less: Inventory at the end of the year	-10.73	-8.74
Total	**166.46**	**95.76**

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 27: Employee benefits expenses		
Salaries and wages	975.35	861.33
Contribution to provident and other funds (Refer note 20(iii))	41.15	38.46
Gratuity expense (Refer note 20(ii))	18.99	15.45
Staff welfare expenses	52.50	46.32
Total	**1,087.99**	**961.56**
Note 28: Depreciation, impairement and amortisation expense		
Depreciation on property, plant and equipment (Refer note 4)	168.30	400.02
Depreciation on right-of-use assets (Refer note 4.1)	0.05	0.05
Amortisation on intangible assets (Refer note 5)	-	0.10
Total	**168.35**	**400.17**
Note 29: Finance cost		
Interest on others	2.32	-
Total	**2.32**	**-**
Note 30: Other expenses		
Stores and spares	67.25	69.02
Manufacturing expenses	77.90	57.58
Power and fuel	230.84	203.64
Repairs and maintenance	-	-
Plant and machinery	99.51	90.31
Buildings	42.20	33.57
Insurance	10.11	11.32
Rent (refer note 4.1)	5.34	5.41
Rates and taxes	16.06	4.98
Processing charges	-	0.59
IT expenses	33.48	24.71
Printing and stationery	6.41	6.14
Contractual services	188.04	102.41
Travelling and conveyance expenses	21.16	18.98
Professional fees	57.46	41.07
Housekeeping expenses	22.92	17.93
Sundry balances written off (net)	1.23	5.30
Payments to the auditor (refer note below)	9.34	8.89
Corporate social responsibility CSR expenditure (refer details below)	9.31	7.79
Net loss on foreign currency translation and transaction	2.78	-
Freight and forwarding	-	0.94
Miscellaneous expenses	6.69	7.91
	908.03	**718.49**
Payments to the auditor:		
As auditor		
Audit fee	7.00	7.00
Tax audit fee	1.50	1.50
Reimbursement of expenses	0.84	0.39
Total	**9.34**	**8.89**

Details of CSR expenditure:

The Company has incurred Rs. 9.31 expenses (31 March 2023 Rs.7.79) towards CSR activities, as per Section 135 of the Companies Act, 2013 and Rules thereon. It is included in other expenses head in the Statement of Profit and Loss. Amount spent on construction/ acquisition of any assets is Nil during the year.

Gross amount required to be spent by the Company during the year is Rs. 9.21 lakhs (31 March 2023 Rs.7.79)

Note on CSR:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount required to be spent	9.21	7.79
Amount of expense incurred	9.31	7.79
(Excess) / shortfall at the end of the year	(0.10)	-
Total of previous year shortfall	-	-
Reason for shortfall	-	-
Nature of CSR Activities	Promoting healthcare and education including special education (education of	Promoting education including special education (education of underprivileged student with disability)
Details of related party transaction - Payment to Cipla Foundation	9.31	7.79
Provision made w.r.t. Liability and movement in provision	No Provision for made with respect to Liability during the year	No Provision for made with respect to Liability during the year

There is no ongoing projects as at 31 March 2024 and 31 March 2023

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Note 31: Earnings per share (EPS)

Disclosure as required by Indian Accounting Standard (Ind AS) 33 Earning Per Share.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity holders for basic EPS (Rs. in lakhs)	37,670.22	309.92
Weighted average number of equity shares for basic EPS	71,18,416	71,18,416
Basic and diluted EPS	**529.19**	**4.35**

Note 32: Commitments and contingencies

Contingent Liabilities

i. Legal claim contingency

In March 2006, the Company acquired on lease, land admeasuring 1,232,000 sq. m in Kerim Industrial Estate at But Khamb, Taluka Ponda, Goa from Goa Industrial Development Corporation (GIDC) for setting up and development of Special Economic Zone (SEZ) for pharmaceutical products. Thereafter, the Company entered into sub-lease of this land with a SEZ occupier with an undertaking to provide infrastructural facilities. Following public agitation, the State Government of Goa brought about changes in policy regarding SEZ in the State of Goa which had the effect of the Company not pursuing its development activity and GIDC on instructions of the State Government of Goa issued show cause for revoking allotment of land. The Company's writ petition on the challenge to the show cause was disposed by the Hon'ble Bombay High Court stating that the State Government of Goa was competent to alter the SEZ policy. It was also held that the Company may apply for re-allotment of the same land to be utilised for purpose other than SEZ. The Company filed a Special Leave Petition before the Hon'ble Supreme Court and in which parties were directed to maintain status quo. Also by order dated 18 October 2013 the Hon'ble Supreme Court has granted the Special Leave to Appeal to the company and the interim orders continue till the Appeal is finally heard. Vide a GO dated 30 July 2018, issued by the Goa Government, it was resolved that the lands which were allotted to 7 SEZ land owners (including the company) would be taken back and their monies refunded. In pursuance of the said GO, the Hon'ble Supreme Court vide its order dated 31 July 2018 disposed the Appeals of 6 SEZ owners and the Company is the sole continuing litigant. Further, vide order dated 22 October 2018, the Hon'ble Supreme court has ordered that, the Appeal filed by the company shall be listed for hearing in due course.

The Company believes that it has good case both on facts and on law succeeding in its appeal. The Company is therefore of the view that no provision is required to be made on the amount incurred towards cost of land and on the development of SEZ amounting to Rs. 1047.67 lakhs as at 31 March 2024.

ii. Other contingency

Particulars	As at 31 March 2024	As at 31 March 2023
Claims against the Company not acknowledged as debt	4.30	4.30
Inadmissible transitional credit of Education Cess & SHE Cess	-	2.72
Commitments : Estimated amount of contracts remaining to be executed on capital account	623.63	0.50
Financial guarantees Towards electricity connection	30.00	30.00
	653.63	**33.22**

iii. Provident fund

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. In view of the interpretative aspects related to the Judgement including the effective date of application, the Company has been advised to await further developments in this matter. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

Note 33: Segment reporting

The Company has only one segment which is Pharmaceuticals and primarily operates in domestic market. The Managing Director of the Company has been identified as the Chief Operating Decision Maker. The Company's Managing Director, reviews the operating performance of the Company as a whole on a periodic basis. Therefore, disclosure relating to segments is not applicable and accordingly not made.

Note 33.1 :The Company has used the exemption available to companies under the Companies Act, 2013 and Ind AS from preparing consolidated financials if certain criteria are met.

a) Details of Holding Company

Below is the details of Holding Company whose consolidated financial statements comply with Ind AS:

Holding Company : Cipla Limited

Principal Place of business of Holding Company : Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400013.

b) Details of subsidiary and associate companies

Name	Principal Place of Business	% of ownership interest and voting 31 March 2024	31 March 2023
Medispray Laboratories Private Limited - subsidiary	Goa, India	100%	100%
Sitec Labs Limited - subsidiary	Mumbai, India	100%	100%
Meditab Holdings Limited, Mauritius - subsidiary	Port Louis, Mauritius	100%	100%
Stempeutics Research Private Limited - associate	Bengaluru, India	35.98%	40.78%

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Note 34 (I) : Related party disclosures

As per Ind AS 24 "Related Party Disclosures", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below :

During the year ended 31 March 2024, all the company's shares were held by Cipla limited, a holding company.

List of related parties with whom trasactions are undertaken during the year and nature of control where control exists :

A **Holding company**
Cipla Limited, India

B **Subsidiaries (held directly)**
Medispray Laboratories Private Limited, India
Sitec Labs Limited, India
Meditab Holdings Limited, Mauritius

C **Fellow Subsidiaries**
Goldencross Pharma Limited, India

D **Associates**
Stempeutics Research Private Limited

E **Key Management Personnel**
Mr. Dinesh Ramniranjan Jain - Director
Ms. Anisha Udeshi - Director
Ms. Patsy Jeffery - Director (till 13 March 2024)
Mr. Sanjay Kumar Mishra, Managing Director
Dr. Ranjana Bhubneswar Pathak - Director (resigned w.e.f. 8 June, 2022)
Mr.Sanjay Gorana - Managing Director (resigned w.e.f. 28 September, 2022)
Mr. Jayant Arvind Mandke - CEO (resigned w.e.f 3 October 2022)
Ms. Pratiksha Mangaonkar - Company Secretary (resigned w.e.f. 21 September 2022)
Mr. Girish Zamwar - Chief Financial Officer
Mr. Pavankumar Yadav - Company Secretary (appointed w.e.f. 28 August 2023)

F **Trust over which entity has significant influence**
Meditab Specialities Limited employees comprehensive gratuity scheme

G **Entity over which Holding Company's key managerial personnel have significant influence**
Cipla Foundation

Note 34 (II): Disclosures in respect of related parties

During the year, the following transactions were carried out with the related parties in the ordinary course of business:

Sr. No	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
1	**Processing charges paid**		
	Medispray Laboratories Private Limited	-	0.59
2	**Sale of goods**		
	Cipla Limited	407.38	214.08
	Medispray Laboratories Private Limited	-	0.38
3	**Purchase of goods**		
	Cipla Limited	118.27	55.29
	Medispray Laboratories Private Limited	0.01	0.03
	Goldencross Pharma Limited	-	-
4	**Rendering of services**		
	Cipla Limited	2,176.49	2,210.19
5	**Testing and analysis charges paid**		
	Sitec Labs Limited	0.14	0.30

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Note 34 (II): Disclosures in respect of related parties (contd.)

Sr. No	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
6	**Reimbursement received of operating/other expenses**		
	Medispray Laboratories Private Limited	1.90	0.36
7	**Reimbursement given of operating/other expenses**		
	Cipla Limited	13.31	12.11
	Medispray Laboratories Private Limited	11.89	6.65
8	**Service charges paid**		
	Cipla Limited	14.35	7.35
9	**Dividend received**		
	Meditab Holding Limited	11,563.55	-
	Medispray Laboratories Private Limited	14,754.98	-
10	**Dividend paid**		
	Cipla Limited	30,965.12	-
11	**Proceeds from buy back of shares**		
	Meditab Holding Limited	19,110.71	-
12	**Donations**		
	Cipla Foundation	9.31	7.79

Note 34 (III): Disclosures in respect of related parties balance as at 31 March 2024

13	**Trade payables**		
	Sitec Labs Limited	-	0.35
	Medispray Laboratories Private Limited	-	0.71
14	**Trade receivables**		
	Cipla Limited	508.94	977.27
	Medispray Laboratories Private Limited	4.96	-
15	**Outstanding payables**		
	Cipla Limited (Advance received)	5,573.99	5,573.99
16	**Contribution payable to gratuity scheme**		
	Meditab Specialities Private Limited employees comprehensive gratuity scheme	84.93	52.44

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Note 35: Financial instruments risk

Risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

(a) Market risk analysis

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to foreign exchange rates.

Foreign currency exchange rate risk

The Company's exposure to market risk includes changes in foreign exchange rates. Most of the Company's transactions are carried out in Rs. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD) Euros (EURO) and Swiss Franc (CHF)

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	Foreign currency	As at 31 March 2024		As at 31 March 2023	
		Foreign currency (Absolute amount)	Amount	Foreign currency (Absolute amount)	Amount
Trade payables	CHF	755	0.51	755	0.51
Trade payables	EUR	86	0.06	1,549	1.21
Trade payables	USD	317	0.23	347	0.25

For the year ended 31 March 2024, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Company would have insignificant impact on operating margins for the year 31 March 2024.

Price risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. At 31 March 2024, the investments in mutual funds amounts to Rs. 18,272.76 lakhs (31 March 2023: Rs. 1,878.09 lakhs). These are exposed to price risk. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in mutual funds. A 1% increase in prices would have led to approximately an additional Rs.182.73 lakhs gain in profit or loss (31 March 2023: Rs. 18.78 lakhs gain). A 1% decrease in prices would have led to an equal but opposite effect.

(b) Credit risk analysis

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to this risk for receivables from customers.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and certificates of deposit which are funds deposited at a bank for a specified time period.

The ageing analysis of the receivable (gross of provision) has been considered from the date the invoice falls due. Refer note 13 for ageing.

Movement of allowance of credit loss	**Amount**
As at 1 April 2022	**409.86**
Reversal during the year	-
Effect of changes in the foreign exchange rates	34.48
As at 31 March 2023	**444.34**
Reversal during the year	-
Effect of changes in the foreign exchange rates	6.68
As at 31 March 2024	**451.02**

(c) Liquidity risk analysis

Liquidity risk is 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. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financial liabilities maturing within one year:

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Trade Payables	221.70	206.00
Other financial liabilities	43.44	26.92
Total	**265.14**	**232.92**

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Note 36: Financial instruments

Financial Instrument by category and hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:
1. Fair value of trade receivable, cash and cash equivalent, other current financial asset, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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

- **Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- **Level 3:** techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The carrying value and fair value of financial instruments by categories as at 31 March 2024, are as follows:

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade receivables	-	-	513.90	-	-	-	-	-	-	513.90
(ii) Investments in subsidiaries	-	-	30,204.59	-		-	-	-	-	30,204.59
(iii) Investments in mutual funds	-	-	-	18,272.76		-	-	-	-	18,272.76
(iv) Cash and cash equivalents	-	-	20.71	-	-	-	-	-	-	20.71
(v) Other non-current financial assets	-	-	69.81	-	-	-	-	-	-	69.81
(vi) Other current financial assets	-	-	0.34	-	-	-	-	-	-	0.34
Total	**-**	**-**	**30,809.35**	**18,272.76**	**-**	**-**	**-**	**-**	**-**	**49,082.11**

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade payables	-	-	221.70	-	-	-	-	-	-	221.70
(iii) Other current financial liabilities	-	-	43.44	-	-	-	-	-	-	43.44
Total	**-**	**-**	**265.14**	**-**	**-**	**-**	**-**	**-**	**-**	**265.14**

The carrying value and fair value of financial instruments by categories as at 31 March 2023, are as follows:

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade receivables	-	-	977.29	-	-	-	-	-	-	977.29
(ii) Investments in subsidiaries			38,846.59	-	-	-	-	-	-	38,846.59
(iii) Investments in mutual funds	-	-	-	1,878.09	-	-	-	-	-	1,878.09
(iv) Cash and cash equivalents	-	-	18.39	-	-	-	-	-	-	18.39
(v) Other non-current financial assets	-	-	58.63	-	-	-	-	-	-	58.63
(vi) Other current financial assets	-	-	0.35	-	-	-	-	-	-	0.35
Total	**-**	**-**	**39,901.25**	**1,878.09**	**-**	**-**	**-**	**-**	**-**	**41,779.34**

Particulars	Amortised cost			Financial assets/ liabilities at FVTPL			Financial assets/ liabilities at FVTOCI			Total
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
(i) Trade payables	-	-	206.00	-	-	-	-	-	-	206.00
(ii) Other current financial liabilities	-	-	26.92	-	-	-	-	-	-	26.92
Total	**-**	**-**	**232.92**	**-**	**-**	**-**	**-**	**-**	**-**	**232.92**

There were no transfers between Level 1 and Level 2 in 2023-24 and 2022-23.

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Meditab Specialities Limited
Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)
Note 37: Capital management policies and procedures

i) The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns for its stakeholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirments of the financial convenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place to investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

(ii) Dividend on Equity Shares

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interim dividend on equity shares paid during the year [Rs. 435 per equity share of 1 each]	30,965.12	-
	30,965.12	-

Pursuant to the board approval dated 4 March 2024, Company proposed and paid interim dividend of Rs. 435 per equity share, out of accumulated profits of the Company available for dividend distribution

Note 38: Other significant notes

(i) The Company does not have any such 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).

(ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(iii) The Company does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(iv) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity 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 on behalf of the Company,

(vii) The Company has not received any fund from any person or entity, 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.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

(ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

WALKER CHANDIOK & Co LLP
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Meditab Specialities Limited
Notes to the financial statements as at and for the year ended 31 March 2024

Note 39: Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	% Variance	Reason for Variance
a) Current Ratio	Current assets	Current Liabilities	5.44	8.86	(3.42)	-39%	Refer note 1
b) Debt-Equity ratio	Total debt	Shareholder's Equity	NA	NA	NA	NA	
c) Debt Service coverage ratio	Earnings available for debt service	Debt Service	NA	NA	NA	NA	
d) Return on eqity ratio (ROE)	Net profits after taxes	Average Shareholder's Equity	90%	1%	89%	11041%	Refer note 2
e) Inventory turnover ratio	Cost of goods sold	Average inventory	4.85	3.19	1.66	52%	Refer note 3
f) Trade receivables turnover ratio	Revenue from sale of products and services	Average Accounts Receivable	3.49	3.40	0.09	3%	
g) Trade payables turnover ratio	Net purchases of goods = Purchases + stock in trade purchase + Other Expenses - sundry balance w/o	Average Trade Payables	5.03	3.62	1.41	39%	Refer note 3
h) Net Capital turnover ratio	Revenue from sale of products and services	Working capital	0.17	0.92	(0.76)	-82%	Refer note 4
i) Net profit ratio	Net profit after tax	Revenue from sale of products and services	1458%	14%	14.44	10314%	Refer note 5
j) Return on capital employed	Profit before tax and Finance cost	Capital employed = Tangible Net worth + Total debt + Deferred tax liability	98%	1%	0.97	8809%	Refer note 2
h) Return on Investment	Profit before tax and Finance cost	Closing Total Assets	70%	1%	0.69	7202%	Refer note 6

Reason for % change (>25%) :

1. The decrease in the current ratio occurred due to an increase in current liabilities without a proportionate increase in current assets
2. The return on equity ratio and return on capital employed ratio improved primarily on account of dividend income earned and gain on buyback of shares by a subsidiary, offset by dividend distributed
3. The inventory turnover ratio and trade payable turnover ratio has increased primarily due to higher consumption and net purchases in the current year on account of increased operations
4. The net capital turnover ratio has reduced due to higher working capital, which resulted from investment of surplus funds received from dividend income earned and gains on the buyback of shares by a subsidiary
5. The net profit ratio has improved primarily on account of dividend income earned and gain on buyback of shares by a subsidiary
6. The return on investments ratio has improved as a result of higher profits in the current year and no proportionate increase in total asset position

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Note 40: The Income Tax department conducted survey u/s 133A of the Income Tax Act starting from 31 January 2023 till 2 February 2023. The company at the time of survey has co-operated with the department. No assets of the company were seized by the department as part of the survey. During the year the Notices u/s 148A of the Act were issued for few assessment years, which were duly replied and the Company has received order for dropping the show cause notices.

Note 41: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorisation of these Financial Statements.

Note 42: Reclassification / Regroupings

The Company has restated the comparative financial information for 31 March 2023 as presented in these financial statements, due to change in classification of accrued expenses to trade payables from other financial liabilities as required under schedule III.

Impact on financial statement line item (In INR lakhs)

Particulars	Notes	Amount as on Reported	Adjustments	Amount as on 31 March Reclassified
Current Liabilities				
Trade Payables	21	192.15	13.85	206.00
Other financials liabilities	22	40.77	(13.85)	26.92

No other material reclassifications / regroupings of previous years figures.

Note 43: Authorization of financial statements

The financial statements for the year ended 31 March 2024 were approved by the board of directors on 6 May 2024.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No. 508835

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place: Mumbai
Date : 6 May 2024

For and on behalf of the **Board of Directors**

Dinesh R Jain

Sanjay Mishra
Managing Director
(DIN: 09773380)

Dinesh Jain
Director
(DIN:00058069)

Girish Zamwar
Chief Financial Officer

Pavankumar Yadav
Company Secretary

Place: Mumbai
Date : 6 May 2024

Sitec Labs Limited

Financial Statements for Financial Year 2023-24

Sitec Labs Limited

Financial Statements for the year ended 31 March 2024

2023-2024

Walker Chandiok & Co LLP
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Independent Auditor's Report

To the Members of Sitec Labs Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Sitec Labs Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 specified under section 133 of the Act 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. 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

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' 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; and

- 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.

WALKER CHANDIOK & Co LLP * MUMBAI * CHARTERED ACCOUNTANTS

10. 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.

Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

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

    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, including the manner prescribed in Rule 3(1) of Companies (Accounts) Rules, 2014, except that the audit trail feature was not enabled at the database level as further stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the maintenance of accounts and other matters connected therewith refer to our comments in paragraph 13(b) above on reporting under Section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under rule 11(g) of the of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

    h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in note 34 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 43(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

vi. Based on examination which included test checks, the Company in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility at the application level of the accounting software and the same has been 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 such audit trail features being tampered with. The Audit trail feature (edit log) at the database level for the direct changes was not enabled, however, the Company had adequate controls in the accounting software such as strict user rights and access of administrator log in through the application layer.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: **24508835BKFFCE2566**

Place: Mumbai
Date: 6 May 2024

Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Sitec Labs Limited on the financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report 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) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 4 to the financial statements, are held in the name of the Company.

(d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii)(a) and 3(iii)(b) of the Order is not applicable to the Company.

(b) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's services. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service tax	113.81	6.42	FY 2010-11 to FY 2013-14	High Court
Central GST Act, 2017	Goods and service tax	7.06	0.71	July 2017 to March 2018	Additional Commissioner (Appeals)
Income Tax Act, 1961	Income tax	765.38	-	AY 2020-21	Commissioner of Income Tax Appeals
Goods and Services Tax, 2017	Goods and services	317.36	14.23	July 2017 – March 2018	Additional Commissioner (Appeals)

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(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 made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(a) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one unregistered CIC as part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(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 plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCE2566

Place: Mumbai
Date: 6 May 2024

Annexure II to the Independent Auditor's Report of even date to the members of Sitec Labs Limited on the financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Sitec Labs Limited ('the Company') as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') ("the Guidance Note"). 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

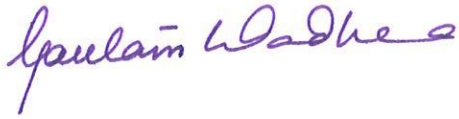
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCE2566

Place: Mumbai
Date: 6 May 2024

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Sitec Labs Limited
Balance sheet as at 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	4	6,505.67	5,481.20
(b) Right- of- use assets	4.1	4,852.82	5,006.31
(c) Capital work-in-progress	4.2	1,779.43	291.58
(d) Intangible assets	5	14.73	19.88
(e) Intangible assets under development	6	3.96	-
(f) Financial assets			
(i) Other financial assets	7	140.00	135.33
(g) Income tax assets (net)	8	809.33	761.77
(h) Other non-current assets	9	46.60	75.87
Total non- current assets		**14,152.54**	**11,771.94**
2. Current assets			
(a) Inventories	10	183.76	166.26
(b) Financial assets			
(i) Trade receivables	11	1,088.76	1,748.41
(ii) Cash and cash equivalents	12	31.31	19.98
(iii) Bank balances other than cash and cash equivalents	13	-	1.56
(iv) Other financial assets	14	2.84	2.45
(c) Other current assets	15	427.14	419.35
Total current assets		**1,733.81**	**2,358.01**
Total assets		**15,886.35**	**14,129.95**
B. Equity and liabilities			
1. Equity			
(a) Equity share capital	16	1.60	1.60
(b) Other equity	17	13,578.07	12,320.97
Total equity		**13,579.67**	**12,322.57**
2. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	500.00	300.00
(b) Deferred tax liabilities (net)	19	15.85	52.49
(c) Provisions	20	402.16	283.88
Total non- current liabilities		**918.01**	**636.37**
3. Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	21	159.91	169.54
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		533.24	527.64
(ii) Lease liabilities	4.1	-	33.31
(iii) Other financial liabilities	22	49.44	161.10
(b) Other current liabilities	23	95.86	93.17
(c) Provisions	20	550.22	186.25
Total current liabilities		**1,388.67**	**1,171.01**
Total equity and liabilities		**15,886.35**	**14,129.95**

The accompanying notes form an integral part of these financial statements

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 06 May 2024

For and on behalf of the **Board of Directors**

Krishnan Iyer
Whole Time Director
(DIN: 00017991)

Girish Zamwar
Director
(DIN: 09736076)

Animesh Jain
Chief Financial Officer

Place: Mumbai
Date: 06 May 2024

Sitec Labs Limited
Statement of Profit and Loss for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
(a) Revenue from operations	24	13,426.59	12,050.83
(b) Other income	25	2.38	21.25
Total income		**13,428.97**	**12,072.08**
Expenses			
(a) Cost of chemicals and consumables consumed	26	2,228.60	1,951.00
(b) Employee benefits expense	27	4,242.23	3,669.61
(c) Finance cost	28	29.54	21.91
(d) Depreciation and amortisation expense	29	706.39	709.84
(e) Other expenses	30	4,211.67	3,875.15
Total expenses		**11,418.43**	**10,227.51**
Profit before tax		**2,010.54**	**1,844.57**
Tax expenses (net)			
Current tax	37	511.79	504.10
Deferred tax	36/37	33.39	(6.82)
Profit for the year		**1,465.36**	**1,347.29**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss		(278.29)	(17.75)
(ii) Income tax relating to items that will not be reclassified to profit or loss	36/37	70.03	4.47
Total comprehensive income for the year		**1,257.10**	**1,334.01**
Earnings per equity share of Rs.10 each			
Basic and diluted	32	9,155.07	8,417.41

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

As per our report on even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI

Place: Mumbai
Date: 06 May 2024

For and on behalf of the **Board of Directors**

Krishnan Iyer
Whole Time Director
(DIN: 00017991)

Girish Zamwar
Director
(DIN: 09736076)

Animesh Jain
Chief Financial Officer

Place: Mumbai
Date: 06 May 2024

SITEC LABS LIMITED TTC MIDC MAHAPE NAVI MUMBAI 400 710

Sitec Labs Limited
Statement of Changes in Equity for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

(a) Equity share capital (refer note 16)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	1.60	1.60
Changes in equity share capital during the year	-	-
Balance at the end of the year	**1.60**	**1.60**

(b) Other equity (refer note 17)

Particulars	Equity component of loan taken from Holding Company	Reserves and surplus			Total other equity
		Securties Premium	General Reserve	Retained earnings	
As at 01 April 2022	**2,415.28**	**4,099.16**	**50.00**	**4,422.52**	**10,986.96**
Profit for the year	-	-	-	1,347.29	1,347.29
Other comprehensive income	-	-	-	(13.28)	(13.28)
As at 31 March 2023	**2,415.28**	**4,099.16**	**50.00**	**5,756.53**	**12,320.97**
Profit for the year	-	-	-	1,465.36	1,465.36
Other comprehensive income	-	-	-	(208.26)	(208.26)
As at 31 March 2024	**2,415.28**	**4,099.16**	**50.00**	**7,013.63**	**13,578.07**

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

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 06 May 2024

For and on behalf of the **Board of Directors**

Krishnan Iyer
Whole Time Director
(DIN: 00017991)

Girish Zamwar
Director
(DIN: 09736076)

Animesh Jain
Chief Financial Officer

Place: Mumbai
Date: 06 May 2024

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Sitec Labs Limited
Statement of cash flows for the year ended 31 March 2024
(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	2,010.54	1,844.57
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	706.39	709.84
Loss on disposal of property, plant and equipment (net)	4.06	153.52
Interest income on income tax refund	-	(2.60)
Interest income on fixed deposits with banks	(0.25)	(2.13)
Sundry balances written (back) / off (net)	(1.32)	20.22
Reversal for expected credit loss	-	(0.38)
Unrealised foreign exchange loss / (gain) (net)	35.04	(12.19)
Finance costs	29.54	21.91
Operating profit before working capital changes	**2,784.00**	**2,732.76**
Working capital adjustments		
Decrease in trade receivables	659.65	1,070.49
Increase in inventories	(17.50)	(17.40)
Decrease / (Increase) in other current assets and other financial assets	5.44	(299.59)
Increase in trade payables, other liabilities, other financial liabilities and provisions	147.86	352.08
Working capital adjustments	**795.45**	**1,105.58**
Cash generated from operations	**3,579.45**	**3,838.34**
Income tax paid (net off refunds)	(559.35)	(419.40)
Net cash flows from operating activities (a)	**3,020.10**	**3,418.94**
Cash flow from investing activities		
Purchase of property, plant and equipment and capital work-in-progress (Refer Note ii)	(3,142.33)	(929.71)
Purchase of right of use asset	-	(3,416.93)
Purchase of intangibles and intangibles under development	(9.95)	(28.39)
Proceeds from sale of property, plant and equipment	6.01	3.06
Proceeds from / (Investment) in fixed deposit	(0.04)	(1.86)
Interest received	0.04	2.02
Net cash flows used in investing activities (b)	**(3,146.27)**	**(4,371.81)**
Cash flow from financing activities		
Loan taken from ultimate holding company (net)	200.00	300.00
Payment of lease liability (including interest expense on lease liability)	(34.67)	(56.67)
Interest paid	(27.83)	(16.66)
Net cash flows generated/ (used) in financing activities (c)	**137.50**	**226.67**
Net increase / (decrease) in cash and cash equivalents (a+b+c)	**11.33**	**(726.20)**
Cash and cash equivalents at the beginning of the year	19.98	746.18
Cash and cash equivalents at the end of the year (refer note 12)	**31.31**	**19.98**

Note i: The above statement cash flow has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS-7)-Statement of Cash Flows.

ii) Purchase of property, plant and equipment represents additions to property, plant and equipment as adjusted for movement of capital work in progress, capital advances, capital creditors during the year.

ii) Refer note 33 for net debt reconciliation.

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

As per our report on even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 06 May 2024

For and on behalf of the **Board of Directors**

Krishnan Iyer
Whole Time Director
(DIN: 00017991)

Girish Zamwar
Director
(DIN: 09736076)

Animesh Jain
Chief Financial Officer

Place: Mumbai
Date: 06 May 2024

Note 4: Property, plant and equipment

Particulars	Factory Building	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Gross block						
Balance as at 1 April 2022	**1,827.15**	**5,772.28**	**393.93**	**48.83**	**12.31**	**8,054.50**
Additions for the year	-	701.16	18.08	24.57	-	743.81
Deletions during the year	-	(1,237.52)	(62.79)	(17.09)	-	(1,317.40)
Balance as at 31 March 2023	**1,827.15**	**5,235.92**	**349.22**	**56.31**	**12.31**	**7,480.91**
Additions for the year	-	1,561.34	7.84	7.12	-	1,576.30
Deletions during the year	-	(32.00)	-	-	-	(32.00)
Balance as at 31 March 2024	**1,827.15**	**6,765.26**	**357.06**	**63.43**	**12.31**	**9,025.21**
Accumulated depreciation						
Balance as at 1 April 2022	**52.47**	**2,304.91**	**262.00**	**28.20**	**2.22**	**2,649.80**
Depreciation charge for the year	57.86	427.96	16.68	6.76	1.47	510.73
Deletions during the year	-	(1,088.21)	(56.77)	(15.84)	-	(1,160.82)
Balance as at 31 March 2023	**110.33**	**1,644.66**	**221.91**	**19.12**	**3.69**	**1,999.71**
Depreciation charge for the year	57.86	456.36	15.69	10.39	1.46	541.76
Deletions during the year	-	(21.93)	-	-	-	(21.93)
Balance as at 31 March 2024	**168.19**	**2,079.09**	**237.60**	**29.51**	**5.15**	**2,519.54**
Net book value						
At 31 March 2024	**1,658.96**	**4,686.17**	**119.46**	**33.92**	**7.16**	**6,505.67**
At 31 March 2023	**1,716.82**	**3,591.26**	**127.31**	**37.19**	**8.62**	**5,481.20**

Notes :

1. The title deeds of all immovable properties (other than properties where the Company is the lessee and lease arrangements are duly exercised in favour of the lessee) are held in the name of the Company.
2. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
3. The Company has not revalued its Property, Plant and Equipment, Right of Use assets and intangible assets during the year.
4. Refer note 42 for related party transactions.

Note 4.1: Leases

Movement for right of use assets

Particulars	Category of ROU assets		Total
	Land	Building	
Balance as at 01 April 2022	**1,641.26**	**80.07**	**1,721.33**
Additions during the year (refer note 4.1(a) below)	3,416.93	-	3,416.93
Depreciation during the year	(82.11)	(49.84)	(131.95)
Balance as at 31 March 2023	**4,976.08**	**30.23**	**5,006.31**
Depreciation during the year	(123.26)	(30.23)	(153.49)
Balance as at 31 March 2024	**4,852.82**	**-**	**4,852.82**

The following is the break-up of current and non-current lease liabilities :

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease liabilities	-	33.31
Non-current lease liabilities	-	-
	-	**33.31**

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2024 and 31 March 2023 on an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	-	33.31
1 - 5 years	-	-
Less: Finance Component	-	-
	-	**33.31**

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

SITEC LABS LIMITED TTC MIDC MAHAPE NAVI MUMBAI 400 710

Note 4.1: Leases (Cont'd)

The following is the movement in lease liabilities during the year

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	33.31	84.73
Interest cost on lease liability (refer note 28)	1.36	5.25
Payment of lease liabilities	(34.67)	(56.67)
Closing balance	-	33.31

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
Lease expense recorded for short-term leases was Rs. 104.76 for the year ended 31 March 2024 (Rs. 76.97 for the year ended 31 March 2023) as the Company has elected not to a recognised a lease liability for short term leases or for lease of low value assets, payments under such leases are expensed on straight line basis.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of profit and loss.

Note a:
On 28 September 2022 the Company, entered into an agreement with M/s Gala Foods for purchase of lease hold land at Pawne MIDC - Navi Mumbai in Maharashtra for total consideration of Rs. 3,416.93 Lakhs

Particulars	Amount
Land (refer note 4.1)	3,416.93
Total	3,416.93

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Note 4.2: Capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	291.58	57.97
Additions during the year	3,064.15	1,005.81
Capitalised during the year	(1,576.30)	(772.20)
Closing balance	**1,779.43**	**291.58**

Capital work-in-progress ageing schedule

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	1,655.64	278.62
1-2 years	123.79	12.96
2-3 years	-	-
More than 3 years	-	-
Total	**1,779.43**	**291.58**

Note:
1. There are no projects whose completion is overdue or has exceeded its cost compared to its original plan (as amended).
2. Capital work-in-progress does not include any project temporily suspended.

Note 5: Intangible assets

Particulars	Software	Total
Gross block		
At 1 April 2022	**171.42**	**171.42**
Additions for the year	28.39	28.39
At 31 March 2023	**199.81**	**199.81**
Additions for the year	5.99	5.99
At 31 March 2024	**205.80**	**205.80**
Accumulated amortization		
At 1 April 2022	**112.77**	**112.77**
Amortisation charge for the year	67.16	67.16
At 31 March 2023	**179.93**	**179.93**
Amortisation charge for the year	11.14	11.14
At 31 March 2024	**191.07**	**191.07**
Net Book Value		
At 31 March 2024	**14.73**	**14.73**
At 31 March 2023	**19.88**	**19.88**

Note 6: Intangible assets under development

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	-	-
Additions during the year	9.95	-
Capitalised during the year	(5.99)	-
Closing balance	**3.96**	**-**

Intangible assets under development ageing schedule

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	3.96	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**3.96**	

Note:
1. There are no projects whose completion is overdue or has exceeded its cost compared to its original plan (as amended).
2. Intangible assets under development does not include any project temporily suspended.

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WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

SITEC LABS LIMITED TTC MIDC MAHAPE NAVI MUMBAI 400 710

Particulars	As at 31 March 2024	As at 31 March 2023
Note 7: Non-current financial assets - others		
Considered good – unsecured		
Security deposits	135.05	132.19
Fixed deposits held as margin money (with maturity more than 12 months)	4.40	2.80
Interest receivable	0.55	0.34
	140.00	**135.33**
Note 8: Income tax assets (net)		
(a) Advance tax (gross)	4,578.40	4,019.05
(b) Provision for tax (gross)	(3,769.07)	(3,257.28)
	809.33	**761.77**
Note 9: Other non-current assets		
Secured, considered good, except otherwise stated		
Capital advances	18.10	-
Unsecured, considered good, except otherwise stated		
Capital advances	12.79	43.68
Prepaid expenses	15.71	32.19
	46.60	**75.87**
Note 10: Inventories		
(Lower of cost or net realisable value)		
Chemicals and consumables	183.76	166.26
	183.76	**166.26**
Note 11: Trade receivables		
(Carried at amortised cost, except otherwise stated)		
Unsecured, considered good*	1,088.76	1,748.41
Unsecured, considered doubtful	-	-
Less: Allowance for expected credit loss	-	-
	1,088.76	**1,748.41**
*** Includes amount due from related parties (refer note 42)**	**1053.8**	1,703.83

Trade receivable ageing schedule

As at 31 March 2024	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
a) Undisputed trade receivables							
- Considered good	704.54	337.75	45.71	0.76	-	-	**1,088.76**
- Considered doubtful	-	-	-	-	-	-	-
Total	**704.54**	**337.75**	**45.71**	**0.76**	**-**	**-**	**1,088.76**

As at 31 March 2023	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
a) Undisputed trade receivables							
- Considered good	1,001.38	728.48	18.23	0.32	-	-	**1,748.41**
- Considered doubtful	-	-	-	-	-	-	-
Total	**1,001.38**	**728.48**	**18.23**	**0.32**	**-**	**-**	**1,748.41**

Notes:

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

There are no unbilled trade receivables as at 31 March 2024 and 31 March 2023.
There are no disputed dues as on 31 March 2024 and 31 March 2023.
There are no trade receivables which have significant increase in credit risk and trade receivables which are credit impaired.

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Note 12: Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
In current accounts	30.28	18.46
Cash on hand	1.03	1.52
	31.31	**19.98**

There are no repatriation restriction with regard to cash and cash equivalents as at the end of the reporting period.

Note 13: Bank balances other than cash and cash equivalents

Bank deposit (original maturity between 3 months to 12 months)	-	1.56
	-	**1.56**

Note 14: Other financial assets

Considered good - Unsecured		
Security deposits	2.84	2.45
	2.84	**2.45**

Note 15: Other current assets

Advance to suppliers	51.84	86.66
Balance with statutory authorities	97.85	77.48
Prepaid expenses	149.05	153.57
Others advances	128.40	101.64
	427.14	**419.35**

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Note 16: Equity share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of Rs. 10 each	50,000	5.00	50,000	5.00
	50,000	**5.00**	**50,000**	**5.00**
Issued				
Equity shares of Rs. 10 each	16,006	1.60	16,006	1.60
	16,006	**1.60**	**16,006**	**1.60**
Subscribed and paid-up				
Equity shares of Rs. 10 each fully paid up	16,006	1.60	16,006	1.60
	16,006	**1.60**	**16,006**	**1.60**

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024	As at 31 March 2023
No. of shares outstanding at the beginning of the year	16,006	16,006
Add: Issued during the year	-	-
No. of shares outstanding at the end of the year	**16,006**	**16,006**

- Details of shareholders holding more than 5 percent shares in the Company and Promoter shareholding

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holdings	Number of shares	% of holdings
Meditab Specialities Limited (Holding company including 6 equity shares held by its nominee)	16,006	100%	16,006	100%
	16,006	**100%**	**16,006**	**100%**

There is no change in the Promoter holding during the year and in the previous year.

Terms/ rights attached to equity shares
The Company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 shareholders.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date.
The Company has not issued any bonus shares, shares for consideration other than cash or bought back any shares during five years immediately preeceding the reporting date.

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Note 17: Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Equity component of loan taken from Holding company	4,099.16	4,099.16
General reserve	50.00	50.00
Securities premium	2,415.28	2,415.28
Retained earnings	7,013.63	5,756.53
	13,578.07	12,320.97

Equity component of loan taken from Holding company - Represents the fair value component of the interest free loan obtained from Holding Company.
General reserve - The General reserve is used from time to time to transfer profit from retained earning for appropriation purpose.
Securities premium reserve - Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.
Retained earnings - Retained earnings represent the Company's undistributed profits.

The movement in respect of each of other equity components form part of statement of changes in equity, hence not reproduced here.

Note 18: Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured loan from ultimate holding company. (Refer note 42)	500.00	300.00
Total Non - Current Borrlowings	500.00	300.00
Less : Current Maturities of Non-current borrowings	-	-
Net Non-current borrowings	500.00	300.00

Terms & repayment schedule :

	Currency	Nominal Interest Rate	Maturity Date (*)	As at 31 March 2024	As at 31 March 2023
Unsecured Loan - First disbursement	INR	6.875%	20-Sep-27	300.00	300.00
Unsecured Loan - Second disbursement	INR	7.45%	20-Sep-27	200.00	-
				500.00	300.00

The interest has been paid in full during the year.
(*) Repayment on maturity date

Note 19: Deferred taxes (net) (refer note 36)	As at 31 March 2024	As at 31 March 2023
Deferred tax assets	272.12	154.81
Deferred tax liabilities	(287.97)	(207.30)
	(15.85)	(52.49)

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Note 20: Provisions

The liabilities recognised for employee obligations consist of the following amounts:

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Compensated absences	402.16	283.88
	402.16	**283.88**
Current:		
Gratuity	427.26	85.07
Compensated absences	43.88	35.68
Performance bonus	79.08	65.50
	550.22	**186.25**

(i) Compensated absences

The Company allows employees to accumulate compensated absences. The employees can carry forward a portion of their unutilized compensated absences and use them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences during the period when the employee renders services that increases this entitlement. As at 31 March 2024, the outstanding compensated absences were ₹ 446.04 lakhs (31 March 2023 - ₹ 319.56 lakhs).

(ii) Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The plan assets are managed by a insurer managed fund that is legally separated from the Company. The board of trustees of the insurer managed fund is required by its articles of association to act in the best interest of the fund and it is responsible for setting the investment policies. The Company has no representation on the board of the fund.

The plan exposes the Company to actuarial risks such as asset volatility, changes in bond yields, inflation risks.

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

A reconciliation of the Company's defined benefit obligation (DBO) and plan assets to the amounts presented in the balance sheet for each of the reporting periods is presented below:

Particulars	As at 31 March 2024	As at 31 March 2023
Disclosures for defined benefit plans based on actuarial reports		
Defined benefit obligation	946.58	566.92
Fair value of plan assets	519.32	481.85
	427.26	**85.07**
Classified as:		
Non-current liability	-	-
Current liability	427.26	85.07
	427.26	**85.07**

Defined benefit obligation (funded)

The details of the Company's Defined benefit obligation are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Defined benefit obligation	566.92	499.34
Current service cost	57.53	53.05
Interest expense	42.46	35.25
Benefit paid from the funds	(9.55)	(19.45)
Remeasurement-actuarial losses from changes in demographic assumptions	-	-
Remeasurement-actuarial losses from changes in financial assumptions	289.40	(9.80)
Remeasurement-actuarial losses from experience adjustments	(0.18)	8.53
Defined benefit obligation 31 March 2023	**946.58**	**566.92**

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Note 20: Provisions(Cont'd)

Plan assets

The reconciliation of the balance of the assets held for the Company's defined benefit plan is presented below:

Particulars	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets - Opening	481.85	486.01
Return on plan assets (excluding interest income)	10.93	(19.02)
Interest Income	36.09	34.31
Benefit paid from the funds	(9.55)	(19.45)
Contributions by the Company	-	-
Fair value of plan assets - Closing	**519.32**	**481.85**

Particulars	As at 31 March 2024	As at 31 March 2023
The significant actuarial assumptions used for the valuation are as follows:		
Discount rate at date shown	7.19%	7.49%
Salary growth rate	9.00% p.a.	7.00% p.a. for the next 1 year, 5.00% p.a. thereafter, starting from the 2nd year
Attrition rate	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.	For service 2 years and below 25.00% p.a. & For service 3 years to 4 years 15.00% p.a. & For service 5 years and above 5.00% p.a.

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of high quality government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related defined benefit obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the DBO was measured using the projected unit credit method.

Defined benefit plan expenses

The present value of the DBO was measured using the projected unit credit method.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current service cost	57.53	53.05
Net interest expense	6.37	0.94
Total expenses recognised in profit or loss	**63.90**	**53.99**
Amounts recognised in other comprehensive income related to the Company's defined benefit plans are as follows:		
Actuarial (Gain) / Losses from changes in financial assumptions	289.22	(1.27)
Return on plan assets	(10.93)	19.02
Total gain recognised in other comprehensive income	**278.29**	**17.75**

All the expenses summarised above were included within items that will not be reclassified subsequently to profit or loss in the statement of other comprehensive income.

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the attrition rate. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2024.

Sensitivity analysis for significant actuarial assumptions

Particulars	As at 31 March 2024		As at 31 March 2023	
Discount rate	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
Increase (decrease) in the defined benefit liability	(42.16)	45.24	(21.99)	23.47
Salary growth rate	Increase by 2%	Decrease by 2%	Increase by 2%	Decrease by 2%
Increase (decrease) in the defined benefit liability	194.38	(152.81)	104.45	(83.05)
Attrition rate	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%
Increase (decrease) in the defined benefit liability	(5.83)	6.15	4.50	(4.74)

The present value of the defined benefit obligation calculated with the same method (project unit credit) as the defined benefit obligation recognised in the balance sheet. The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Maturity analysis of the benefit payments from the fund

Projected benefits payable in future years from the date of reporting	As at 31 March 2024	As at 31 March 2023
1st following year	42.12	36.11
2nd following year	43.85	36.85
3rd following year	86.05	36.94
4th following year	48.04	70.03
5th following year	50.15	38.72
Sum of Years 6 To 10	388.02	257.88
Sum of Years 11 and above	1,433.62	698.60

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(iii) Contribution to provident fund and other funds		
Employee's pension scheme	57.06	51.44
Provident fund	110.64	96.05
Others - ESIS, Labour welfare fund and others	6.67	6.15
Total	174.37	153.64

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 21: Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note below)	159.91	169.54
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	533.24	527.64
	693.15	697.18

Ageing of trade payables

As at 31 March 2024	Unbille	Not Due	Outstanding for following periods from due date of payments				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade payables							
- MSME	15.86	4.48	139.57	-	-	-	159.91
- Others	118.48	52.88	345.07	16.05	0.76	-	533.24
Total	134.34	57.36	484.64	16.05	0.76	-	693.15

Ageing of trade payables

As at 31 March 2023	Unbille	Not Due	Outstanding for following periods from due date of payments				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed trade payables							
- MSME	-	169.54	-	-	-	-	169.54
- Others	101.17	398.42	27.29	0.76	-	-	527.64
Total	101.17	567.96	27.29	0.76	-	-	697.18

Notes:

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

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each		
- Principal amount due to micro and small enterprises	159.91	169.54
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

There are no disputed dues as at 31 March 2024 and 31 March 2023.

Note 22: Other financial liabilities-current

Particulars	As at 31 March 2024	As at 31 March 2023
Carried at amortised cost except otherwise stated		
Employee dues	47.88	48.04
Dues to capital creditors (other than MSME)	0.06	91.45
Deposits from customers and others	1.50	1.50
Advance refundable to customers (refer note 42)	-	20.11
	49.44	161.10

Ageing of capital creditors

As at 31 March 2024	Unbille	Not Due	Outstanding for following periods from due date of payments				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed capital creditors							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	0.06	-	-	0.06
Total	-	-	-	0.06	-	-	0.06

As at 31 March 2023	Unbille	Not Due	Outstanding for following periods from due date of payments				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
a) Undisputed capital creditors							
- MSME	-	-	-	-	-	-	-
- Others	-	-	91.45	-	-	-	91.45
Total	-	-	91.45	-	-	-	91.45

There are no disputed capital creditors as at 31 March 2024 and 31 March 2023.

Note 23: Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Advance from customers*	3.61	13.16
Statutory dues	92.25	80.01
	95.86	93.17

*Also termed as contract liabilities under IND AS 115- Revenue from contracts with customers.

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 24: Revenue from operations*		
Rendering of services	13,425.22	12,043.70
Other operating revenue		
Scrap sales	1.37	7.13
	13,426.59	**12,050.83**

* Refer note 42 for related party transactions

(i) Disaggregation of revenue: Refer note 31 for disaggregation of revenue.

(ii) Contract balances

Contract balances from contracts with customers	**3.61**	**13.16**

(iii) Revenue recognised in the reporting period included in the contract liability in the beginning of the year

Opening balance	13.16	43.85
Addition during the year	3.61	13.16
Revenue/repaid recognised during the year	(13.16)	(43.85)
	3.61	**13.16**

(iv) Information about major customers

Revenue from the Company's top customer, Cipla Limited, accounted for 95.26% (31 March 2023: 93.09%) of the Company's total revenue. No other single customer represents 10% or more of the Company's total revenue for the years ended 31 March 2024 and 31 March 2023 respectively.

Note 25 : Other income		
Interest income on income tax refund	-	2.60
Interest income on fixed deposits with banks	0.25	2.13
Net gain on foreign currency translation and transaction	-	12.19
Sundry balances written back (net)	1.32	-
Reversal of expected credit loss (net of bad debts written off)	-	0.38
Insurance Claim	-	0.79
Miscellaneous income	0.81	3.16
	2.38	**21.25**

Note 26 : Cost of chemicals and consumables consumed		
Raw material consumed		
Inventory at the beginning of the year	166.26	148.86
Add: Purchases during the year	2,246.10	1,968.40
Less: Inventory at the end of the year	(183.76)	(166.26)
Cost of material consumed	**2,228.60**	**1,951.00**

Note 27 : Employee benefits expenses		
Salaries, wages and bonus	3,854.44	3,316.83
Contribution to provident and other funds (refer note 20(iii))	174.37	153.64
Gratuity expense (refer note 20(ii))	63.90	53.99
Staff welfare expenses	149.52	145.15
	4,242.23	**3,669.61**

Note 28 : Finance costs		
Interest cost on lease liability (refer note 4.1)	1.36	5.25
Interest expense - related party (refer note 42)	27.83	16.61
Interest expense - others	0.35	0.05
	29.54	**21.91**

Note 29: Depreciation and amortization expense		
Depreciation on property plant and equipment (refer note 4)	541.76	510.73
Depreciation on right-to-use assets (refer note 4.1)	153.49	131.95
Amortization of intangible assets (refer note 5)	11.14	67.16
	706.39	**709.84**

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Note 30 : Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Stores and spares	154.12	96.75
Repairs and maintenance		
Plant and equipment	760.02	614.47
Building	94.19	126.86
Insurance	27.79	17.97
Rent (refer note 4.1)	104.76	76.97
Conference and training	1.20	0.31
Rates and taxes	28.70	13.55
Power and Fuel	403.27	407.88
Contractual services	459.16	416.89
Printing and stationery	102.80	82.88
Postage and telephone expenses	14.34	10.83
Travelling and conveyance	73.99	66.55
Sundry balances written off	-	20.22
Loss on disposal of property, plant and equipment (net)	4.06	153.52
Net loss on foreign currency transaction	35.04	-
Research and clinical Expenses	1,315.19	1,124.54
Professional charges	198.97	189.48
Audit fees (refer note below)	10.68	10.33
Corporate social responsibility (CSR) expenditure (refer details below)	34.05	28.10
Housekeeping expenses	93.06	76.91
IT Software expenses	256.85	315.29
Miscellaneous expenses	39.43	24.85
Total	**4,211.67**	**3,875.15**

Payments to the auditor:		
Audit fee	9.00	9.00
Tax audit fee	1.00	1.00
Out of pocket expense	0.68	0.33
Total	**10.68**	**10.33**

Details of CSR expenditure:

The Company has incurred Rs.34.05 (previous year Rs. 28.10) towards CSR activities, as per Section 135 of the Companies Act, 2013 and Rules thereon. It is included in other expenses head in the profit and loss. Amount spent on construction/ aquisition of any assets is Nil during the year.

Gross amount required to be spent by the Company during the year Rs. 33.95 (previous year Rs. 28.10)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount required to be spent	33.95	28.10
Amount of expense incurred	34.05	28.10
(Excess) / shortfall at the end of the year	**(0.10)**	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR Activities	Pallitation projects and patient support	Pallitation projects and patient support
Entity over which Ultimate Holding Company's key managerial personnel are able to exercise significant influence - Payment to Cipla Foundation (refer note 42)	34.05	28.10
Provision made w.r.t. Liability and movement in provision	No liability required to be created in the books	No liability required to be created in the books

The Company does not have any ongoing projects as at 31 March 2024.

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 31: Revenue from sale of products and services		
Revenue from sale of services:		
a) Bioequivalence	8,064.47	7,185.84
b) Analytical research division	5,360.75	4,857.86
	13,425.22	**12,043.70**

(i) Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by relationship and geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

31 March 2024	Sale of services	Total
Revenue by relationship		
Related party	13,248.03	13,248.03
Third party customers	177.19	177.19
	13,425.22	**13,425.22**
Revenue by geography		
India - domestic	12,874.96	12,874.96
North america	374.97	374.97
Rest of the world	175.29	175.29
	13,425.22	**13,425.22**

31 March 2023	Sale of services	Total
Revenue by relationship		
Related party	11,726.46	11,726.46
Third party customers	317.24	317.24
	12,043.70	**12,043.70**
Revenue by geography		
India - domestic	11,290.16	11,290.16
North america	301.70	301.70
Rest of the world	451.84	451.84
	12,043.70	**12,043.70**

(ii) Information about major customers

The Company's top 1 customers (31 March 2023: 1 customers), contributing 10% or more to the Company's total revenue, accounted for approximately 95.26% (31 March 2023: 93.09%) of the Company's overall revenue.

Note 32: Earnings per share (EPS) **Disclosure as required by Indian Accounting Standard (Ind AS) 33 Earnings Per Share:**	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity holders for basic and diluted EPS	1,465.36	1,347.29
Weighted average number of equity shares for basic and diluted EPS	16,006.00	16,006.00
Basic and diluted earnings per share	**9,155.07**	**8,417.41**

Note 33: Net debt reconciliation

The net debt movement is presented below :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash and cash equivalents	31.31	19.98
Lease liabilities	-	33.31
Borrowings	500.00	300.00

Particulars	Cash and cash equivalents	Lease liabilities	Borrowings	Total
Net debt as at 01 April 2022	746.18	(84.73)	-	**661.45**
Cash flows (net)	(726.20)	51.42	(600.00)	**(1,274.78)**
Interest paid	-	5.25	16.61	**21.86**
Interest expense	-	(5.25)	(16.61)	**(21.86)**
Repayment	-	-	300.00	**300.00**
Net debt as at 31 March 2023	**19.98**	**(33.31)**	**(300.00)**	**(313.33)**
Cash flows (net)	11.33	33.31	(200.00)	**(155.36)**
Interest paid	-	1.36	27.83	**29.19**
Interest expense	-	(1.36)	(27.83)	**(29.19)**
Net debt as at 31 March 2024	**31.31**	**-**	**(500.00)**	**(468.69)**

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Note 34: Commitments and contingencies

Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for:

At 31 March 2024, the Company had commitments of Rs.3,905.04 lakhs (31 March 2023 Rs. 168 lakhs) relating to contracts unexecuted on capital account.

Contingencies

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. In view of the interpretative aspects related to the Judgement including the effective date of application, the Company has been advised to await further developments in this matter. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

Note 35: Segment reporting

The Company has only one segment which is lab testing. The Managing Director of the Company has been identifed as the Chief Operating Decision Maker. The Company's Managing Director, reviews the operating performance of the Company as a whole on a periodic basis. Therefore, disclosure relating to segments is not applicable and accordingly not made.

For details of geographical segment for the year ended 31 March 2024 and 31 March 2023 (Refer note 31).

Note 36: Deferred taxes (net)

Deferred tax relates to the following:

Particulars	As at 1 April 2023	Recognized in profit or loss	Recognized in other comprehensive	As at 31 March 2024
Deferred tax assets (gross)				
Employee obligations	144.77	53.38	-	198.15
Lease liabilities	0.78	(0.78)	-	-
Other 43B Items	11.77	(5.32)	-	6.45
Actuarial Gain/Loss	(2.51)	-	70.03	67.52
Total deferred tax assets	154.81	47.28	70.03	272.12
Deferred tax liability (gross)				
Property, plant and equipment	(207.30)	(80.67)	-	(287.97)
Total deferred tax liability	(207.30)	(80.67)	-	(287.97)
Deferred tax liabilities (net)	(52.49)	(33.39)	70.03	(15.85)

Particulars	As at 1 April 2022	Recognized in profit or loss	Recognized in other comprehensive	As at 31 March 2023
Deferred tax assets (gross)				
Employee obligations	125.71	19.06	-	144.77
Allowance for expected credit loss	0.12	(0.12)	-	-
Lease Liabilities	1.18	(0.40)	-	0.78
Other 43B Items	11.09	0.68	-	11.77
Actuarial Gain/Loss	(6.98)	-	4.47	(2.51)
Total deferred tax assets	131.12	19.22	4.47	154.81
Deferred tax liability (gross)				
Property, plant and equipment	(194.90)	(12.40)	-	(207.30)
Total deferred tax liability	(194.90)	(12.40)	-	(207.30)
Deferred tax (liabilities)/ assets (net)	(63.78)	6.82	4.47	(52.49)

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Note 37: Tax expenses (net)

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statement to profit and loss		
Profit or loss section		
Current tax charge	511.79	504.10
Deferred tax charge / (Credit)	33.39	(6.82)
Total	**545.18**	**497.28**
OCI section - tax related to items recognised in OCI during the year		
Income tax relating to re-measurements gain on defined benefit plans	70.03	4.47
	70.03	**4.47**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit before income tax	2,010.54	1,844.57
At India's statutory income tax rate of 25.168% (31 March 2023 25.168%)	506.01	464.24
Effect of non-deductible expenses	34.71	27.80
Others	4.46	5.24
Income tax expense reported in the profit or loss	**545.18**	**497.28**
Effective income tax rate	**27.12%**	**26.96%**

Note 38: Financial instruments risk

Risk management objectives and policies

The Companys financial risk management is an integral part of how to plan and execute its business strategies. The Companys financial risk management policy is set by the Managing Board.

38.1 Market risk analysis

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to foreign exchange rates.

Foreign currency exchange rate risk

The Company's exposure to market risk includes changes in foreign exchange rates. Most of the Company's transactions are carried out in Rs. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD), Euros (EUR) and Pounds Sterling (GBP).

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	Foreign Currency	As at 31 March 2024		As at 31 March 2023	
		Foreign currency (absolute amount)	INR Lakh	Foreign currency (absolute amount)	INR Lakh
Trade receivables	USD	1,65,940	137.32	4,92,720	405.78
	GBP	-	-	15,000	13.74
Trade payables	USD	35,730	26.75	46,313	32.92
	EURO	519	0.46	-	-

For the year ended 31 March 2024, every 5% increase/ decrease of the respective foreign currencies compared to functional currency of the company would have Insignificant impact on operations margin for the year 31 March 2024.

38.2 Liquidity risk

Liquidity risk is 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. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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Note 38: Financial instruments risk (cont'd)

Financial liabilities maturing within one year:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Trade payables	693.15	697.18
Lease liabilities	-	33.31
Other financial liabilities	49.44	161.10
	742.59	**891.59**

38.3 Credit Risk analysis

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to this risk for receivables from customers.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by government and quasi government organisations and certificates of deposit which are funds deposited at a bank for a specified time period.
Refer note 11 for ageing of outstanding trade receivable balances as at 31 March 2024 and 31 March 2023.

Movement of allowance for expected credit loss

Particulars	Amount in lakhs
Balance as at 01 April 2022	**0.48**
Reversal during the year	(0.38)
Written off during the year	(0.10)
Balance as at 31 March 2023	**-**
Reversal during the year	-
Written off during the year	-
Balance as at 31 March 2024	**-**

Note:

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March 2024, as summarised below:

Classes of financial assets-carrying amounts:	As at 31 March 2024	As at 31 March 2023
(i) Trade receivables	1,088.76	1,748.41
(ii) Cash and cash equivalents	31.31	19.98
(iii) Bank balances other than cash and cash equivalents	-	1.56
(iv) Other current financial assets	2.84	2.45
(v) Other non current financial assets	140.00	135.33
Total	**1,262.91**	**1,907.73**

The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.

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Note 39: Fair value measurement

Financial Instrument by catogory and hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivable, cash and cash equivalent, other current financial asset, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or
- **Level 3:** unobservable inputs for the asset or liability

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2024 and 31 March 2023.

31 March 2024	Level 1	Level 2	Level 3	Total
Financial assets (at amortised cost)				
(i) Trade receivables	-	-	1,088.76	**1,088.76**
(ii) Cash and cash equivalents	-	-	31.31	**31.31**
(iii) Other financial assets	-	-	2.84	**2.84**
(iv) Other non current financial assets	-	-	140.00	**140.00**
(A)	**-**	**-**	**1,262.91**	**1,262.91**
Financial liabilities (at amortised cost)				
(i) Trade payables	-	-	693.15	**693.15**
(ii) Other current financial liabilities	-	-	49.44	**49.44**
(B)	**-**	**-**	**742.59**	**742.60**

31 March 2023	Level 1	Level 2	Level 3	Total
Financial assets (at amortised cost)				
(i) Trade receivables	-	-	1,748.41	**1,748.41**
(ii) Cash and cash equivalents	-	-	19.98	**19.98**
(iii) Bank balances other than cash and cash equivalents			1.56	**1.56**
(iv) Other financial assets	-	-	2.45	**2.45**
(v) Other non current financial assets	-	-	135.33	**135.33**
(A)	**-**	**-**	**1,907.73**	**1,907.73**
Financial liabilities (at amortised cost)				
(i) Trade payables	-	-	697.18	**697.18**
(ii) Lease liabilities	-	-	33.31	**33.31**
(iii) Other current financial liabilities	-	-	161.10	**161.10**
(B)	**-**	**-**	**891.59**	**891.59**

Note 40: Capital management policies and procedures

A. Risk Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt. Consistent with others in Industry, the Company monitors capital on the basis of the following gearing ratio : (net debt divided by total 'equity').

Net debt = Total borrowings less cash and cash equivalents including current investments.
Total 'equity' is as shown in the balance sheet.

Particulars	As at 31 March 2024	As at 31 March 2023
Total equity	13,579.67	12,322.57
Borrowings	500.00	300.00
Less: Cash and cash equivalent	31.31	19.98
Net debt	468.69	280.02
Net debt to equity ratio	3%	2%

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Note 41: Ratios

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Change	Remarks
a) Current ratio	Current assets	Current Liabilities	1.25	2.01	-38%	Refer note 1
b) Debt equity ratio	Total debt	Shareholder's Equity	0.04	0.02	51%	Refer note 2
c) Debt service coverage ratio	Earnings available for debt service	Debt Service	35.09	5.49	539%	Refer note 3
d) Return on equity ratio	Net profits after taxes	Average Shareholder's Equity	11.31%	11.56%	-2%	
e) Inventory turnover ratio	Cost of goods sold	Average inventory	12.73	12.38	3%	
f) Trade receivables turnover ratio	Revenue from rendering of services	Average Accounts Receivable	9.46	5.27	79%	Refer note 4
g) Trade payables turnover ratio	Net purchases of goods + expenses	Average Trade Payables	9.19	9.86	-7%	
h) Net capital turnover ratio	Revenue from rendering of services	Working capital	38.90	10.15	283%	Refer note 5
i) Net profit ratio	Net profit after tax	Revenue from rendering of services	10.91%	11.19%	-2%	
j) Return on capital employed	Earnings before interest and taxes (including other income)	Capital Employed = Average total equity	15.75%	16.01%	-2%	
k) Return on investments	Earnings before interest and taxes (including other income)	Closing total assets	14.00%	13.00%	8%	

Reason for % change (>25%) :

1. Variance is majorly on account of decrease in trade receivables
2. Variance is majorly on account of additional loan taken during the year
3. Variance is majorly due to no principal repayments of loan during the year
4. Variance is on account of better realisation of payments from trade receivables and increase in sales.
5. Variance is due to higher revenue in the current year and a reduction in working capital, primarily resulting from better realisation of payments from trade receivables offset by increase in provisions.

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Note 42: Related party disclosures

I. As per Ind AS-24, "Related Party Disclosures", the related parties where control exists or where significant influence exists and with whom transaction have taken place are as below:

List of related parties with whom transactions are entered during the year and nature of control where control exists:

A. **Ultimate Holding Company**
Cipla Limited

B. **Holding Company**
Meditab Specialities Limited

C. **Fellow Subsidiary Companies**
Meditab Specialities Limited
Goldencross Pharma Limited
Medispray Laboratories Private Limited
Cipla Quality Chemical Industries Limited (upto 14 November 2023)
Cipla Health Limited
Invagen Pharmaceuticals Inc.
Cipla USA, INC
Cipla Pharma and Lifesciences Limited
Cipla (Jiangsu) Pharmaceutical Co.

D. **Key Management Personnel:**
Mr. Krishnan Iyer - Whole Time Director
Mr Jaideep Gogtay - Director
Mr. Ajay Luharuka - Director (Resigned w.e.f. 23 August 2022)
Mr. Girish Zamvar - Director (Appointed w.e.f. 13 September 2022)
Dr. Shrinivas Purandare - Director
Mr. Animesh Jain - Chief Financial Officer
Mr. Raviraj Soni - Company secretary (Resigned w.e.f. 26 September 2022)

E. **Trust over which entity has significant influence:**
Sitec Labs Private Limited Employees Group Gratuity Scheme

F. **Entity over which key managerial personnel of Ultimate Holding Company are able to exercise significant influence:**
Cipla Foundation

II. **Disclosures in respect of related party transactions during the year :**

During the year, the following transactions were carried out with the related parties in the ordinary course of business:

Particulars	31 March 2024	31 March 2023
Remuneration to:		
Mr. Krishnan Iyer	123.11	113.20
Expenses towards gratuity, compensated absences and premium paid for group health insurance has not been considered in above information as separate actuarial valuation/ premium paid are not available.		
Purchase of goods from		
Cipla Limited	101.83	65.81
Testing and analysis charges received		
Cipla Limited	12,790.30	11,218.05
Meditab Specialities Limited	0.14	0.30
Goldencross Pharma Limited	-	0.01
Medispray Laboratories Private Limited	3.09	13.22
Cipla Health Limited	-	1.17
Invagen Pharmaceuticals, Inc.	239.50	221.06
Cipla (Jiangsu) Pharmaceutical Co.	168.74	272.65
Cipla USA Inc	46.26	-
Purchase of capital asset		
Cipla Limited	43.73	38.58
Cipla Pharma and Lifesciences Limited	-	33.59
Loan received		
Cipla Limited	200.00	600.00
Loan Repayment		
Cipla Limited	-	300.00
Interest on loan		
Cipla Limited	27.83	16.61
Reimbursement of expenses received from		
Cipla Limited	478.35	24.76
Reimbursement of expenses paid to		
Cipla Limited	10.11	19.38

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Service charges expenses paid to		
Cipla Limited	71.06	37.21
Donation		
Cipla Foundation	34.05	28.10
Outstanding receivables:		
Medispray Laboratories Private Limited	1.67	1.08
Cipla Quality Chemical Industries Limited	-	0.05
Cipla Limited	929.81	1,316.82
Meditab Specialities Limited	-	0.35
Cipla Health Limited	-	2.16
Cipla (Jiangsu) Pharmaceutical Co.	48.29	181.13
Invagen Pharmaceuticals, Inc.	40.89	202.24
Cipla USA, Inc	33.13	-
Outstanding payables:		
Advance from customers		
Cipla USA, Inc	-	20.11
Unsecured Loan Payable:		
Cipla Ltd	500.00	300.00
Contribution payable to gratuity trust		
Sitec Labs Private Limited Employees Group Gratuity Scheme	427.26	85.07
Receipt from gratuity trust		
Sitec Labs Private Limited Employees Group Gratuity Scheme	9.55	-

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Note 43: Other significant notes

(i) The Company does not have any such 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).

(ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced any fund to any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the person or entity 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 on behalf of the Company,

(vi) The Company has not received any fund from any person or entity, 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.

(vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(ix) The Company does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

Note 44: The Income Tax department conducted survey u/s 133A of the Income Tax Act starting from 31st January 23 till 02nd February 23. The company at the time of survey has co-operated with the department. No assets of the company were seized by the department as part of the survey. During the year the Notices u/s 148A of the Act were issued for few assessment years, which were duly replied and the Company has received order for dropping the show cause notices.

Note 45: Post reporting date events
No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorisation of these financial statements.

Note 46 : The Company has restated the comparative financial informaion for 31 March 2023 as presented in these financial statement, due to change in classification of accrued expenses to trade payables from other financial liabilities as required under Schedule III

Impact on financial statement line items (in INR Lakh):

Particulars	Note	Amount as on 31 March 2023 (Reported)	Adjustments	Amount as on 31 March 2023 (Reclassified)
Current Liabilities				
Trade Payables	21	596.01	101.17	697.18
Other Current Financial Liabilities	22	262.27	(101.17)	161.10

No other material reclassifications / regroupings of previous years figures.

Note 47: Authorization of financial statements
The financial statements for the year ended 31 March 2024 (including comparatives) were approved by the board of directors on 6 May 2024.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 06 May 2024

For and on behalf of the **Board of Directors**

Krishnan Iyer
Whole Time Director
(DIN: 00017991)

Girish Zamwar
Director
(DIN: 09736076)

Animesh Jain
Chief Financial Officer

Place: Mumbai
Date: 06 May 2024

Note 1: Corporate information

Sitec Labs Limited ('the Company') (CIN no. U74999MH2000PLC129210) is a company domiciled in India and is incorporated on 17 October 2020 under the provisions of Companies Act applicable in India. The Company is a wholly owned subsidiary of a Meditab Specialities Limited. The Company is primarily engaged in the business of providing services of analytical research, clinical research and bio-analytical research. The registered office of the Company is Plot no. Gen-40, TTC MIDC, Mahape, Near Nelco, Behind Millennium business park, Navi Mumbai – 400710.

Note 2: Material accounting policies / information and key accounting estimates and judgements

2.1 Basis of preparation

(i) Compliance with Indian Accounting Standards (Ind-AS)

The financial statements of the Company as at and for the year ended 31 March, 2024 have been prepared and presented in accordance with Indian Accounting Standards ("Ind-AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015],and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time and other relevant provisions of the Act and accounting principles generally accepted in India.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2024.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis and on accrual basis, except for the following:

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

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

(iv) Functional currency and rounding of amounts

The financial statements are presented in Indian Rupee (INR) 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 lakhs or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than INR 500/- is presented as INR 0.00 lakhs.

2.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1, *Presentation of Financial Statements*.

Assets:
An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

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b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of assets and liabilities, respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

2.3 Use of estimates and judgements

The preparation of financial statements requires management of the Company to make judgements, estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

2.3.1 Judgements

(i) Leases

Ind AS 116 *"Leases"* requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(ii) Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

In assessing the realizability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

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Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

2.3.2 Estimates

(i) Useful lives of property, plant and equipment and intangible assets

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

(ii) Expected credit loss

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables.
- Financial assets measured at amortized cost (other than trade receivables).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

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(iii) Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(iv) Impairment of non-financial assets

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(v) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.4 Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment, are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non- refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore it is not depreciated. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable (Refer note 2.7 for more details). The Company had applied for the one-time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the

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cost of the item can be measured reliably. Items such as spare parts,stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets.

Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

(ii) Depreciation

Depreciation on the property, plant and equipment is provided based on useful life of the assets as prescribed in Schedule II to the Act. Depreciation on property, plant and equipment, which are added/disposed-off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss. Leased assets are depreciated over shorter of lease term or useful life of respective assets.

For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

The estimated useful lives are as follows:

Property, plant and equipment	**Useful life**
Buildings	
- Factory and administrative buildings	30 to 99 years
- Ancillary structures	3 to 10 years
Plant and equipment	2 to 25 years
Furniture, fixtures and office equipment	3 to 8 years
Vehicles	8 years

(iii) De-recognition

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

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2.5 Intangible assets

(i) Recognition and measurement

Intangible assets consist of computer software and is measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

(ii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals is charged to the profit or loss.

(iii) Amortization

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer software 3 to 6 Years

(iv) De-recognition

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition.

2.6 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value-in-use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment losses, including impairment on inventories, are recognised in the profit or loss.

2.7 Borrowing costs

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the profit or loss.

2.8 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at 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 items denominated in foreign

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currency at prevailing reporting date exchange rates are recognised in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.9 Inventories

Inventories consists of chemical consumables and are measured at the lower of cost and net realizable value after providing for obsolescence, if any.

Cost of inventories is determined on a weighted moving average basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

2.10 Revenue recognition

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of estimated trade discounts, allowances, goods and services tax and amounts collected on behalf of third parties.

(i) Service fee

Revenue from services rendered, is recognised in the profit or loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

(ii) Interest income

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

(iii) Other Income

Other Income consist of miscellaneous income and is recognised when it is probable that economic benefits will flow to the company and amount of income can be measured reliably.

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2.11 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution

Post retirement contribution plans such as Employees' Pension Scheme and Employees' Provident Fund, labour welfare fund, Employee State Insurance Corporation (ESIC) are charged to the profit or loss for the year when the contributions to the respective funds accrue. The Company does not have any obligation other than the contribution made.

(iii) Defined benefit plans

a) Gratuity obligations

Post-retirement benefit plans such as gratuity is determined on the basis of actuarial valuation made by an independent actuary as at the reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is included in retained earnings and will not be reclassified to profit or loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Other benefit plan

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the profit or loss and are not deferred.

(iv) Termination benefits

Termination benefits are recognised in the profit or loss when:

- the Company has a present obligation as a result of past event;
- a reliable estimate can be made of the amount of the obligation; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

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2.12 Taxes

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.

(i) Current income tax:

Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Deferred tax:

Deferred tax is recognized using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.13 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Company as a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and computers. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use

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of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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2.16 Contingencies

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.17 Fair value measurement

The Company measures financial instruments at fair value at each reporting date.

Financial instruments

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

(i) Financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) Initial recognition and measurement

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

(c) Subsequent measurement

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

- Debt instruments at amortised cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

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(d) De-recognition

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

(e) Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset. For this purpose, the Company follows a 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(ii) Financial liabilities

(a) Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

(b) Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

(c) Subsequent measurement

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in profit or loss.

(d) Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

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

This category generally applies to interest-bearing loans and borrowings.

(e) De-recognition

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

(iii) Offsetting financial instruments

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

3. Recent accounting pronouncements

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.

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Cipla (EU) Limited

Financial Statements for Financial Year 2023-24

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Registration number: 04513292

Cipla (EU) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2024

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Cipla (EU) Limited

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Cipla (EU) Limited

Company Information

Directors	Dr S Hocine Mr A Sinha Swapn Malpani
Company secretary	Mr P A Robertson
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Registered office	Dixcart House Addlestone Road Bourne Business Park Addlestone Surrey KT15 2LE

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Cipla (EU) Limited

Strategic Report for the Year Ended 31 March 2024

The Directors present their Strategic Report for the year ended 31 March 2024.

Principal activity
The principal activity of the Company is to hold investments and marketing registrations for various pharmaceutical products and to trade in pharmaceutical products.

Review of the business
During the year, the Company demonstrated its strength across key therapeutic areas like respiratory, cardiovascular, pain-relief and anti-histamines.

Key market served is UK at a revenue of $20.3m in FY24 with launch of branded respiratory and generic portfolio. Key launches in FY'24 are Sitagliptin, Icatibant, Bexarotene and Beclo Formo.

Further, capital was infused in the Company by Cipla Limited, which in turn was used to increase Cipla (EU) Limited's investment in existing subsidiaries and other strategic investments, in line with the Group's overall strategy for growth globally.

Profits declined this year primarily due to a loss in sales resulting from the supply disruption of respules, which was not corrected in the year. Additionally, increased overhead expenditures, aligned with the company's strategic plans, further impacted profitability.

The Company's key financial and other performance indicators during the year were as follows:

	2024 $'000	2023 $'000	Change %
Turnover	25,115	29,148	(14)
Profit/(loss) before tax	1,978	4,155	(52)
Investments	737,656	695,226	6
Equity shareholders' funds	762,878	729,517	5

Principal risks and uncertainties
The ongoing performance of the business is dependent on the health of its sales, and on the success of its investments. Although the market is tough, the Directors are confident that sales will continue to grow because of the successful history of the Group as a whole.

The health of the investments is good, having undertaken broad and thorough due diligence on each investment with the backing and the resources of the ultimate parent Company, Cipla Limited, in India.

The Board reviews and agrees policies for managing risks arising on the Company's financial statements and they are summarised below:

Regulatory risk
The pharmaceutical industry in general is highly regulated both nationally and internationally. The Company ensures adherence of these regulations and its supply chain is also encouraged to do the same.

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Currency risk
The functional currency of the Company is USD in which a large proportion of its investments and liabilities are denominated in and hence this brings down the currency risk and volatility for the Company.

Interest rate risk
During the year, the Company's exposure was to an overdraft facility with the bank. The interest rate increased compared to the previous year due to the rise in the Bank of England base rate. The Company has not entered into derivative transactions to hedge the interest rate since the borrowings are adequately managed without the use of such instruments within the company's budgeted cash flows.

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Directors regularly review cash flow to ensure that a strong cash balance is maintained and working capital requirements are met. The company maintains sufficient funds and generates cash from operations to meet working capital requirements.

Credit risk
The company has implemented policies that require appropriate credit checks on customers before sales are made to minimise the risk of financial loss.

Reputational risk
The Company operates in a market where there is high risk of reputation damage and penalties due to non-supply of products against expectations and contracts. The directors and the management take adequate measures to ensure the supply of product meets expectations and takes all necessary precautions in the unlikely event that a potential delay may occur, thus maintaining valued customer relationships. Examples of measures taken include the maintenance of buffer stock levels of critical pharmaceutical products to ensure a continuous supply during unexpected events or disruptions.

Macroeconomic and geopolitical risks
The Company continues to monitor macroeconomic and geopolitical risks on a regular basis. The company specifically monitors how this could potentially impact the supply of pharmaceutical products and freight costs. Some approaches the company considers include collaborating with multiple suppliers from different geographical locations to reduce dependency on a single source and minimise the impact of regional disruptions and maintain buffer stock levels of critical pharmaceutical products.

This report was approved by the Board on 08 May 2024 and signed on its behalf by:

DocuSigned by:
Dr Salid Hocine
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Dr S Hocine
Director

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Cipla (EU) Limited

Directors' Report for the Year Ended 31 March 2024

The Directors present their report and the financial statements for the year ended 31 March 2024.

Directors of the Company
The Directors who held office during the year were as follows:

Ms S Hamied (resigned 1 April 2024)

Dr S Hocine

Mr N Saxena (resigned 22 March 2024)

Mr A Sinha

Mr A Sultania (Resigned 21 April 2023)

Swapn Malpani (appointed 28 March 2024)

Results and dividends
The Company's financial results have been discussed in the Strategic Report. During the year no dividends have been paid or declared (2023: No dividends had been paid or declared).

Political donations
The Company made no political donations during the year (2023: £Nil).

Going concern
The Company made a profit before tax of $1.98m for the year ended 31 March 2024 (2023: profit of $4.16m) and is in a net asset position of $763m as at 31 March 2024 (2023: $729m). The directors consider that the company will be able to meet its liabilities as they fall due for at least the next 12 months from the approval of the financial statements. This confidence is based not only on the funds expected to be generated from the company's operations and the availability of group financing facilities but also due to the integral role the companyplays within the group. Sales are also expected to grow on back of new launches and market share improvement which will help drive future profitability and cash flows. The ultimate parent company has provided a confirmation that it will continue to support the company in meeting its liabilities and obligations for a period of no less than 12 months from the date of signing the financial statements. Whilst this does not constitute a formal guarantee, the probability of support not to continue is considered to be remote. Consequently, the financial statements have been prepared on agoing concern basis, reflecting the directors' view of the company's ongoing viability with the backing of the ultimate parent.

Financial risk management

The directors make use of the ultimate parent company's risk management team to monitor and where possible mitigate the risks faced by the business. The Directors' have identified and included the Company's key risks and associated management policies in the Strategic Report.

Future developments
The Directors have a positive outlook for the future based on Company's recent and upcoming launches in respiratory and hospital segment as well as robust performance of existing business. They consider that the next year will show a growth in sales from continuing operations on back of recent launches showing full cycle growth and upcoming new launches in respiratory and hospital segment while also strengthening the base portfolio. The Company also expects to see applications for marketing authorisations of Group products to continue. The Group continues to intend to expand its investment projects looking for new and innovative investments to complement the Group's expectations for growth and the Directors expect to consider making these investments in the Company. These shall continue to expand the Group's research and development, product portfolio and entrance into new geographic markets.

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Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the auditors are unaware.

Reappointment of auditors

The auditors KNAV Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the Board on 08 May 2024 and signed on its behalf by:

DocuSigned by:
Dr Salid Hocine
70F4CABFD51C4CA

Dr S Hocine
Director

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Cipla (EU) Limited

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Cipla (EU) Limited

Independent Auditor's Report to the Members of Cipla (EU) Limited

Opinion

We have audited the financial statements of Cipla (EU) Limited (the 'Company') for the year ended 31 March 2024, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 ISAs (UK) 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.

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Extent to which the audit is capable of detecting irregularities, including fraud

Irregularities, including fraud are instances of non-compliance with laws and regulations. We designed procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularity including fraud is detailed below.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience; through verbal and written communications with those charged with governance and other management, and via inspection of the company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the company.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements, including the company's constitution, relevant financial reporting standards; company law and tax legislation and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the regulation around the pharmaceutical products sold by the company, health and safety, employment legislations as those most likely to have such an affect.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which laws and regulations that could have a material impact on the financial statements.

Our audit procedures included:
- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors' minutes;
- enquiry of management and review and inspection of relevant correspondence with any legal firms;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Cipla (EU) Limited (continued)

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Amanjit Singh FCA (Senior Statutory Auditor)
For and on behalf of KNAV Limited, Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Date: 08 May 2024

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Cipla (EU) Limited

Profit and Loss Account for the Year Ended 31 March 2024

	Note	2024 $	2023 $
Turnover	3	25,114,679	29,148,392
Cost of sales		(13,642,870)	(18,219,519)
Gross profit		11,471,809	10,928,873
Administrative expenses		(11,079,927)	(7,678,689)
Operating profit	4	391,882	3,250,184
Income/(loss) from shares in group undertakings	5	2,122,866	993,837
Interest payable and similar expenses	6	(536,984)	(88,974)
		1,585,882	904,863
Profit before tax		1,977,764	4,155,047
Taxation	10	(316,397)	1,122,222
Profit for the financial year		1,661,367	5,277,269

The above results were derived from continuing operations.

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Cipla (EU) Limited

Statement of Comprehensive Income for the Year Ended 31 March 2024

	2024 $	2023 $
Profit for the year	1,661,367	5,277,269
Total comprehensive income for the year	1,661,367	5,277,269

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Cipla (EU) Limited

(Registration number: 04513292)
Balance Sheet as at 31 March 2024

	Note	2024 $	2023 $
Fixed assets			
Intangible assets	11	502,533	538,152
Tangible assets	12	268,445	263,190
Investments	13	737,656,249	695,226,003
		738,427,227	696,027,345
Current assets			
Stocks	14	6,731,993	9,640,540
Debtors	15	45,369,377	49,990,859
Cash at bank and in hand	16	85,781	4,611,744
		52,187,151	64,243,143
Creditors: Amounts falling due within one year	17	(27,601,162)	(30,753,048)
Net current assets		24,585,989	33,490,095
Total assets less current liabilities		763,013,216	729,517,440
Creditors: Amounts falling due after more than one year	17	(134,409)	-
Net assets		762,878,807	729,517,440
Capital and reserves			
Called up share capital	19	752,993,402	721,293,402
Profit and loss account		9,885,405	8,224,038
Total equity		762,878,807	729,517,440

The financial statements have been approved and authorised for issue by the Board on 08 May 2024 and signed on its behalf by:

DocuSigned by:
Dr Salid Hocine
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Dr S Hocine
Director

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Cipla (EU) Limited

Statement of Changes in Equity for the Year Ended 31 March 2024

	Share capital	Profit and loss account	Total
	$	$	$
At 1 April 2022	687,695,700	2,946,769	690,642,469
Profit for the year	-	5,277,269	5,277,269
Total comprehensive income	-	5,277,269	5,277,269
New share capital subscribed	33,597,702	-	33,597,702
At 31 March 2023	721,293,402	8,224,038	729,517,440

	Share capital	Profit and loss account	Total
	$	$	$
At 1 April 2023	721,293,402	8,224,038	729,517,440
Profit for the year	-	1,661,367	1,661,367
Total comprehensive income	-	1,661,367	1,661,367
New share capital subscribed	31,700,000	-	31,700,000
At 31 March 2024	752,993,402	9,885,405	762,878,807

The notes on pages 15 to 35 form an integral part of these financial statements.

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Cipla (EU) Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

1 General information

The Company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
Dixcart House
Addlestone Road
Bourne Business Park
Addlestone
Surrey
KT15 2LE
United Kingdom

These financial statements were authorised for issue by the Board on 08 May 2024.

Principal activity
The principal activity of the Company is to hold investments and marketing registrations for various pharmaceutical products and to trade in pharmaceutical products.

2 Accounting policies

Statement of compliance
These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006.

Basis of preparation
These financial statements have been prepared using the historical cost convention, as modified by the revaluation of certain financial assets and liabilities at fair value.

The functional and presentational currency is US dollars ($), being the currency of the primary economic environment in which the company operates in. The amounts are presented rounded to the nearest dollar.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its ultimate parent company, Cipla Limited, includes these in its own consolidated financial statements:

- the requirement to prepare a statement of cash flows;
- certain financial instrument disclosures;
- the non-disclosure of key management personnel compensation in total.

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2 Accounting policies (continued)

Exemption from preparing group accounts

The financial statements contain information about Cipla (EU) Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Cipla Limited, a company incorporated in India.

Judgements

The preparation of financial statements in conformity with FRS102 requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, turnover, costs, expenses and other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions are used as follows:

(i) Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charge for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and in the respect of tangible assets, the physical condition of the assets. See note 12 for the carrying amount of the tangible fixed assets and note 11 for the carrying value of intangible fixed assets.

(ii) Inventory provisioning

The company sells pharmaceutical products and is subject to changing consumer demands and market activity. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provision required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of these products. See note 14 for the net carrying amount of the inventory and associated provision.

(iii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of the trade other debtors, management considers factors including credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors.

(iv) Investments

The most critical estimates and assumptions for investments relate to the determination of carrying value of unlisted investments. As these financial assets do not have a readily available market price in an active market, their fair value is determined using a suitable valuation technique. The valuation techniques used depend on the nature of the investment and the information available. These may include the discounted cash flow (DCF) analysis, net assets method, or other relevant methods. The choice of valuation method requires the application of judgement. The Company's management makes this judgement based on the unique characteristics of the unlisted investment, including the performance, business model, risk profile, the economic environment in which the entity operates, and market conditions at the reporting date.

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2 Accounting policies (continued)

Judgements (continued)
When the fair value cannot be reliably measured, the unlisted investment is measured at cost less impairment. Impairments of unlisted investments are determined based on evidence available at each reporting date. The Company's management considers indicators of impairment, such as significant financial difficulty of the investee, probability of insolvency or significant changes in the technological, market, economic, or legal environment in which the investee operates.

The Company recognises changes in the fair value of its unlisted investments in the profit or loss for the period in which the change occurs. The key assumptions, including discount rates, growth rates, and expected changes to future cash flows, are reviewed and adjusted, if necessary, at each balance sheet date.

This policy requires significant judgement and estimates. Future events could cause the assumptions used in the valuations to change significantly, which could impact the fair value of the unlisted investments. Any changes in the fair value would directly affect the Company's profit or loss. See note 13 for the carrying amount of the investments.

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern
The Company made a profit before tax of $1.98m for the year ended 31 March 2024 (2023: profit of $4.16m) and is in a net asset position of $763m as at 31 March 2024 (2023: $729m). The directors consider that the company will be able to meet its liabilities as they fall due for at least the next 12 months from the approval of the financial statements. This confidence is based not only on the funds expected to be generated from the company's operations and the availability of group financing facilities but also due to the integral role the company plays within the group. Sales are also expected to grow on back of new launches and market share improvement which will help drive future profitability and cash flows. The ultimate parent company has provided a confirmation that it will continue to support the company in meeting its liabilities and obligations for a period of no less than 12 months from the date of signing the financial statements. Whilst this does not constitute a formal guarantee, the probability of support not to continue is considered to be remote. Consequently, the financial statements have been prepared on a going concern basis, reflecting the directors' view of the company's ongoing viability with the backing of the ultimate parent.

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Sale of products:
For a majority of customer contracts that the Company enters into revenue is recognised from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party. The Company records product sales net of estimated incentives/discounts, returns, and other related charges, which are accounted for in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

Service income:
Revenue from services rendered, is recognised in the profit or loss as the underlying services are performed.

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2 Accounting policies (continued)

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax
Taxation expense for the period comprises current tax recognised in the reporting period. Tax is recognised in the profit or loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amountsexpected to be paid to the tax authorities.

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Tangible assets
Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	Over period of lease
Fixtures and fittings	10% to 20% Straight line
Office Equipment	33% Straight line

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2 Accounting policies (continued)

Intangible assets
Intangible assets such as intellectual property, technical information, trademarks and marketing authorisations acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation
Amortisation commences once the associated products have been commercially launched and is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life, as follows:

Asset class	Amortisation method and rate
Intellectual property, technical information and trademarks	10% Straight line

Investments
Investments in equity shares which are both publicly traded and not publicly traded are measured at cost less disposals and impairment.

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Stocks
Stocks are measured at the lower of cost and estimated selling price. Cost is determined using the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions
Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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2 Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors, and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method, unless they are receivable within one year. In these instances, assets are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be received.

At the end of each reporting period financial assets are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

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2 Accounting policies (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, and amounts due from fellow group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method, unless they are payable within one year. In these instances, assets are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid.

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit or Loss Account over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

3 Turnover

The analysis of the Company's Turnover for the year from continuing operations is as follows:

	2024 $	2023 $
Sale of goods	20,201,461	26,460,273
Rendering of services	4,913,218	2,688,119
	25,114,679	29,148,392

The analysis of the company's turnover for the year by market is as follows:

	2024 $	2023 $
UK	20,310,044	26,460,273
Europe	1,626,717	1,371,436
Rest of world	3,177,918	1,316,683
	25,114,679	29,148,392

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4 Operating profit

Arrived at after charging/(crediting)

	2024 $	2023 $
Depreciation expense	34,796	39,951
Amortisation expense	68,516	20,330
Foreign exchange losses/(gains)	235,007	(63,322)
Operating lease expense - property	253,864	154,253
Storage and warehousing	810,444	1,007,018
Impairment loss (reversal) on intangible assets	50,030	157,129

5 Income/(Loss) from shares in group undertakings

	2024 $	2023 $
Interest income from group undertakings	1,568,951	1,168,036
Dividend income from group undertakings and participating interests	1,052,973	2,547
Profit/(loss) from disposal of shares in group undertakings	(499,058)	-
Impairment loss on investments	-	(176,746)
	2,122,866	993,837

Dividends are received from subsidiary undertakings and are recognised as other income in the profit of loss when the right to receive payment is established. During the year, dividends were received from Cipla Maroc (2023: from Cipla Quality Chemical Industries Limited). Refer to note 13 for details of the disposal of investments.

6 Interest payable and similar expenses

	2024 $	2023 $
Interest on bank overdrafts and borrowings	536,984	88,974

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7 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2024 $	2023 $
Wages and salaries	2,547,772	2,274,879
Social security costs	287,797	275,415
Pension costs, defined contribution scheme	136,135	183,692
Other employee expenses	45,408	142,294
	3,017,112	2,876,280

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2024 No.	2023 No.
Administration staff	12	15
Management staff	6	7
	18	22

8 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2024 $	2023 $
Remuneration	436,746	578,448
Contributions paid to money purchase schemes	34,610	53,213
	471,356	631,661

In respect of the highest paid Director:

	2024 $	2023 $
Remuneration	270,580	284,379
Company contributions to money purchase pension schemes	32,818	20,634

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9 Auditors' remuneration

	2024 $	2023 $
Audit of the financial statements	66,321	61,200

10 Taxation

Tax charged/(credited) in the profit and loss account

	2024 $	2023 $
Current taxation		
UK corporation tax	316,397	24,526
Deferred taxation		
Arising from previously unrecognised tax loss	-	(1,146,748)
Tax (credited) in the profit and loss account	316,397	(1,122,222)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2023: lower than the standard rate of corporation tax in the UK) of 25% (2023: 19%).

The differences are reconciled below:

	2024 $	2023 $
Profit before tax	1,977,764	4,155,047
Corporation tax at standard rate	494,441	789,459
Effect of revenues exempt from taxation	(263,243)	(485)
Effect of expense not deductible in determining taxable profit (tax loss)	134,940	27,154
Effect of tax losses	(47,911)	(760,145)
Relief for tax deducted at source (tax already paid)	-	(24,526)
Tax decrease from effect of capital allowances and depreciation	(1,830)	(6,931)
Deferred tax asset recognised in the period	-	(1,146,748)
Total tax charge/(credit)	316,397	(1,122,222)

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10 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

	Asset	Liability
2024	**$**	**$**
Unutilised losses carried forward	1,146,748	-
	1,146,748	-

	Asset	Liability
2023	**$**	**$**
Unutilised losses carried forward	1,146,748	-
	1,146,748	-

The company has tax losses of $15,185,359 (2023: $14,902,376) carried forward for use against future taxable profits. A deferred tax asset in respect of tax losses has been recognised as the directors consider it is more likely than not that there will be suitable taxable profits arising from which the future reversal of the underlying timing differences can be deducted. Further, these tax losses are available indefinitely.

A deferred tax asset on carry forward losses of $2,649,592 (2023: $2,587,846) have not been recognised as it does not meet the recognition criteria of FRS 102.

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11 Intangible assets

	Marketing authorisations $	Marketing authorisations yet to be commercialised $	Total $
Cost or valuation			
At 1 April 2023	109,092	439,461	548,553
Additions acquired separately	58,963	23,963	82,926
Impairment	(63,783)	-	(63,783)
Transfers	139,461	(139,461)	-
At 31 March 2024	243,733	323,963	567,696
Amortisation			
At 1 April 2023	10,401	-	10,401
Amortisation charge	68,516	-	68,516
Amortisation eliminated on disposals	(13,754)	-	(13,754)
At 31 March 2024	65,163	-	65,163
Carrying amount			
At 31 March 2024	178,570	323,963	502,533
At 31 March 2023	98,691	439,461	538,152

The intangible assets relate to marketing authorisations for various products; these are amortised once the company commercial sales begin. Where the company is no longer going ahead with the marketing authorisation, these assets are impaired fully.

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12 Tangible assets

	Long leasehold land and buildings $	Leasehold improvements $	Fixtures and fittings $	Office equipment $	Total $
Cost or valuation					
At 1 April 2023	174,676	315,547	62,347	35,502	588,072
Additions	-	-	7,921	32,130	40,051
At 31 March 2024	174,676	315,547	70,268	67,632	628,123
Depreciation					
At 1 April 2023	174,676	106,848	26,372	16,986	324,882
Charge for the year	-	16,795	8,387	9,614	34,796
At 31 March 2024	174,676	123,643	34,759	26,600	359,678
Carrying amount					
At 31 March 2024	-	191,904	35,509	41,032	268,445
At 31 March 2023	-	208,699	35,975	18,516	263,190

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13 Investments in subsidiaries, joint ventures and associates

	2024 $	2023 $
Shares in group undertakings	712,559,397	676,164,943
Investments in joint ventures	9,000,000	2,400,000
Shares in participating interests	16,096,852	16,661,060
	737,656,249	695,226,003

Shares in group undertakings	$
Cost or valuation	
At 1 April 2023	676,164,943
Additions	36,394,454
At 31 March 2024	712,559,397
Carrying amount	
At 31 March 2024	712,559,397
At 31 March 2023	676,164,943

As part of its ongoing strategic plans, the company increased its investments during the year in Cipla Australia Pty, Cipla Maroc SA, InvaGen Pharmaceuticals Inc, Cipla Gulf FZE-LLC, and Cipla (Jiangsu) Pharmaceutical Co., Ltd. Among the additions made, $5.5 million represents funds remitted to the subsidiary companies for which shares have not yet been allotted to the company.

Joint ventures	$
Cost	
At 1 April 2023	2,400,000
Additions	6,600,000
At 31 March 2024	9,000,000
Carrying amount	
At 31 March 2024	9,000,000
At 31 March 2023	2,400,000

Among the additions made, $3.6 million represents funds remitted to the joint venture for which shares have not yet been allotted to the company.

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13 Investments in subsidiaries, joint ventures and associates (continued)

Shares in participating interests	$
Cost	
At 1 April 2023	16,661,060
Disposals	(564,208)
At 31 March 2024	16,096,852
Carrying amount	
At 31 March 2024	16,096,852
At 31 March 2023	16,661,060

During the year, the company disposed of its investment in Cipla Quality Chemical Industries Limited, incurring a net loss of $499,058. The remaining investment is in Ethris.

This investment will establish a long-term strategic partnership between Cipla and Ethris to develop messenger RNA (mRNA)-based therapies. It will also fast-track Cipla's involvement in the mRNA space, providing access to Ethris's cutting-edge solutions for developing countries.

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	**Registered office**	**Holding**	**Proportion of voting rights and shares held**	
			2024	**2023**
Subsidiary undertakings				
Cipla Australia Pty. Limited	Level 1, 132-136 Albert Road, South Melbourne VIC 3205 Australia	Ordinary	100%	100%
Cipla Malaysia Sdn. Bhd.	Suite 1005, 10th Floor Wisma Hamzah-Kwong Hing No. 1 Leboh Ampang 50100 Kuala Lumpur Malaysia	Ordinary	100%	100%
Cipla Quality Chemical Industries Ltd	Plot 1-7 First Ring Road Luzira Industrial Park P.O. Box 34871 Kampala Uganda	Ordinary	0%	0.13%

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13 Investments in subsidiaries, joint ventures and associates (continued)

Breathe Free Lanka (Private) Limited	No. 47 Alexandra Place Colombo 07 Sri Lanka	Ordinary	100%	100%
Cipla Brasil Importadora Distribuidora (Duomed)	City of Vargem Grande Paulista State of Sao Paulo at Estrada da Lagoinha No. 489, Block 2 Bairro da Lagoa, CEP 06730-000 Brasil	Ordinary	100%	100%
Cipla Maroc SA	Corner of Ibnou Toufail and Abdelhak Benmahyou streets, Residence Ben Mahyou, Building B, 1st floor, Casablanca, Morocco Morocco	Ordinary	75.1%	60%
Cipla Philippines Inc.	Level 40, PBCom Tower 6795 Ayala Avenue Corner V.A. Rufino Street Makati City Metro Manila, 1226 Philippines	Ordinary	100%	100%
InvaGen Pharmaceuticals Inc.	7 Oser Ave site b, Hauppauge, NY 11788. USA	Ordinary	100%	100%
Ethris GmBH	Semmelweisstr. 3, 82152 Planegg. Germany	Ordinary	10.35%	10.35%
Cipla Algerie	18 Rue de Zone Industrielle Route De La Gare Haouche Mahieddine Reghala Algeria	Ordinary	40%	40%
Aspergen INC	919, North Market Street, Suite 950, County of New Castle, Wilmington, DE, 19801 USA	Ordinary	60%	60%
Cipla Gulf FZE-LLC	Premises : Unit No. 111 Floor :01 Building :DSP Laboratory Complex Dubai, UAE United Arab Emirates	Ordinary	100%	100%

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13 Investments in subsidiaries, joint ventures and associates (continued)

Cipla (Colombia) SAS	Avda Calle 26 No. 68C-61 Oficina 605, Bogota, Colombia, Pin Code – 110931 Colombia	Ordinary	100%	100%
Cipla (China) Pharmaceutical Co., Ltd.	Room 203, 2nd F, Building No.1, 1479 Zhangheng Rd., Shanghai, China	Ordinary	100%	100%
Cipla (Jiangsu) Pharmaceutical Co., Ltd.	No. 1, Jianghai Road (Qidong Life and Health Industry Park) Beixin Town Qidong City, Jiangsu Province of China China	Ordinary	93.09%	88.89%
Mexicip S.A. de C.V.	Mexico	Ordinary	100%	0%
MKC Biotherapeuticss Inc.	919 North Market Street, Suite 950, County of New Castle, Wilmington, Delaware 19801-3036 USA	Ordinary	35.2%	0%

Under the provision of section 401 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

During the year, the company received total dividends of $1,052,973 (2023: $2,547) from its subsidiaries.

14 Stocks

	2024 $	2023 $
Goods for resale	6,731,993	9,640,540

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15 Debtors

	Note	2024 $	2023 $
Trade debtors		5,027,261	7,021,214
Amounts owed by group undertakings	23	37,921,201	39,417,329
Other debtors		1,220,453	2,196,933
Prepayments		53,714	46,726
Accrued income		-	161,909
Deferred tax assets	10	1,146,748	1,146,748
		45,369,377	49,990,859
Less non-current portion		(13,381,093)	-
Total current trade and other debtors		31,988,284	49,990,859

Included in other debtors is the accumulated interest accrued on loans extended to fellow group undertakings. The total accrued interest amounts to $1,071,190 (2023: $2,021,574).

Long-term loans made to fellow group undertakings, recoverable after one year, are included within amounts owed by group undertakings. The total value of these long-term loans is $13,381,093 (2023: $13,323,011). The remaining loans to group undertakings amount to $9,478,862 and are repayable within one year.

The total balance of amounts owed by group undertakings, $22,859,955, is interest-bearing with rates ranging from 2.8% to 6.5%. The remaining balances are interest-free and repayable on demand.

All balances due from group undertakings are unsecured.

16 Cash and cash equivalents

	2024 $	2023 $
Cash at bank	85,781	4,611,744

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17 Creditors

	Note	2024 $	2023 $
Due within one year			
Loans and borrowings	20	12,132,299	6,903,800
Trade creditors		250,077	1,289,002
Amounts due to group undertakings	23	10,774,600	20,586,270
Social security and other taxes		506,959	603,236
Other creditors		32,526	18,218
Accrued expenses		3,853,397	1,352,522
Deferred income		51,304	-
		27,601,162	30,753,048
Due after one year			
Deferred income		134,409	-

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to $136,135 (2023: $183,692). Contributions totalling $13,827 (2023: $2,670) were payable to the scheme at the end of the year and are included in other creditors (note 18).

19 Share capital

Allotted, called up and fully paid shares

	2024 No.	2024 $	2023 No.	2023 $
Ordinary shares of £1 (2023: £1) each	578,032,438	752,993,402	552,681,200	721,293,402

New shares allotted

During the year, 25,351,238 Ordinary shares having an aggregate nominal value of £25,351,238 were allotted for an aggregate consideration of £25,351,238 (2023: £28,277,674 Ordinary shares having an aggregate nominal value of £28,277,674 were allotted for an aggregate consideration of £28,277,674). The US Dollar equivalent of the Ordinary shares allotted in the year was $31,700,000 (2023: $33,597,702).

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20 Loans and borrowings

	2024 $	2023 $
Non-current loans and borrowings		

	2024 $	2023 $
Current loans and borrowings		
Bank overdrafts	12,132,299	6,903,800

21 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2024 $	2023 $
Not later than one year	132,194	130,089
Later than one year and not later than five years	271,005	411,950
	403,199	542,039

22 Commitments

Other financial commitments

During the year, the board of directors committed to remitting $0.5m to Mexicip S.A. de C.V. and $0.49m to MKC Biotherapeutics Inc. for the infusion of share capital. However, these funds had not been remitted as at the year-end but are expected to be transferred in the next financial year (2023 - other financial commitments were £Nil) .

23 Related party transactions

As the company is a wholly owned subsidiary of Cipla Limited, the company has taken advantage of the exemption in FRS102 section 33.1A and has therefore not disclosed transactions or balances with the parent or group companies.

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24 Parent and ultimate parent undertaking

The company's immediate and ultimate parent company is Cipla Limited, a company incorporated in India and listed on the Bombay Stock Exchange and National Stock Exchange of India, as well as the Luxemburg Stock Exchnage. The registered address of the parent is Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013, India.

The parent of the largest and smallest group for which group accounts including Cipla (EU) Limited are drawn up is Cipla Limited. The consolidated accounts are available on www.cipla.com.

There is no one controlling party.

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Cipla (EU) Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2024

	2024 $	2023 $
Turnover (analysed below)	25,114,679	29,148,392
Cost of sales (analysed below)	(13,642,870)	(18,219,519)
Gross profit	11,471,809	10,928,873
Gross profit (%)	45.68%	37.49%
Administrative expenses		
Employment costs (analysed below)	(3,017,112)	(2,876,280)
Establishment costs (analysed below)	(1,132,235)	(1,217,287)
General administrative expenses (analysed below)	(6,771,226)	(3,356,963)
Finance charges (analysed below)	(6,012)	(10,749)
Depreciation costs (analysed below)	(153,342)	(217,410)
	(11,079,927)	(7,678,689)
Operating profit	391,882	3,250,184
Income from shares in Group undertakings (analysed below)	2,122,866	993,837
Interest payable and similar charges (analysed below)	(536,984)	(88,974)
	1,585,882	904,863
Profit before tax	1,977,764	4,155,047

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Cipla (EU) Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2024 (continued)

	2024 $	2023 $
Turnover		
Sale of goods, UK	20,201,461	26,460,273
Rendering of services, UK	108,583	-
Rendering of services, Europe	1,626,717	1,371,436
Rendering of services, rest of world	3,177,918	1,316,683
	25,114,679	29,148,392
Cost of sales		
Opening finished goods	(9,640,540)	(16,520,331)
Purchases	(9,446,696)	(8,738,793)
Closing finished goods	6,731,993	9,640,540
Freight and carriage	(1,287,353)	(2,441,960)
Commissions payable	(274)	(158,975)
	(13,642,870)	(18,219,519)
Employment costs		
Wages and salaries	(2,111,026)	(1,696,431)
Staff NIC (Employers)	(238,264)	(206,548)
Directors remuneration	(436,746)	(578,448)
Directors NIC (Employers)	(49,533)	(68,867)
Staff pensions (Defined contribution)	(101,525)	(130,479)
Directors pensions (Defined contribution)	(34,610)	(53,213)
Staff training	(22,712)	(602)
Staff welfare	(22,696)	(141,692)
	(3,017,112)	(2,876,280)
Establishment costs		
Storage and warehousing	(810,444)	(1,007,018)
Light, heat and power	(17,030)	(2,541)
Insurance	(50,897)	(48,339)
Repairs and maintenance	-	(5,136)
Property - operating lease	(253,864)	(154,253)
	(1,132,235)	(1,217,287)
General administrative expenses		
Telephone and fax	(28,652)	(43,491)
Office expenses	(49,917)	-
Computer software and maintenance costs	(111,450)	(47,264)
Printing, postage and stationery	(7,178)	(429)
Fines and penalties	(127)	-
Sundry expenses	(5,592)	146
Cleaning	(14,640)	(15,208)

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Cipla (EU) Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2024 (continued)

	2024 $	2023 $
Management charges payable	(990,756)	(883,903)
Travel and subsistence	(160,598)	(768)
Promotional expenses	(215,124)	(514,240)
Accountancy fees	(62,449)	(32,479)
Auditor's remuneration - The audit of the company's annual accounts	(66,321)	(61,200)
Registration, regulatory and testing costs	(1,322,558)	(1,201,269)
Legal and professional fees	(3,052,332)	(627,782)
Bad debts written off	(448,525)	7,602
Foreign currency (gains)/losses - operating expense	(235,007)	63,322
	(6,771,226)	(3,356,963)
Finance charges		
Bank charges	(6,012)	(10,749)
Depreciation costs		
Amortisation of marketing authorisations	(68,516)	(20,330)
Depreciation of leasehold improvements	(16,795)	(31,576)
Depreciation of fixtures and fittings (owned)	(8,387)	(3,994)
Depreciation of office equipment (owned)	(9,614)	(4,381)
Impairment loss (reversal) on intangible assets	(50,030)	(157,129)
	(153,342)	(217,410)
Income from shares in Group undertakings		
Gain/(loss) on disposal of fixed asset Investments - subsidiary loan/shares	(499,058)	-
Impairment loss on investments	-	(176,746)
Dividends from shares in subsidiaries	1,052,973	2,547
Interest income from fellow group undertakings	1,568,951	1,168,036
	2,122,866	993,837
Interest payable and similar expenses		
Bank interest payable	(536,984)	(88,974)

Cipla Holding B.V.

Financial Statements for Financial Year 2023-24

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
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One International Center,
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Independent Auditor's Report

To the Members of Cipla Holding BV

Report on the Audit of the Special Purpose Financial Statements for the year ended 31 March 2024

Opinion

1. We have audited the accompanying special purpose financial statements of **Cipla Holding BV** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') of the state of affairs (financial position) of the Company as at 31 March 2024 and its profit (financial performance), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 ICAI together with the ethical requirements that are relevant to our audit of the financial statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Special Purpose Financial Statements

4. The Company's Board of Directors is responsible for the preparation and presentation of these special purpose financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance), changes in equity and cash flows of the Company in conformity with the accounting principles generally accepted in India, including Ind AS. This responsibility also includes maintenance of adequate accounting records 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 special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the special purpose financial statements, the Management are 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 the Management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose financial statements.

7. 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 special purpose 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 but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to special purpose financial statements 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 special purpose 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; and

   - Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

8. 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.

Restriction on distribution and use

9. These special purpose financial statements have been prepared by the Company's management solely to enable the management of the Cipla Limited, the Ultimate Holding Company, in the preparation of its consolidated financial statements for the year ended 31 March 2024 and accordingly, these special purpose financial statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCK8618

Place: Mumbai
Date: 07 May 2024

Cipla Holding B.V.
Balance sheet as at 31 March 2024
(All amounts in Euros, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	2.1	344,256	388,630
(b) Intangible assets	2.2	90,786	55,162
(c) Capital work-in-progress	3	-	-
(d) Financial assets			
(i) Investments	4	7,099,900	7,099,900
(ii) Loans	5	52,727	54,117
(e) Advance tax asset (net)	6	4,051	-
(f) Deferred tax assets	7	3,182	628
Total non-current assets		**7,594,902**	**7,598,437**
2. Current assets			
(a) Financial assets			
(i) Trade receivables	8	3,363,559	2,543,594
(ii) Cash and cash equivalents	9	82,970	675,460
(b) Other current assets	10	275,667	209,096
Total current assets		**3,722,196**	**3,428,150**
Total assets		**11,317,098**	**11,026,587**
B. Equity and liabilities			
1. Equity			
(a) Share capital	11	10,036,700	10,036,700
(b) Other equity	12	813,855	634,892
Total equity		**10,850,555**	**10,671,592**
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	13	124,184	168,373
(ii) Other financial liabilities	14	43,663	34,086
(b) Other current liabilities	15	176,659	41,044
(c) Provisions	16	112,059	102,038
(d) Current tax liabilities (net)	17	9,978	9,454
Total liabilities		**466,543**	**354,995**
Total equity and liabilities		**11,317,098**	**11,026,587**

Notes 1 to 36 form an integral part of these special purpose financial statements

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Sunil Patil
Director

Place: Netherlands
Date: 7 May 2024

Cipla Holding BV
Antonie van Leeuwenhoeklaan 9
A8 2nd Floor, 3721 MA Bilthoven
The Netherlands

Cipla Holding B.V.
Statement of Profit and Loss for the year ended 31 March 2024
(All amounts in Euros, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations			
(a) Revenue from operations	18	2,317,917	2,488,498
(b) Other income	19	1,424	2,879
Total revenue		**2,319,341**	**2,491,377**
Expenses			
(a) Employee benefits expense	20	1,063,501	1,185,992
(b) Depreciation and amortisation expense	21	163,169	152,536
(c) Other expenses	22	882,660	926,355
Total expenses		**2,109,330**	**2,264,883**
Profit before tax		**210,011**	**226,494**
Tax expenses (net)	23		
Current tax		33,602	33,129
Deferred tax		(2,554)	(381)
Profit for the year		**178,963**	**193,746**
Earnings per equity share of face value of Euro 100 each	29		
Basic and diluted		1.78	1.93

Notes 1 to 36 form an integral part of these special purpose financial statements

As per our report on even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Sunil Patil
Director

Place: Netherlands
Date: 7 May 2024

Cipla Holding BV
Antonie van Leeuwenhoeklaan 9
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The Netherlands

Cipla Holding B.V.
Statement of Changes in Equity for the year ended 31 March 2024
(All amounts in Euros, unless otherwise stated)

(a) Equity share capital (Refer Note 11)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	10,036,700	10,036,700
Changes in equity share capital during the year	-	-
Balance at the end of the year	**10,036,700**	**10,036,700**

(a) Other equity (Refer Note 12)

Particulars	Attributable to the owners of the Company	Total other equity
	Retained earnings	
As at 31 March 2022	**441,146**	**441,146**
Profit for the year	193,746	**193,746**
As at 31 March 2023	**634,892**	**634,892**
Profit for the year	178,963	**178,963**
As at 31 March 2024	**813,855**	**813,855**

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.

Notes 1 to 36 form an integral part of these special purpose financial statements

As per our report on even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Sunil Patil
Director

Place: Netherlands
Date: 7 May 2024

Cipla Holding BV
Antonie van Leeuwenhoeklaan 9
A8 2nd Floor, 3721 MA Bilthoven
The Netherlands

Cipla Holding B.V.
Statement of cash flow for the year ended 31 March 2024
(All amounts in Euros, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	**210,011**	**226,494**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	163,169	152,536
Unrealised foreign exchange loss	462	1,054
Sundry balance written (back)/off	(1,424)	14,127
(Reversal) for expected credit loss	-	(2,500)
Operating profit before working capital changes	**372,218**	**391,711**
Adjustments for changes in working capital:		
Increase in trade and other payables	110,560	66,229
Increase in trade receivables	(818,539)	(132,649)
Increase in financial and other assets	(65,181)	(40,972)
Operating profit after working capital changes	**(400,942)**	**284,319**
Income tax paid during the year (net of refunds)	(37,129)	(11,156)
Net cash used in operating activities (a)	**(438,071)**	**273,163**
Cash flow from investing activities		
Purchase of property, plant and equipment , capital work in progress and intangibles	(154,419)	(48,736)
Net cash flows used in investing activities (b)	**(154,419)**	**(48,736)**
Cash flow from financing activities	-	-
Net cash flows from financing activities (c)	-	-
Net increase in cash and cash equivalents (a+b+c)	**(592,490)**	**224,427**
Cash and cash equivalents at the beginning of the year	675,460	451,033
Cash and cash equivalents at the end of the year (Refer note 9)	**82,970**	**675,460**

- There are no borrowings as at 31 March 2024 and 31 March 2023. Hence, the net debt movement disclosure has not been presented.

Notes 1 to 36 form an integral part of these special purpose financial statements

As per our report on even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Sunil Patil
Director

Place: Netherlands
Date: 7 May 2024

Cipla Holding BV
Antonie van Leeuwenhoeklaan 9
A8 2nd Floor, 3721 MA Bilthoven
The Netherlands

Cipla Holding B.V.
Notes to the financial statements

Corporate information

Cipla Holding B.V. ('the Company) is a Company incorporated in Netherlands under Dutch Company law having its statutory seat in Rotterdam and business address in Bilthoven, the Netherlands. Cipla Holding B.V. is a wholly owned subsidiary of Cipla Limited. The principal activities of the company are to incorporate, to participate in and to finance companies or businesses, perform lab testing activities for pharmaceutical products and in general conclude any possible transaction relating to pharmaceutical business.

Note 1: Basis of preparation, material accounting policies, information and key accounting estimates and judgements.

1.1 Basis of preparation

(i) Compliance with Indian Accounting Standards (Ind-AS)

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

These financial statements are special purpose financial statements prepared solely for the purpose of preparation of Consolidated financial statement of Cipla Limited, the Ultimate Holding Company of the Company and thus such financial statements may not be suitable for any other purpose, other than the purpose as mentioned above.

The financial statements are approved for issue by the Company's Board of Directors on 7 May 2024.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities is measured at fair value.

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the financial statements, unless otherwise stated.

(iv) Functional currency and rounding of amounts

The financial statements are presented in EUROS which is also the functional currency of the Company.

1.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as upto 12 months for the purpose of current/non-current classification of assets and liabilities.

1.3 Use of estimates and judgements

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

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The Netherlands

Following are the critical judgements and estimates:

1.3.1 Judgements

(i) Deferred income taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full.

1.3.2 Estimates

(i) Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

(ii) Expected credit loss

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables.
- Financial assets measured at amortized cost (other than trade receivables).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

(ii) Impairment

An impairment loss is recognised for the amount by which an assets or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets.

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In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(iii) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non-refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criterion for a provision is met.

Depreciation on the property, plant and equipment is provided based on useful life of the assets as described hereunder:

a) Plant and equipment – 7 years
b) Computers – 3 years
c) Office equipment – 5 years
d) Furniture – 10 years

Depreciation on property, plant and equipment, which are added/ disposed off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss.

1.5 Intangible assets

Intangible assets such as computer software acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Software is amortized over 5 years which is considered its estimated useful life.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognized.

1.6 Impairment of non-financial assets

As at each reporting date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods.

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If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

1.7 Foreign currency transactions and balances

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.8 Revenue recognition

A contract with a customer exists only when: the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. The transaction price of goods sold, and services rendered is net of returns and applicable trade discounts, allowances and goods and services tax and amounts collected on behalf of third parties.

(a) Sale of services

The Company receives revenue for rendering of services to external customers against orders received. The majority of contracts that the Company enters into relate to sales orders containing single and distinct performance obligations for rendering of services.

In arrangements for lab testing services, the Company has applied the guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering lab testing services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For lab testing services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

The Company presents revenues net of indirect taxes in its statement of profit or loss.

(b) Interest income

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

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(c) Dividends

Dividend income from investments is recognised when the right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

1.9 Employee benefits

(i) Short-term employee benefits

Liability on account of short-term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit.

Post retirement contribution plans (Social security fund) are charged to the profit or loss for the year when the contributions to the respective funds accrue.

(ii) Other benefit plan

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

1.10 Income taxes

Income tax expense comprises of current tax expense and deferred tax charged/credit. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity.

(i) Current income tax:

The tax jurisdictions for the Company is Europe. Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

(ii) Deferred tax:

Deferred tax is recognised using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

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1.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

1.12 Provisions

Provisions for legal claims is recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1.13 Contingencies

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

1.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

1.15 Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.16 Financial instruments

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

(i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention

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in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Subsequent measurement

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

- Debt instruments at amortised cost
- Derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive (FVTOCI)

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss. Transaction cost of financial assets at FVTPL are expensed in profit or loss.

De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset or a Group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an expected 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

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

The Company's financial liabilities include trade and other payables.

Subsequent measurements

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

De-recognition

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

1.17 Recent accounting pronouncements

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.

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Cipla Holding B.V.
Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Euros, unless otherwise stated)

Note 2.1 : Property, plant and equipment

Particulars	Plant and equipment	Furniture and fixtures	Office equipments	Computers	Total
Gross block					
Balance as at 31 March 2022	1,249,700	562,097	150,450	7,898	1,970,145
Additions for the year	-	761	-	3,826	4,587
Deletions and adjustments during the year	(761)	-	-	-	(761)
Balance as at 31 March 2023	1,248,939	562,858	150,450	11,724	1,973,971
Additions for the year	78,765	-	-	16,199	94,964
Deletions and adjustments during the year	-	-	-	-	-
Balance as at 31 March 2024	1,327,704	562,858	150,450	27,923	2,068,935
Depreciation					
Balance as at 31 March 2022	906,289	382,911	150,450	3,464	1,443,114
Depreciation charge for the year	78,238	57,188	-	2,981	138,407
Deletions and adjustments during the year	30	(30)	-	-	-
Impairment during the year	2,990	-	-	830	3,820
Balance as at 31 March 2023	987,547	440,069	150,450	7,275	1,585,341
Depreciation charge for the year	78,138	56,174	-	5,026	139,338
Deletions and adjustments during the year	-	-	-	-	-
Impairment during the year	-	-	-	-	-
Balance as at 31 March 2024	1,065,685	496,243	150,450	12,301	1,724,679
Net book value					
At 31 March 2024	262,019	66,615	-	15,622	344,256
At 31 March 2023	261,392	122,789	-	4,449	388,630

Note 2.2 : Intangible Assets

Particulars	Software
Gross block	
As at 31 March 2022	533,751
Additions for the year	44,910
As at 31 March 2023	578,661
Additions for the year	59,455
As at 31 March 2024	638,116
Amortisation	
As at 31 March 2022	513,190
Amortisation charge during the year	10,309
As at 31 March 2023	523,499
Amortisation charge during the year	23,831
As at 31 March 2024	547,330
Net book value	
As at 31 March 2024	90,786
As at 31 March 2023	55,162

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 3: Capital Work in Progress		
Opening capital work in progess	-	-
Add : Additions during the year	94,964	4,587
Less : Capitalised during the year	(94,964)	(4,587)
Closing capital work in progress	-	-
Note 4: Non-current financial assets- Investment		
Investments in equity instruments		
Unquoted equity shares		
Investments in subsidiaries		
Cipla Europe NV (70,999 equity shares of 100 EURO each fully paid up)	7,099,900	7,099,900
Total	**7,099,900**	**7,099,900**
Aggregate value of unquoted investments	**7,099,900**	**7,099,900**
Note 5: Non-current financial assets- loans		
(Unsecured, considered good)		
Security Deposit	52,727	54,117
Total	**52,727**	**54,117**
Note 6: Advance tax assets (net)		
Advance tax assets (net)	4,051	-
Total	**4,051**	**-**
Note 7: Deferred tax assets		
Deferred tax assets	3,182	628
Total	**3,182**	**628**

Deferred Tax assets

Particulars	As at 1 April 2022	Recognised in Statement of profit and loss	As at 1 April 2023	Recognised in Statement of profit and loss	As at 1 April 2024
a) Deferred tax assets					
Provision for depreciation	247	381	628	2,554	3,182
Deferred Tax assets	**247**	**381**	**628**	**2,554**	**3,182**

b) Reconciliation of deferred tax assets (net)		
Opening balance as on 1 April 2023	**628**	**247**
Tax income during the period recognised in profit or loss	2,554	381
	3,182	**628**

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 8: Trade receivables		
(Carried at amortised cost ,except otherwise stated)		
Unsecured, considered good*	3,363,559	2,543,594
Unsecured, considered doubtful	7,500	7,500
Less: Provision for expected credit loss (Refer note 22 and 26)	(7,500)	(7,500)
Total	**3,363,559**	**2,543,594**
* Includes amounts due from related parties(refer note 24)		

Note 8.1: Trade receivables ageing schedule

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables –							
considered good	617,675	205,910	1,424,231	744,557	363,686	7,500	3,363,559
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	7,500	7,500
Less: Provision for expected credit loss (Refer note 22 and 26)	-	-	-	-	-	(7,500)	(7,500)
Disputed Trade receivables –							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	**617,675**	**205,910**	**1,424,231**	**744,557**	**363,686**	**7,500**	**3,363,559**

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables –							
considered good	543,623	400,697	892,744	363,686	-	342,844	2,543,594
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	7,500	7,500
Less: Provision for expected credit loss (Refer note 22 and 26)	-	-	-	-	-	(7,500)	(7,500)
Disputed Trade receivables –							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	**543,623**	**400,697**	**892,744**	**363,686**	**-**	**342,844**	**2,543,594**

Note 9: Cash and cash equivalents		
Balances with banks		
- In current accounts	82,970	675,460
Total	**82,970**	**675,460**
Note 10: Other current assets		
Balances with government authorities	184,094	81,045
Prepaid expenses	83,829	128,051
Others	7,744	-
Total	**275,667**	**209,096**

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Note 11 : Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Equity share capital		
Authorised capital		
31 March 2024: 220,367 (31 March 2023: 220,367) equity shares of EURO 100 each	22,036,700	22,036,700
Issued, subscribed and fully paid up		
31 March 2024: 100,367 (31 March 2023: 100,367) equity shares of EURO 100 each	10,036,700	10,036,700
	10,036,700	**10,036,700**

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the year	100,367	10,036,700	100,367	10,036,700
Less: Issued during the year	-	-	-	-
Balance at the end of the year	**100,367**	**10,036,700**	**100,367**	**10,036,700**

(c) Shares held by holding company and shareholders holding more than 5%

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Cipla Limited	100,367	100	100,367	100

(d) The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2024 apart from 115,000 shares of Euro 100 each cancelled in the financial year ended 31 March 2020.

(e) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Euro 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Euro. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 12: Other equity

Paticulars	As at 31 March 2024	As at 31 March 2023
Retained earnings	813,855	634,892
Total	**813,855**	**634,892**

Note:
Movement of other equity component is captured in the Statement of Changen in Equity and hence not again stated here.

Nature and purpose of reserves
(i) 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.

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 13: Trade payables		
Related party (refer note 24)	-	16,127
Others	124,184	152,246
Total	**124,184**	**168,373**

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	Not due	Less than 6 months	6 months -1 year	More than 3 years	Total
Undisputed Dues					
MSME	-	-	-	-	-
Others	72,876	51,092	216	-	124,184
Disputed Dues					
MSME	-	-	-	-	-
Others	-	-	-	-	-
Total	**72,876**	**51,092**	**216**	**-**	**124,184**

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Not due	Less than 6 months	6 months -1 year	More than 3 years	Total
Undisputed Dues					
MSME	-	-	-	-	-
Others	22,002	146,371	-	-	168,373
Disputed Dues					
MSME	-	-	-	-	-
Others	-	-	-	-	-
Total	**22,002**	**146,371**	**-**	**-**	**168,373**

Note 14: Other financial liabilities-current		
(Carried at amortised cost, except otherwise stated)		
Employee dues	43,663	34,086
Total	**43,663**	**34,086**
Note 15: Other current liabilities		
Statutory dues	176,659	41,044
Total	**176,659**	**41,044**
Note 16: Provisions		
Provision for employee benefits		
- compensated absences	65,173	46,491
- performance bonus	46,886	55,547
Total	**112,059**	**102,038**
Note 17: Current tax liabilities (Net)		
Liabilities for Current Tax (Net)	9,978	9,454
	9,978	**9,454**

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 18: Revenue from operations		
Rendering of services:		
Related parties (Refer note 24)	1,596,347	1,963,288
Others	721,570	525,210
Total	**2,317,917**	**2,488,498**

(i) Disaggregation of revenue: The above revenue components as well represents the disaggregation of revenue as per Ind AS -115.

(ii) Reconciliation of revenue from sale of services with the contracted price		
Contracted price	2,317,917	2,488,498
Less : Discount	-	-
Total	**2,317,917**	**2,488,498**

Note 19: Other income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Miscellaneous income	-	2,879
Sundry balances written back	1,424	-
Total	**1,424**	**2,879**

Note 20: Employee benefits expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	715,686	942,499
Contribution to DCP fund and social security cost	57,152	75,234
Staff welfare expense	290,663	168,259
Total	**1,063,501**	**1,185,992**

Note 21: Depreciation and amortization expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant and equipment (Refer note 2.1)	139,338	138,407
Impairment of property, plant and equipment (Refer note 2.1)	-	3,820
Amortisation of intangible assets (Refer note 2.2)	23,831	10,309
Total	**163,169**	**152,536**

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Note 22: Other expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Travelling and conveyance	23,522	49,624
Repairs and maintenance- others	178,602	210,443
Rent (Refer note 28)	207,605	204,770
Sundry balance written off	-	14,127
Loss on foreign exchange fluctuation (net)	462	1,054
Postage and telephone expenses	13,096	12,325
Reversal of provisions for expected credit loss	-	(2,500)
License and filing fee	-	3,200
Professional fees	247,930	233,678
Payment to auditors - audit fee	9,027	8,500
Insurance	20,375	13,011
Miscellaneous expenses	54,812	38,883
Stores and spares	127,229	139,240
Total	**882,660**	**926,355**

Note 23: Tax expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax (net)	33,602	33,129
Deferred tax credit	(2,554)	(381)
Total	**31,048**	**32,748**

Tax reconciliation (for profit and loss)

Profit before income tax expense	210,011	226,494
Tax at the rate of 15% FY 2023 and 16.07% FY 2024	33,749	33,974
Tax effect of amounts which are not deductible/ not taxable in calculating taxable income	1,469	101
Disallowance of other expenses	820	720
Investment allowance	(4,990)	(2,047)
Total income tax expense	**31,048**	**32,748**

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Note 24: Related party transactions

As per IND AS-24, "Related party disclosures", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below:

(A) List of related parties

Holding company
Cipla Limited

Subsidiary
Cipla Europe NV

Fellow subsidiary
Cipla (EU) Limited

Key Management Personnel
Mr. Sunil Patil - Director (appointed w.e.f. 16th December 2022)
Mr. Nishant Saxena - Director (appointed w.e.f. 19 February 2020 & resigned w.e.f. 31st March 2024)

(B) Disclosures of transactions between the company and related parties and outstanding balances at the year ended March 2024

(I) Transactions during the year

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cipla Limited		
Income from services rendered	609,003	636,020
Miscellaneous expenses	-	13,407
Total	**609,003**	**649,427**
Cipla Europe NV		
Income from services rendered	448,793	462,842
Total	**448,793**	**462,842**
Cipla (EU) Limited		
Income from services rendered	538,551	864,426
Total	**538,551**	**864,426**

(ii) Outstanding balances

Particulars	As at 31 March 2024	As at 31 March 2023
Cipla Limited		
Trade payables	-	16,127
Trade receivables	543,482	214,160
Total (net)	**543,482**	**198,032**
Cipla Europe NV		
Trade receivables	911,635	605,245
Total	**911,635**	**605,245**
Cipla (EU) Limited		
Trade receivables	1,857,035	1,661,328
Total	**1,857,035**	**1,661,328**

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Note 25: Fair value measurement of financial instruments

Risk management objectives and policies
The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods or assumptions were used to estimate fair values
Fair value of trade receivable, cash and cash equivalent, non-current investments, loans, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

Financial Instrument by category and hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The carrying value and fair value of financial instruments by categories as at 31 March 2024, are as follows:

Particulars	Measurement	As at 31 March 2024			
		Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:					
Loans	Amortised cost	-	-	52,727	52,727
Cash and cash equivalents	Amortised cost	-	-	82,970	82,970
Trade receivables	Amortised cost	-	-	3,363,559	3,363,559
Total		-	-	**3,499,256**	**3,499,256**
Financial liabilities at amortised cost:					
Other financial liabilities	Amortised cost	-	-	43,663	43,663
Trade payables	Amortised cost	-	-	124,184	124,184
Total		-	-	**167,847**	**167,847**

Particulars	Measurement	As at 31 March 2023			
		Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:					
Loans	Amortised cost	-	-	54,117	54,117
Cash and cash equivalents	Amortised cost	-	-	675,460	675,460
Trade receivables	Amortised cost	-	-	2,543,594	2,543,594
Total		-	-	**3,273,171**	**3,273,171**
Financial liabilities at amortised cost:					
Other financial liabilities	Amortised cost	-	-	34,086	34,086
Trade payables	Amortised cost	-	-	168,373	168,373
Total		-	-	**202,459**	**202,459**

There were no transfers between Level 1 and Level 2 in year ended 31 March 2024 and year ended 31 March 2023

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Cipla Holding BV
Antonie van Leeuwenhoeklaan 9
A8 2nd Floor, 3721 MA Bilthoven
The Netherlands

Note 26: Financial instruments risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

26.1: Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The company's exposure to market risk is primarily on account of foreign currency exchange rate risk.
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk primarily relates to fluctuations in trade receivables and trade payables denominated in USD and Rupees against the functional currency of the Company.

(a) Foreign currency exchange rate risk

Nature of Instrument	Currency	Cross Currency	31 March 2024	31 March 2023
Unhedged foreign exchange exposures:				
Receivables	Rupees	EURO	-	30,954
Payables	USD	EURO	-	937
Payables	Rupees	EURO	30,767	-

Sensitivity Analysis

A reasonably possible change in foreign exchange rates by 5% would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular interest rates remain constant.

Particulars	31 March 2024	31 March 2023
Movement in exchange rate		
USD - Euro	5%	5%
INR - Euro	5%	5%
Impact on profit/loss		
USD - Euro	-	47
INR - Euro	1,538	1,548

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26.2 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example receivables from customers, placing deposits with banks, investment in subsidiaries, Loans to subsidiary, etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

Particulars	As at 31 March 2024	As at 31 March 2023
Classes of financial assets-carrying amounts:		
Investments	7,099,900	7,099,900
Loans	52,727	54,117
Trade receivables	3,363,559	2,543,594
Cash and cash equivalents	82,970	675,460

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

The Company continuously monitors defaults of customers and incorporates this information into its credit risk controls. Where available at reasonable cost external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

In respect of trade receivables and investment and loans, the Company is not exposed to any significant credit risk exposure as it provides services majorly to its related parties and there are no major outstanding to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

26.2.1: Movement of provision for expected credit loss

Particulars	Amount
As at 1 April 2022	**10,000**
Written back during the year	-
Amount written back during the year	(2,500)
As at 31 March 2023	**7,500**
Provided during the year	-
Amount written back during the year	-
As at 31 March 2024	**7,500**

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26.3 Liquidity risk

Liquidity risk is 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. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

As at 31 March 2024, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Financial liabilities maturing within one year:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables	124,184	168,373
Other financial liabilities	43,663	34,086
Total	**167,847**	**202,459**

Note 27: Capital Management

The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns for its stakeholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue of new shares. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place to investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

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Note 28: Lease accounting

Rental expense recorded for short-term leases was EURO 207,605 for the year ended 31 March 2024 and EURO 204,770 for the year ended 31 March 2024 as the company has chose to apply practical expiedients for short term leases.

Note 29: Earnings per share

Disclosure as required by Indian Accounting standard (Ind AS) 33 : Earnings per share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year	178,963	193,746
Weighted average number of equity shares outstanding during the year	100,367	100,367
Nominal value of share	100	100
Basic and diluted earning per share	1.78	1.93

Note 30: Segment reporting

The Company has only one segment which is laboratory testing activities for pharmaceutical products. The Director of the Company has been identified as the Chief Operating Decision Maker. The Company's Director, reviews the operating performance of the Company as a whole on a periodic basis. Therefore, disclosure relating to segments is not applicable and accordingly not made.

Note 31: Contingent liability and capital commitment

There are no contingent liability and capital commitment as at the reporting date 31 March 2024 and 31 March 2023.

Note 32: Post reporting Date: 31 March 2024 events

No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorisation of these financial statements.

Note 33: Other significant notes

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make the comparable.

Note 34: Disclosure for Financial Ratios

Ratio	Numerator	Denominator	Measure (In times/ percentage)	Current Period	Previous Period	% Variance
a) Current Ratio	Current assets	Current liabilities	Times	7.98	9.66	-17.38%
b) Debt-Equity Ratio	Total debt	Shareholder's equity	Times	N.A.	N.A.	N.A.
c) Debt Service coverage ratio	Earnings available for debt service	Debt service	Times	N.A.	N.A.	N.A.
d) Return on equity ratio	Net Profit after taxes - Preference Dividend (if any)	Average Shareholder's equity	Percentage	2%	2%	-9.15%
e) Inventory turnover Ratio	Sales	Average inventory	Times	N.A.	N.A.	N.A.
f) Trade receivables turnover ratio	Net credit sales	Average trade receivable	Times	0.69	0.98	-29.56%
g) Trade payables turnover ratio	Credit expenses	Average trade payables	Times	7.11	5.50	29.19%
h) Net Capital turnover ratio	Net sales	Average working capital	Times	0.71	0.81	-12.08%
i) Net profit ratio	Net profit	Net sales	Percentage	8%	8%	-0.83%
j) Return on capital employed	Earning before interest and taxes	Capital employed	Percentage	2%	2%	-8.81%
k) Return on investment	Not applicable	Not applicable	Percentage	N.A.	N.A.	N.A.

Notes:

1 Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses
2 EBITDA = Earnings before finance costs, depreciation expense and tax and exceptional items
3 Working Capital = Current assets - Current liabilities
4 EBIT = Earnings before interest and tax and exceptional items
5 Capital employed = Total equity + Non-current borrowings
6 Revenue from operations = Sales of services+Other operating Income

Disclosure of change in ratio by more than 25%

Note:
1) The trade receivable turnover has reduced in the current year on account of delay in receipt of balances from customers as compared to previous year.
2) The trade payables turnover has increased in the current year on account of decrease in average number of days outstanding as compared to previous year.

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Note 35: Other Statutory Information

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

(ii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), 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.

(iv) The Company has not received any fund from any person(s) or entity(ies), 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.

(v) The Company has not revalued its Property, Plant and Equipment, Right of Use assets and intangible assets during the year.

(vi) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note 36: Authorisation of special purpose financial statements

The special purpose financial statements for the year ended 31 March 2024 were approved by the Board of Directors on 7 May 2024.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of **board of directors**

Sunil Patil
Director

Place: Netherlands
Date: 7 May 2024

Cipla Holding BV
Antonie van Leeuwenhoeklaan 9
A8 2nd Floor, 3721 MA Bilthoven
The Netherlands

Cipla Europe NV

Financial Statements for Financial Year 2023-24

Walker Chandiok & Co LLP
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One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
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Independent Auditor's Report

To the Members of Cipla Europe N.V.

Report on the Audit of the Special Purpose Financial Statements

Opinion

1. We have audited the accompanying special purpose financial statements of **Cipla Europe N.V.** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements').

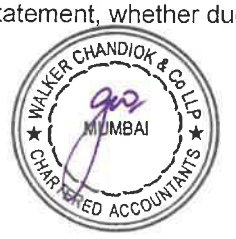
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') of the state of affairs (financial position) of the Company as at 31 March 2024 and its loss (financial performance), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 ICAI together with the ethical requirements that are relevant to our audit of the financial statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Special Purpose Financial Statements

4. The Company's Board of Directors is responsible for the preparation and presentation of these special purpose financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance), changes in equity and cash flows of the Company in conformity with the accounting principles generally accepted in India, including Ind AS. This responsibility also includes maintenance of adequate accounting records 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 special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



5. In preparing the special purpose financial statements, the Management are 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 the Management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose financial statements.

7. 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 special purpose 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 but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to special purpose financial statements 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 special purpose 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; and

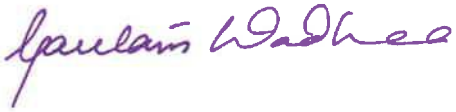
   - Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

8. 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.

Restriction on distribution and use

9. These special purpose financial statements have been prepared by the Company's management solely to enable the management of the Cipla Limited, the Ultimate Holding Company, in the preparation of its consolidated financial statements for the year ended 31 March 2024 and accordingly, these special purpose financial statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCJ2580

Place: Mumbai
Date: 07 May 2024

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Cipla Europe N.V.
Balance sheet as at 31 March 2024
(All amounts in Euros, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	2.1	29,812	35,840
(b) Intangible assets	2.2	11,75,373	14,05,530
(c) Intangible assets under development	3	37,800	1,61,265
(d) Financial assets			
(i) Other financial assets	4	91,863	75,132
(e) Advance tax assets (net)	5	1,27,593	-
(f) Deferred tax assets	6	-	11,08,618
Total non-current assets		**14,62,441**	**27,86,385**
2. Current assets			
(a) Inventories	7	63,54,344	98,11,384
(b) Financial assets			
(i) Investments		-	-
(i) Trade receivables	8	3,03,84,160	2,07,92,769
(ii) Cash and cash equivalents	9	18,502	4,12,700
(iii) Other financial assets	10	5,215	5,215
(c) Other current assets	11	7,39,939	8,82,374
Total current assets		**3,75,02,160**	**3,19,04,442**
Total assets		**3,89,64,601**	**3,46,90,827**
B. Equity and liabilities			
1. Equity			
(a) Share capital	12	71,00,000	71,00,000
(b) Other equity	13	(22,83,921)	91,735
Total equity		**48,16,079**	**71,91,735**
2. Non-current liabilities			
(a) Other non-current liabilities	14	5,82,726	-
		5,82,726	-
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	32,40,924	36,91,903
(ii) Trade payables	16	2,05,80,238	1,82,15,219
(iii) Other financial liabilities	17	-	2,434
(b) Other current liabilities	18	4,36,201	1,67,501
(c) Provisions	19	93,08,433	54,21,056
(d) Current tax liabilities (net)	20	-	979
Total current liabilities		**3,35,65,796**	**2,74,99,092**
Total equity and liabilities		**3,89,64,601**	**3,46,90,827**

Notes 1 to 43 form an integral part of these special purpose financial statements

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 07 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Saumil Chogle
Managing Director

Place: London
Date: 07 May 2024

Cipla Europe NV
De Keyserlei 58-60, Box-19
2018 Antwerpen
Belgien

Cipla Europe N.V.
Statement of Profit and Loss for the year ended 31st March 2024
(All amounts in Euros, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations			
(a) Revenue from sale of products	21	2,17,51,910	2,10,22,760
(b) Other operating income	22	2,68,258	2,27,140
Total revenue from operations		**2,20,20,168**	**2,12,49,900**
(c) Other income	23	1,00,653	57,344
Total Revenue		**2,21,20,821**	**2,13,07,244**
Expenditure			
(a) Purchase of stock - in trade	24	77,32,863	52,36,297
(b) Changes in inventories of stock-in-trade	25	34,57,040	84,42,365
(c) Employee benefits expense	26	21,87,858	10,49,225
(d) Finance costs	27	1,70,764	59,823
(e) Depreciation, impairment and amortisation expense	28	4,17,733	2,54,413
(f) Other expenses	29	94,07,332	82,37,876
Total Expenses		**2,33,73,590**	**2,32,79,999**
Loss before tax		**(12,52,769)**	**(19,72,755)**
Tax expenses			
(a) Current tax (net)	30	14,269	83,578
(b) Deferred tax credit	30	11,08,618	(11,08,618)
Loss for the Year		**(23,75,656)**	**(9,47,715)**
Total comprehensive loss for the year		**(23,75,656)**	**(9,47,715)**
Earnings per equity share of face value of Euro 100 each			
Basic and diluted	35	(33.46)	(13.35)

Notes 1 to 43 form an integral part of these special purpose financial statements

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 07 May 2024

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of the **Board of Directors**

Saumil Chogle
Managing Director

Place: London
Date: 07 May 2024

Cipla Europe NV
De Keyserlei 58-60, Box-19
2018 Antwerpen
Belgien

Cipla Europe N.V.
Statement of cash flow for the year ended 31 March 2024
(All amounts in Euros, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash flow from operating activities		
Loss before tax	**(12,52,769)**	**(19,72,755)**
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation,impairment and amortisation expenses	4,17,733	2,54,413
Allowances and bad debts written off (net)	26,619	(15,201)
Unrealised foreign exchange loss	2,40,514	1,61,079
Sundry balance written (back)/off (net)	(1,00,653)	57,337
Interest expense	1,70,764	59,823
Operating loss before working capital changes	**(4,97,792)**	**(14,55,304)**
Adjustments for changes in working capital:		
Decrease in inventories	34,57,040	84,42,365
Increase in trade and other payables	71,01,388	28,58,037
Increase in trade receivables	(97,57,871)	(1,06,92,374)
Decrease/(increase) in financial and other assets	1,25,704	(3,25,977)
Operating profit/ (loss) after working capital changes	**4,28,469**	**(11,73,253)**
Income tax paid during the year (net of refunds)	(1,42,841)	(1,03,240)
Net cash flow generated from/ (used) in operating activities (a)	**2,85,628**	**(12,76,493)**
Cash flow from investing activities		
Purchase of property, plant and equipment, capital work in progress and intangibles	(58,083)	(2,73,501)
Net cash flows used in investing activities (b)	**(58,083)**	**(2,73,501)**
Cash flow from financing activities		
Interest paid	(1,70,764)	(59,823)
Net cash flows used in financing activities (c)	**(1,70,764)**	**(59,823)**
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	**56,781**	**(16,09,817)**
Cash and cash equivalents at the beginning of the year	(32,79,203)	(16,69,386)
Cash and cash equivalents at the end of the year (Refer note(i) below)	**(32,22,422)**	**(32,79,203)**

Note (i):
Cash and cash equivalents as per above comprise of the following

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents (Refer note 9)	18,502	4,12,700
Bank overdrafts (Refer note 15)	(32,40,924)	(36,91,903)
Balances per statement of cash flows	**(32,22,422)**	**(32,79,203)**

Note (ii) : There is no long term borrowing in current year and previous year, hence net debt movement is not applicable.

Notes 1 to 43 form an integral part of these special purpose financial statements

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 07 May 2024

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Saumil Chogle
Managing Director

Place: London
Date: 07 May 2024

Cipla Europe NV
De Keyserlei 58-60, Box-19
2018 Antwerpen
Belgien

Cipla Europe N.V.
Statement of Changes in Equity for the year ended 31 March 2024
(All amounts in Euros, unless otherwise stated)

(a) Equity share capital (Refer Note 12)

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	71,00,000	71,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the year	**71,00,000**	**71,00,000**

(a) Other equity (Refer Note 13)

Particulars	Attributable to the owners of the Company	Legal reserve	Total
	Retained earnings		
As at 1 April 2022	**9,29,178**	**1,10,272**	**10,39,450**
Loss for the year	(9,47,715)	-	(9,47,715)
As at 31 March 2023	**(18,537)**	**1,10,272**	**91,735**
Loss for the year	(23,75,656)	-	(23,75,656)
As at 31 March 2024	**(23,94,193)**	**1,10,272**	**(22,83,921)**

Notes 1 to 43 form an integral part of these special purpose financial statements

As per our report on even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 07 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Saumil Chogle
Managing Director

Place: London
Date: 07 May 2024

Cipla Europe NV
De Keyserlei 58-60, Box-19
2018 Antwerpen
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Cipla Europe N.V.
Notes to the financial statements

Corporate information

Cipla Europe N.V. ('the Company) is Company incorporated in Belgium under Dutch Company law having its statutory seat in Antwerp and business address in Antwerp, Belgium. Cipla Europe N.V. is a wholly owned subsidiary of Cipla Holding B.V. The principal activities of the Company are supplying, distribution and marketing of pharmaceutical products.

Note 1: Basis of Preparation, Measurement, Key accounting estimates and judgements and Material accounting policy information.

1.1 Basis of preparation

(i) Compliance with Indian Accounting Standards (Ind-AS)

The financial statements comply in all material aspects with Indian Accounting standards ('Ind AS').

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities is measured at fair value.

These financial statements are special purpose financial statements prepared solely for the purpose of preparation of Consolidated financial statements of Cipla Limited, the Ultimate Holding Company of the Company and thus such financial statements may not be suitable for any other purpose, other than the purpose as mentioned above.

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the financial statements, unless otherwise stated.

(iv) Functional currency and rounding of amounts

The financial statements are presented in EUROS which is also the functional currency of the Company.

1.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as upto 12 months for the purpose of current/non-current classification of assets and liabilities.

1.3 Use of estimates and judgements

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognised prospectively in the current and future periods.

Following are the critical judgements and estimates:

1.3.1 Judgements

(i) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an

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assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.
The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(ii) Deferred income taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilized is based on the Company's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full.

1.3.2 Estimates

(i) Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

(ii) Expected credit loss

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables.
- Financial assets measured at amortized cost (other than trade receivables).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Generic drug pricing at the wholesale level can create significant differences between our invoice price and net selling price. Wholesale customers purchase product from the Company at invoice price, then resell the product to specific healthcare providers on the basis of prices negotiated between us and the providers, and the wholesaler submits a clawback credit to us for the difference. Estimates for these clawbacks as well as sales returns for all our

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customers at the time of sale as deductions from gross revenues, with corresponding adjustments to our accounts receivable reserves and allowances.

As per the experience and the access to relevant information that management believes necessary to reasonably estimate the amounts of such deductions from gross revenues. Some of the assumptions used for certain of our estimates are based on information received from third parties, such as wholesale customer inventory data and market data, or other market factors beyond our control. The estimates that are most critical to the establishment of these reserves, and therefore would have the largest impact if these estimates were not accurate, are estimates related to expected contract sales volumes, average contract pricing, customer inventories and return levels. Management regularly review the information related to these estimates and adjust our reserves accordingly if and when actual experience differs from previous estimates. The ending balances of account receivable reserves and allowances generally are trued-up on a quarterly basis.

(ii) Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(iii) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non-refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criterion for a provision is met.

Depreciation on the property, plant and equipment is provided based on useful life of the assets as described hereunder:

a) Computers – 3 years
b) Office equipment – 5 years

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c) Furniture and Fixtures – 10 years

Depreciation on property, plant and equipment, which are added/ disposed off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss.

1.5 Intangible assets

Intangible assets such as computer software acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Software is amortized over the 4 years which is considered its estimated useful life.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognized.

Intangible assets under development includes cost for in-license products and compounds from third parties generally taking the form of up-front payments and milestones for which regulatory approvals have not been received.

1.5.1 In-Process Research and Development assets ("IPR&D") or Intangible assets under development

Acquired research and development intangible assets that are under development are recognised as In-Process Research and Development assets ("IPR&D") or Intangible assets under development. IPR&D assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Subsequent expenditure on an In-Process Research or Development project acquired separately or in a business combination and recognised as an intangible asset is:

- Recognised as an expense when incurred, if it is research expenditure.
- Capitalised if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

1.6 Impairment of non-financial assets

As at each reporting date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

1.7 Foreign currency transactions and balances

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.8 Revenue recognition

Revenue arises mainly from the sale of products.
To determine whether to recognise revenue, the Company follows a 5-step process:
a) Identifying the contract with a customer
b) Identifying the performance obligations
c) Determining the transaction price
d) Allocating the transaction price to the performance obligations
e) Recognising revenue when/as performance obligations are satisfied.

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The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

The Company receives revenue for supply of goods to external customers against orders received. The majority of contracts that the Company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products.
Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation The transaction price of goods sold and services rendered is net of estimated incentives, returns, chargeback, rebates, sales tax and applicable trade discounts, allowances, Indirect Tax and amounts collected on behalf of third parties. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

(b) Interest income

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

1.9 Employee benefits

(i) Short-term employee benefits

Liability on account of short-term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/ vesting period of the benefit.

Post retirement contribution plans (Social security fund) are charged to the profit or loss for the year when the contributions to the respective funds accrue.

(ii) Other benefit plan

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

1.10 Income taxes

Income tax expense comprises of current tax expense and deferred tax charged/credit. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income

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or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity.

(i) Current income tax:

The tax jurisdictions for the Company is Europe. Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

(ii) Deferred tax:

Deferred tax is recognised using the Balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

1.11 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) Company as a lessee

The lease asset classes primarily consist of leases for plant & machinery, furniture and computers. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Compnay has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

1.13 Provisions

Provisions for legal claims is recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1.14 Contingencies

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

1.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

1.16 Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.17 Financial instruments

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

(i) Financial assets

Initial recognition and measurement

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

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Subsequent measurement

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

- Debt instruments at amortised cost
- Derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive (FVTOCI)

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss. Transaction cost of financial assets at FVTPL are expensed in profit or loss.

De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset or a Group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an expected 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default

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or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

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

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

Subsequent measurements

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

De-recognition

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

1.18 Recent accounting pronouncements

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.

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Notes to the financial statements as at and for the year ended 31 March 2024
(All amounts in Euros, unless otherwise stated)

Note 2.1 Property, plant and equipment

Particulars	Computers	Office Equipment	Furniture and Fixtures	Total
Gross Block				
Balance as at 1 April 2022	23,241	42,156	3,813	69,210
Additions for the year	18,086	4,313	9,127	31,526
Balance as at 1 April 2023	**41,327**	**46,469**	**12,940**	**1,00,736**
Additions for the year	8,772	570	-	9,342
Balance as at 31 March 2024	**50,099**	**47,039**	**12,940**	**1,10,078**
Depreciation				
Balance as at 1 April 2022	10,932	41,119	909	52,960
Depreciation charge for the year	8,394	2,249	1,293	11,936
Balance as at 1 April 2023	**19,326**	**43,368**	**2,202**	**64,896**
Depreciation charge for the year	11,450	1,854	1,293	14,597
Impairment during the year	773	-	-	773
Balance as at 31 March 2024	**31,549**	**45,222**	**3,495**	**80,266**
Net Book Value				
At 31 March 2024	**18,550**	**1,817**	**9,445**	**29,812**
At 31 March 2023	**22,001**	**3,101**	**10,738**	**35,840**

Note 2.2. Other intangible assets

Particulars	Marketing Intangibles	Software	Total
Gross Block			
Balance as at 1 April 2022	15,31,870	14,330	15,46,200
Additions for the year	3,15,030	-	3,15,030
Balance as at 1 April 2023	**18,46,900**	**14,330**	**18,61,230**
Additions for the year	1,72,206	-	1,72,206
Balance as at 31 March 2024	**20,19,106**	**14,330**	**20,33,436**
Amortisation			
Balance as at 1 April 2022	2,66,775	4,211	2,70,986
Amortisation charge for the year	1,81,600	3,114	1,84,714
Balance as at 1 April 2023	**4,48,375**	**7,325**	**4,55,700**
Amortisation charge for the year	2,44,257	3,114	2,47,371
Impairment during the year (Refer note below)	1,54,992	-	1,54,992
Balance as at 31 March 2024	**8,47,624**	**10,439**	**8,58,063**
Net Book Value			
At 31 March 2024	**11,71,482**	**3,891**	**11,75,373**
At 31 March 2023	**13,98,525**	**7,005**	**14,05,530**

Note: During the year ended 31 March 2024, on account of change in business plan for certain other intangible assets value in use was determined as Nil. Hence, the Company recorded an impairment charge of Euro 154,992 (FY 2022-23 - Nil) to give effect to the change in cash flows in those intangibles.

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 3: Intangible assets under development		
Opening balance	1,61,265	2,92,083
Additions during the year	48,741	2,41,975
Capitalised during the year	1,72,206	3,15,030
Impairment charge during the year	-	57,763
Closing balance	37,800	1,61,265
Note 4: Other financial assets		
Deposits	91,863	75,132
	91,863	75,132
Note 5: Advance tax assets (net)		
Advance tax assets (net)	1,27,593	-
	1,27,593	-
Note 6: Deferred tax assets		
Deferred tax assets*	-	11,08,618
	-	11,08,618

Deferred tax assets

Particulars	As at 1 April 2022	Recognised in Statement of Profit and Loss	As at 31 March 2023	Recognised in Statement of Profit and Loss	As at 31 March 2024
a) Deferred tax assets					
Provision for Tax loss carried forward	-	11,08,618	11,08,618	(11,08,618)	-
Deferred Tax assets					

*There being no reasonable certainty of future taxable profits for Spain region and thus, the Company has during the current year has reversed deferred tax assets relating to brought forward losses.

b) Reconciliation of deferred tax assets (net)		
Opening balance	11,08,618	-
Tax income during the period recognised in statement of profit or loss	(11,08,618)	11,08,618
Closing balance	-	11,08,618
Note 7: Inventories		
(Lower of cost and net realisable value)		
Stock-in-trade	63,54,344	98,11,384
	63,54,344	98,11,384

The Company recorded inventory written down (net) of Euro 191,089 (31 March 2023 - Euro 6,097,878). This is included as part of changes in inventories of stock-in-trade in the statement of profit or loss.

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Note 8: Trade receivables*

Particulars	As at 31 March 2024	As at 31 March 2023
Considered Good (Carried at Amortised Cost, Except otherwise stated)		
Secured	-	-
Unsecured	3,03,84,160	2,07,92,769
Credit impaired		
Unsecured	2,02,886	1,76,267
Less: Provision for expected credit loss	(2,02,886)	(1,76,267)
	3,03,84,160	2,07,92,769

*Refer Note 31 for the amount due to related parties as on 31 March 2024 and 31 March 2023.

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1 year - 2 year	2 year- 3 year	More than 3 years	Total
Undisputed trade receivables –							
Considered good	71,42,400	27,56,949	46,52,574	1,08,30,253	50,01,983	-	3,03,84,160
Credit impaired	-	-	61,688	8,418	7,964	1,24,816	2,02,886
Less: Provision for expected credit loss (Refer note 33.2.2)	-	-	61,688	8,418	7,964	1,24,816	2,02,886
Disputed trade receivables –							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	71,42,400	27,56,949	46,52,574	1,08,30,253	50,01,983	-	3,03,84,160

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1 year - 2 year	2 year- 3 year	More than 3 years	Total
Undisputed trade receivables –							
Considered good	39,09,547	40,00,227	77,01,012	51,56,737	-	25,247	2,07,92,769
Credit impaired	-	-	33,018	-	16,906	1,26,343	1,76,267
Less: Provision for expected credit loss (Refer note 33.2.2)	-	-	33,018	-	16,906	1,26,343	1,76,267
Disputed trade receivables –							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	39,09,547	40,00,227	77,01,012	51,56,737	-	25,247	2,07,92,769

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 9: Cash and cash equivalents		
Balances with banks		
In current accounts	18,502	4,12,700
	18,502	**4,12,700**
Note 10: Other financial assets		
Advance recoverable in cash	5,215	5,215
	5,215	**5,215**
Note 11: Other current assets		
Prepaid expenses	1,10,530	1,85,819
Balance with revenue authority	4,95,759	6,94,113
Advance to suppliers	1,18,677	-
Others	14,973	2,442
	7,39,939	**8,82,374**

Note 12: Share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Equity share capital		
Authorised capital		
31 March 2024: 71,000 (31 March 2023: 71,000) equity shares of Euro 100 each	71,00,000	71,00,000
Issued, subscribed and fully paid up		
31 March 2024: 71,000 (31 March 2023: 71,000) equity shares of Euro 100 each	71,00,000	71,00,000
	71,00,000	**71,00,000**

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the year	71,000	71,00,000	71,000	71,00,000
Less: Issued during the year	-	-	-	-
Balance at the end of the year	**71,000**	**71,00,000**	**71,000**	**71,00,000**

(b) Shares held by holding company and shareholders holding more than 5%

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Cipla Holding BV	70,999	99.99%	70,999	99.99%

(c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Euro 100 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Euro. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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(d) There has been no change in the Promoters' holding during the year 31 March 2024 and 31 March 2023

Note 13: Other equity

Particulars	As at 31st March 2024	As at 31 March 2023
Retained earnings	(23,94,193)	(18,537)
Legal reserve	1,10,272	1,10,272
	(22,83,921)	**91,735**

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.
Legal Reserve: Legal reserve form part of undistributable profits which the company have accumulated for the purpose of meeting the requirements of Belgium Law.

Note 14: Other Non-current liabilities

Particulars	As at 31st March 2024	As at 31 March 2023
Deferred revenue	5,82,726	-
	5,82,726	**-**

Note 15: Financial liabilities - borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured loans:		
Bank overdraft	32,40,924	36,91,903
	32,40,924	**36,91,903**

The company has obtained an overdraft facility from the HSBC bank at the interest rate of ECB+1.25%.

Note 16: Trade payables*

Particulars	As at 31 March 2024	As at 31 March 2023
(Carried at amortised cost, except otherwise stated)		
Others	2,05,80,238	1,82,15,219
	2,05,80,238	**1,82,15,219**

*Refer Note 31 for the amount due to related parties as on 31 March 2024 and 31 March 2023.
There are no unbilled payables as on 31 March 2024

As at 31 March 2024 (Refer Note 31)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed dues							
Others	63,61,446	50,35,961	59,28,791	32,54,040	-	-	**2,05,80,238**
Disputed dues							
Others	-	-	-	-	-	-	-
Total	**63,61,446**	**50,35,961**	**59,28,791**	**32,54,040**	**-**	**-**	**2,05,80,238**

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1 to 2 years	2 to 3 years	More than 3 years	
Undisputed dues							
Others	60,73,360	1,01,95,594	12,11,962	3,08,459	1,69,543	2,56,301	**1,82,15,219**
Disputed dues							
Others	-	-	-	-	-	-	-
Total	**60,73,360**	**1,01,95,594**	**12,11,962**	**3,08,459**	**1,69,543**	**2,56,301**	**1,82,15,219**

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Particulars	As at 31 March 2024	As at 31 March 2023
Note 17: Other financial liabilities		
Employee dues	-	2,434
	-	2,434
Note 18: Other current liabilities		
Statutory dues	1,03,235	1,67,501
Deferred Revenue	3,32,966	-
	4,36,201	**1,67,501**
Note 19: Provisions		
Provision for employee benefits		
Leave encashment	32,593	19,918
Performance bonus	1,94,920	81,248
Provision for right of return/expirty return/discounts and others	90,80,920	53,19,890
	93,08,433	**54,21,056**
Movement of right of return/expirty return/discounts and others		
Opening balance	53,19,890	45,09,855
Add: Accrued during the year	82,38,453	52,32,526
Less: Processed during the year	(44,77,423)	(44,22,491)
Closing balance	**90,80,920**	**53,19,890**
Note 20: Current tax liabilities (net)		
Liabilities for current tax (net)	-	979
	-	**979**

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 21. Revenue from sale of products		
Sale of products	2,17,51,910	2,10,22,760
	2,17,51,910	**2,10,22,760**
(i) Reconciliation of revenue from sale of products with the contracted price		
Contracted price	3,13,50,128	4,78,99,193
Less : Chargeback, rebates and expiry return etc.	(95,98,218)	(2,68,76,433)
	2,17,51,910	**2,10,22,760**
(ii) Disaggregation of revenue : The following table gives details in respect of percentage of revenues generated from top customer and top five customers -		
Revenue from a top customer	17%	16%
Revenue from top five customers	32%	45%
Note 22. Other operating income		
Rendering of services (Refer Note 31)	2,56,298	2,27,140
Others	11,960	-
	2,68,258	**2,27,140**
Note 23. Other income		
Sundry balances written back	1,00,653	57,337
Miscellaneous income	-	7
	1,00,653	**57,344**
Note 24. Purchases of stock in trade		
Purchases of stock in trade	77,32,863	52,36,297
Purchases of stock in trade	**77,32,863**	**52,36,297**
Note 25. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock	98,11,384	1,82,53,749
Closing stock	63,54,344	98,11,384
	34,57,040	**84,42,365**
Note 26. Employee benefits expenses		
Salaries and wages	19,33,933	8,90,349
Contribution to pension insurance and social security	2,43,293	1,53,129
Staff welfare expenses	10,632	5,747
	21,87,858	**10,49,225**

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 27. Finance costs		
Interest expense	1,70,764	59,823
	1,70,764	**59,823**
Note 28. Depreciation, impairment and amortization expense		
Depreciation on property, plant and equipment (Refer note 2.1)	14,597	11,936
Amortization of intangible assets (Refer note 2.2)	2,47,371	1,84,714
Impairment of Property, Plant and Equipment.	773	-
Impairment of intangibles and intangible assets under development (Refer note 3)	1,54,992	57,763
	4,17,733	**2,54,413**
Note 29. Other expenses		
Manufacturing expenses	3,32,942	2,85,020
Insurance	84,544	94,790
Rent	11,76,655	11,96,528
Sales promotion expenses	3,93,860	6,91,402
Commission on sales	70,337	17,509
Freight and forwarding	3,93,622	3,63,719
Power and fuel	930	457
Postage and telephone expenses	17,816	16,401
Travelling and conveyance	2,88,034	2,35,459
Allowances for / (writeback) of credit losses (Refer note 33.2.2)	26,619	(15,201)
Professional fees	30,16,163	31,58,819
Audit fees (Refer note 29.1)	28,255	40,994
Rates and taxes	87,983	-
Net loss on foreign currency transactions and translation	2,40,514	1,61,079
Research - Clinical Trials, Samples & Grants	29,06,817	18,29,976
Miscellaneous expenses	3,42,241	1,60,924
	94,07,332	**82,37,876**
Note 29.1. Audit fees		
Audit fees	26,505	36,320
Out of pocket expense	1,750	4,674
	28,255	**40,994**

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Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Note 30. Tax Expense		
Current tax (net)	14,269	83,578
Deferred tax charge/(credit)	11,08,618	(11,08,618)
	11,22,887	**(10,25,040)**
Tax reconciliation (for profit and loss)		
Loss before income tax expense	(12,52,769)	(19,72,755)
Tax at the rate of 25%	(3,13,192)	(4,93,189)
Tax effect of amounts which are not deductible/ not taxable in calculating taxable income	3,40,030	4,13,404
Disallowance of other expenses	(41,107)	(3,793)
Deferred tax impact	(11,08,618)	11,08,618
Total income tax (expense)/ credit	**(11,22,887)**	**10,25,040**

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Note 31: Related party transactions

As per IND AS-24, "Related party disclosures", the related parties where control exist or where significant influence exists

Related party disclosures as required under Indian Accounting standards, "***Related party disclosures***" are given below

(A) List of related parties

Ulitmate Holding company
Cipla Limited

Holding Company
Cipla Holding B.V

Fellow subsidiary
Cipla (EU) Limited

Key Management Personnel
Anchal Sultania (until 21 April 2023)
Dr. Sahid Hocine (with effect from 01 September 2022)
Saumil Chogle (with effect from 21 April 2023)

(B) Disclosures of transactions between the company and related parties and outstanding balances at the year

(I) Transactions during the year

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cipla Limited		
Purchases	39,83,985	9,33,607
Miscellaneous expenses	57,564	35,735
Total	**40,41,549**	**9,69,342**
Cipla Holding BV		
Expenses for services received	4,48,793	4,62,842
Total	**4,48,793**	**4,62,842**
Cipla (EU) Limited		
Expenses for services received	14,92,948	11,78,810
Income for service provided	2,56,298	-
Total	**17,49,246**	**11,78,810**

(ii) Outstanding balances

Particulars	As at 31 March 2024	As at 31 March 2023
Cipla Limited		
Trade payables	1,44,80,735	1,52,52,570
Trade receivables	2,21,51,958	1,64,54,057
Cipla Holding B.V		
Trade payables	9,11,623	6,05,244
Cipla (EU) Limited		
Trade receivables	2,71,298	23,88,123
Trade payable	22,45,916	11,00,843

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Note 32: Fair value measurement of financial instruments
Risk management objectives and policies

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods or assumptions were used to estimate fair values
Fair value of trade receivable, cash and cash equivalent, trade payable, Bank Overdraft and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

Financial Instrument by category and hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
The carrying value and fair value of financial instruments by categories as at 31 March 2024, are as follows:

Particulars	Measurement	As at 31 March 2024			
		Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:					
Trade receivables	Amortised cost	-	-	3,03,84,160	3,03,84,160
Cash and cash equivalents	Amortised cost	-	-	18,502	18,502
Other financial assets	Amortised cost	-	-	97,078	97,078
Total		**-**	**-**	**3,04,99,740**	**3,04,99,740**
Financial liabilities at amortised cost:					
Bank overdraft	Amortised cost	-	-	32,40,924	32,40,924
Trade payables	Amortised cost	-	-	2,05,80,238	2,05,80,238
Total		**-**	**-**	**2,38,21,162**	**2,38,21,162**

Particulars	Measurement	As at 31 March 2023			
		Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:					
Trade receivables	Amortised cost	-	-	2,07,92,769	2,07,92,769
Cash and cash equivalents	Amortised cost	-	-	4,12,700	4,12,700
Other financial assets	Amortised cost	-	-	80,347	80,347
Total		-	-	**2,12,85,816**	**2,12,85,816**
Financial liabilities at amortised cost:					
Other financial liabilities	Amortised cost	-	-	2,434	2,434
Bank overdraft	Amortised cost	-	-	36,91,903	36,91,903
Trade payables	Amortised cost	-	-	1,82,15,219	1,82,15,219
Total		-	-	**2,19,09,556**	**2,19,09,556**

There were no transfers between Level 1 and Level 2 during the year ended 31 March 2024 and 31 March 2023.

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Note 33: Financial instruments risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk
The Company's risk management is coordinated in close cooperation with the board of directors, and focuses on actively securing
The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

33.1: Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The company's exposure to market risk is primarily on account of foreign currency exchange rate risk.
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk primarily relates to fluctuations in trade receivables and trade payables denominated in USD, NOK, INR, GBP, SEK, CZK,DKK and HRK and against the functional currency of the company.

(a) Foreign currency exchange rate risk

Nature of Instrument	Currency	Cross Currency	As at 31 March 2024	As at 31 March 2023
Unhedged foreign exchange exposures:				
Receivables	GBP	EUR	277	277
Receivables	HRK	EUR	300	300
Receivables	NOK	EUR	19,03,395	24,50,134
Receivables	USD	EUR	1,00,384	6,65,840
Receivables	INR	EUR	1,02,81,509	1,02,81,509
Payables	CZK	EUR	-	24,500
Payables	DKK	EUR	-	200
Payables	GBP	EUR	11,89,520	5,80,989
Payables	SEK	EUR	1,140	4,795
Payables	NOK	EUR	83,358	-
Payables	USD	EUR	5,54,068	-

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Sensitivity Analysis

For the years ended 31st March, 2024 and 31st March, 2023, 5% Weakening of the Euro (Eur) against foreign currencies for the above mentioned financial assets/liabilities would (decrease)/increase the equity and profit or loss by the amounts shown below. A 5% weakening of the Indian rupee(INR) and the respective currencies would lead to an equal but opposite effect. This analysis assumes that all other variables remain constant.

Particulars	As at 31 March 2024	As at 31 March 2023
Movement in exchange rate (Weakening of Euro)		
GBP - EUR	5%	5%
HRK - EUR	5%	5%
NOK - EUR	5%	5%
USD - EUR	5%	5%
INR - EUR	5%	5%
CZK - EUR	5%	5%
DKK - EUR	5%	5%
SEK - EUR	5%	5%
Impact on profit/(loss)		
GBP - EUR	(59,462)	(29,036)
HRK - EUR	15	15
NOK - EUR	91,002	1,22,507
USD - EUR	(22,684)	33,292
INR - EUR	5,14,075	5,14,075
CZK - EUR	-	1,225
DKK - EUR	-	10
SEK - EUR	57	240

Interest rate sensitivity

Interest rate risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. In order to optimise the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, the Company performs a comprehensive corporate interest rate risk management.

The company has external borrowing and therefore exposed to interest rate risk. At 31 March 2024, the borrowing amounts to Eur. 3,240,924 (31 March 2023 - Eur. 3,691,903). A 0.5% (increase)/decrease in rate would (increase)/decrease the profit/loss by the amount shown below:

Particulars	As at 31 March 2024	As at 31 March 2023
Impact on profit/(loss)		
Increase by 0.5%	(16,205)	(18,460)
Decrease by 0.5%	16,205	18,460

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33.2 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example receivables from customers, placing deposits with banks, etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

Particulars	As at 31 March 2024	As at 31 March 2023
Classes of financial assets-carrying amounts:		
Trade receivables	3,03,84,160	2,07,92,769
Cash and cash equivalents	18,502	4,12,700

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.
The Company continuously monitors defaults of customers and incorporates this information into its credit risk controls. Where available at reasonable cost external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.
In respect of trade receivables and investment and loans, the Company is not exposed to any significant credit risk exposure as it provides services majorly to its related parties and there are no major outstanding to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

33.2.1: For ageing refer note 8

33.2.2: Movement of provision for expected credit loss

Particulars	Amount
As at 1 April 2022	**1,91,468**
Provided during the year	-
Amount written back during the year	(15,201)
As at 31 March 2023	**1,76,267**
Provided during the year	26,619
As at 31 March 2024	**2,02,886**

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WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Cipla Europe NV
De Keyserlei 58-60, Box-19
2018 Antwerpen
Belgien

33.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities

Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

As at 31 March 2024, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Financial liabilities maturing within one year:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade payables	2,05,80,238	1,82,15,219
Other financial liabilities	-	2,434
Borrowings	32,40,924	36,91,903
Total	**2,38,21,162**	**2,19,09,556**

Note 34: Capital Management

A. Risk Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt. Consistent with others in Industry, the Company monitors capital on the basis of the following gearing ratio: (net debt divided by total 'equity')

Net debt = Total borrowings (including lease liabilities) less [Cash and cash equivalents + Bank balance other than cash and cash equivalents + Current investments]
Total 'equity' is as shown in the balance sheet.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total debt	32,40,924	36,91,903
Less: Cash and cash equivalent (including current investment and bank deposit with original maturity between 3 to 12 months)	18,502	4,12,700
Net debt (A)	32,22,422	32,79,203
Total equity (B)	48,16,079	71,91,735
Net debt to equity ratio (A/B)*	0.67	0.46

*The increase is attributable to losses incurred during the current year, with no significant changes noted in net debt.

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Note 35: Earnings per share
Disclosure as required by Indian Accounting standard (Ind AS) 33 : Earnings per share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Loss for the year	(23,75,656)	(9,47,715)
Weighted average number of equity shares outstanding during the year	71,000	71,000
Nominal value of share	100	100
Basic and diluted earning per share	(33.46)	(13.35)

Note 36: Segment reporting
The Company has only one segment which is product distribution. The Director of the Company has been identified as the Chief Operating Decision Maker. The Company's Director, reviews the operating performance of the Company as a whole on a periodic basis. Therefore, disclosure relating to segments is not applicable and accordingly not made.

Note 37: Contingent liability and capital commitment
There are no contingent liability and capital commitment as at 31 March 2024 and 31 March 2023.

Note 38: Post reporting events
No adjusting or significant non-adjusting events have occurred between 31 March 2024 and the date of authorisation of these financial statements.

Note 39: Other significant notes
(i) The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make the comparable.

Note 40: Disclosure for Financial Ratios

Ratio	Numerator	Denominator	Measure (In times/ percentage)	Current Period	Previous Period	% Variance
a) Current Ratio	Current assets	Current liabilities	Times	1.12	1.16	-4%
b) Debt-Equity Ratio	Total debt	Shareholder's equity	Times	N.A.	N.A.	N.A.
c) Debt Service coverage ratio	Earnings available for debt service	Debt service	Times	N.A.	N.A.	N.A.
d) Return on equity ratio	Net Profit after taxes - Preference Dividend (if any)	Average Shareholder's equity	Percentage	-49%	-13%	274%
e) Inventory turnover Ratio	COGS	Average inventory	Times	1.38	0.97	43%
f) Trade receivables turnover ratio	Net credit sales	Average trade receivable	Times	0.86	1.73	-50%
g) Trade payables turnover ratio	Credit expenses	Average trade payables	Times	0.48	0.59	-18%
h) Net Capital turnover ratio	Net sales	Average working capital	Times	5.59	4.82	16%
i) Net profit ratio	Net profit	Net sales	Percentage	-11%	-4%	170%
j) Return on capital employed	Earning before interest and taxes	Capital employed	Percentage	-26%	-27%	-5%
k) Return on investment	Not applicable	Not applicable	Percentage	N.A.	N.A.	N.A.

Notes:
1 Net worth = Paid-up share capital + Reserves created out of profit - Accumulated losses
2 EBITDA = Earnings before finance costs, depreciation expense and tax and exceptional items
3 Working Capital = Current assets - Current liabilities
4 EBIT = Earnings before interest and tax and exceptional items
5 Capital employed = Total equity + Non-current borrowings
6 Revenue from operations = Sales of services+Other operating income

Disclosure of change in ratio by more than 25%
Note. 1) Return on equity ratio: The percentage has increased in current year on account of increase in losses majorly on account of deferred tax assets reversal petaining to Spain.
2) Inventory Turnover ratio: Increase in inventory turnover ratio is on account of decrease in inventory values as compared to previous year rate.
3) Trade Receivables turnover ratio: Increase in trade receivables turnover ratio is on account of increase in collection days for trade receivables as compared to previous year.
4) Net Profit ratio: The net loss ratio has increased on account of increase in losses in the current year majorly on account of deferred tax assets reversal in Spain.

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Note 41: Other Statutory Information

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

(ii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), 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.

(iv) The Company has not received any fund from any person(s) or entity(ies), 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.

Note 42:

The Company has restated the comparative financial information presented in these financial statements as at 31 March 2023 for correction of certain errors being offsetting receivable and payable balances instead of presenting them on gross basis as per Ind AS 32.

Impact on financial statement line items :

Particulars	Note	Amount as on 31 March 2023 (Reported)	Adjustments	Amount as on 31 March 2023 (Reclassified)
Current Liabilities				
Trade receivables	8	1,42,25,707	65,67,062	2,07,92,769
Trade Payables	16	1,16,48,157	65,67,062	1,82,15,219

No other material reclassifications / regroupings of previous years figures.

Note 43: Authorisation of special purpose financial statements

The special purpose financial statements for the year ended 31 March 2024 were approved by the Board of Directors on 7 May 2024.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of board of directors

Saumil Chokle
Managing Director

Place: London
Date: 7 May 2024

Cipla Europe NV
De Keyserlei 58-60, Box-19
2018 Antwerpen
Belgien

CIPLA Algérie

Financial Statements for Financial Year 2023-24

SHAHADE & ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL INFORMATION

Cipla Limited ("Cipla Group")
Period-End: 31 March 2024

Component Name: **CIPLA Algérie**

To,
Mr. Gautam Wadhera
Walker Chandiok & Co LLP
16th Floor, Tower II, One International Center,
Senapati Bapat Marg, Elphinstone West
Mumbai, Maharashtra 400013

Opinion

1. We have audited the accompanying Special Purpose Financial Information of CIPLA Algérie.

2. In our opinion, the accompanying reporting package of the Component for the year ended 31 March 2024 is prepared, in all material respects, in accordance with the basis of accounting specified in note 3 to the reporting package.

Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs) subject to the materiality specified in the audit instructions as described further in paragraph 10 below. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Reporting Package' section of our report. We are independent of the Component / Cipla Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ('IESBA Code of Ethics), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution or Use

4. We draw attention to the reporting package which describes the basis of accounting for the aforesaid reporting package. The reporting package has been prepared by the management solely to enable the Cipla Ltd ('Cipla Group'), to prepare its consolidated financial statements for the year ended 31 March 2024. Accordingly, the reporting package may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose and for the use by Walker Chandiok & Co LLP, in conjunction with the consolidated financial statements of Cipla Group, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Corporate :
Ground Floor, Gautam, Plot No. 29,
Road No. 2, Sion (East), Mumbai – 400022
Main: +91-22-24072801, 24022918

Branch Office:
Office No. 401, Centre Point, Plot No. 491,
Mitramandal Chowk, Parvati, Pune – 411009
Main: +91-20-29801746

Email:
atul@shahade.net
shubhada@shahade.net
ankita@shahade.net

Responsibilities of Management for the reporting package

5. Management is responsible for the preparation and fair presentation of the reporting package in accordance with the basis of accounting specified in the reporting package and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.
   In preparing the reporting package, management is responsible for assessing the Component'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 Component or to cease operations, or has no realistic alternative but to do so.

   Management is also responsible for overseeing the Component's financial reporting process.

Auditor's Responsibility

6. Our objectives are to obtain reasonable assurance about whether the reporting package as a whole is 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 ISAs 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 the reporting package.

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

   - Identify and assess the risks of material misstatement of the reporting package, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

   - 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 reporting package 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.

8. As requested by you in your audit instructions of the Company dated 23rd March, 2024, we have planned and performed our audit using the materiality level specified in your audit instructions, which is different from the materiality level that we would have used, had we been designing the audit to express an opinion on the group reporting package alone. We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

Shahade & Associates
Chartered Accountants
(Firm Reg. No. 109840W)

SHAHADE & ASSOCIATES
M.No. 35227 MUMBAI
CHARTERED ACCOUNTANTS

Atul Shahade
Membership No. 035227
Partner

UDIN : 24035227BKCJQK6427

Place : *Mumbai*
Date : 25th April, 2024

6800 - CIPLA Algérie

Balance sheet as at 31st March 2024

Particulars	Notes	For the period ended 31st March 2024	For the period ended 31st March 2023
Assets			
(1) Non-Current Assets			
(a) Advance tax assets (net)	1	-	-10.000
		-	-10.000
(2) Current Assets			
(a) Financial assets			
(i) Cash and cash equivalents	2	1.118.940	1.124.890
		1.118.940	**1.124.890**
AH Assets Held for Sale		-	-
Total Assets		**1.118.940**	**1.114.890**
Equity and liabilities			
(1) Equity			
(a) Share Capital	3	1.000.000	1.000.000
(b) Other Equity	4	-1.169.741	-1.153.791
Equity attributable to owner		**-169.741**	**-153.791**
Total Equity		**-169.741**	**-153.791**
(4) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	5	1.278.681	1.268.681
(b) Current tax liabilities (net)	6	10.000	-
		1.288.681	**1.268.681**
LH **Liabilities associated with Assets held for Sale**		-	-
Total equity and liabilities		**1.118.940**	**1.114.890**

As per our report of even date
For Shahade & Associates
Chartered Accountants
Firm Reg. No. 109840W

SHAHADE & ASSOCIATES * M.No. 35227 MUMBAI * CHARTERED ACCOUNTANTS

Atul Shahade
Partner
Membership No. 035277
UDIN: 24035227BKCJQK6427
Mumbai, 25th April, 2024

Omar Benjelloun

6800 - CIPLA Algérie

Statement of Profit and Loss for the period ended 31st March 2024

Particulars	Note	For the period ended 31st March 2024	For the period ended 31st March 2023
(1) Revenue from operations			
(a) Revenue from sale of products		-	-
		-	-
(2) Expenditure			
(a) Other expenses	7	5.950	4.760
		5.950	**4.760**
(3) Profit before exceptional items and tax		**-5.950**	**-4.760**
IEXP (4) Exceptional items		-	-
(5) Profit before tax		**-5.950**	**-4.760**
(6) Tax expenses			
(a) Current tax (net)	8	10.000	10.000
(b) Deferred tax credit		-	214.144
(7) Profit for the Year		**-15.950**	**-228.904**
(8) Other comprehensive income/(loss)			
Other comprehensive income/ (loss) for the year			
(9)Total comprehensive income/ (loss) for the year		**-15.950**	**-228.904**
(10)Earning per Equity Share of Face Value of Rs 2/ each			
Basic (in INR)			
Diluted (in INR)			
Significant accounting Policies and key accounting estimates and judgements			
The accompanying notes form an integral part of these standalone financial statements			

As per our report of even date
For Shahade & Associates
Chartered Accountants
Firm Reg. No. 109840W

SHAHADE & ASSOCIATES M.No. 35227 MUMBAI CHARTERED ACCOUNTANTS

Atul Shahade
Partner
Membership No. 035277
UDIN: 24035227BKCJQK6427
Mumbai, 25th April, 2024

Omar Benjelloun

IPAT - Profit after tax -15.950,00 -228.904,20
Check - -

Notes to the Financial statements

Note 1: Advance tax assets (net)

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advance tax assets (net)	-	-10.000
	-	-10.000

Note 2: Cash and Cash Equivalents

Particulars		
Balances with Banks		
In current accounts	1.118.940	1.124.890
	1.118.940	**1.124.890**

Note 3: Share Capital

Equity Share Capital	1.000.000	1.000.000
	1.000.000	**1.000.000**

Note 4: Other Equity

Retained Earnings		
Opening Retained earnings	-1.153.791	-924.886
Profit for the year	-15.950	-228.904
Other Comprehensive income	-	-
Dividend paid during the year	-	-
Dividend Distribution Tax during the year	-	-
	-1.169.741	**-1.153.791**

Note 5: Trade Payables

Particulars		
(Carried at amortised cost, except otherwise stated)		
Due to micro and small enterprises	-	-
Others	1.278.681	1.268.681
	1.278.681	**1.268.681**

Note 6: Current tax liabilities (net)

Particulars		
Liabilities for Current Tax (Net)	10.000	-
	10.000	-

Omar Benjelloun

SHAHADE & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ M.No. 35227 MUMBAI

Notes to the consolidated financial statements

7. Other expenses	-	-

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Miscellaneous expenses	5.950	4.760
	5.950,00	**4,760,00**

8. Tax Expense

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Current tax (net)	10.000	10.000
Mat Credit	-	-
Deferred tax credit	-	214.144
	10.000,00	**224.144,20**

Omar Benjelloun

SHAHADE & ASSOCIATES
M.No. 35227
MUMBAI
CHARTERED ACCOUNTANTS

Cipla Australia Pty Ltd

Financial Statements for Financial Year 2023-24

Cipla Australia Pty Ltd

ABN 46 132 155 063

Financial Statements

For the Year Ended 31 March 2024

Cipla Australia Pty Ltd

ABN 46 132 155 063

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These financial statements are the financial statements of Cipla Australia Pty Limited as an individual entity. The financial statements are presented in the Australian currency.

Cipla Australia Pty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is:

BSA Partnership Pty Ltd
Level 15
461 Bourke Street
Melbourne VIC 3000

Its principal place of business is:

Level 1
132-136 Albert Road
South Melbourne VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on pages 1 to 2, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 06 May 2024.

Cipla Australia Pty Ltd

ABN 46 132 155 063

Directors' Report
31 March 2024

The directors present their report on Cipla Australia Pty Ltd ('the Company') for the financial year ended 31 March 2024.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Jigneshkumar Harsadrai Desai	(Appointed on 31 August 2023)
Stephen John Fraser	(Appointed on 14 March 2024)
Nishant Saxena	(Resigned on 14 March 2024)
Hitesh Vachharajani	(Resigned on 31 August 2023)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activities of Cipla Australia Pty Ltd during the financial year were the provision of services and wholesale of pharmaceutical and medical goods.

No significant changes in the nature of the Company's activities occurred during the financial year.

Dividends

No dividends have been paid, proposed or declared during the course of the financial period to the date of the report.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Review of operations

The net loss of the Company amounted to $140,005 (2023: $2,555,334).

Significant changes in state of affairs

There has been no significant change in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Cipla Australia Pty Ltd

ABN 46 132 155 063

Directors' Report

31 March 2024

Environment regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Cipla Australia Pty Ltd.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 March 2024 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .....
Stephen John Fraser

Dated 06TH MAY 2024

CIPLA AUSTRALIA PTY LTD
ABN 46 132 155 063

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CIPLA AUSTRALIA PTY LTD

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2024 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MVAB Assurance

MVAB Assurance
Chartered Accountants

SHAUN EVANS
Partner

Signed at Melbourne this 6th day of May 2024

Cipla Australia Pty Ltd

ABN 46 132 155 063

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2024

	Note	2024 $	2023 $
Sales revenue	4	**23,731,059**	32,829,726
Other income	4	**51,144**	1,079,611
Cost of sales		**(15,183,209)**	(18,685,778)
Professional fees (i)		**4,144,384**	-
Employee expenses		**(4,648,548)**	(4,681,046)
Administrative expenses		**(2,900,310)**	(7,697,915)
Registration fees		**(3,046,960)**	(3,567,503)
Marketing expenses		**(906,838)**	(1,884,563)
Occupancy costs		**(202,259)**	(111,321)
Depreciation and amortisation	6	**(664,345)**	(677,763)
Finance expenses	5	**(283,190)**	(245,385)
Other expenses		**(297,935)**	-
Loss before income tax		**(207,007)**	(3,641,937)
Income tax credit	7	**67,002**	1,086,603
Loss for the year		**(140,005)**	(2,555,334)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive loss for the year		**(140,005)**	(2,555,334)

(i) The professional fees are in relation to transfer pricing adjustment for the reimbursement of expenses to ultimate parent, CIPLA Limited.

The accompanying notes form part of these financial statements.

Cipla Australia Pty Ltd

ABN 46 132 155 063

Statement of Financial Position

As At 31 March 2024

	Note	2024 $	2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	**960,674**	1,398,489
Trade and other receivables	9	**9,993,614**	8,876,065
Inventories	10	**4,969,228**	10,581,869
Other financial assets	12	**29,287**	29,287
Other assets	11	**248,281**	221,790
TOTAL CURRENT ASSETS		**16,201,084**	21,107,500
NON-CURRENT ASSETS			
Other financial assets	12	**194,388**	-
Investments in subsidiaries	13	**1**	1
Property, plant and equipment	14	**28,223**	30,440
Intangible assets	15	**2,443,312**	2,982,302
Deferred tax assets		**4,985,306**	4,918,304
TOTAL NON-CURRENT ASSETS		**7,651,230**	7,931,047
TOTAL ASSETS		**23,852,314**	29,038,547
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	**3,275,811**	13,780,353
Borrowings	17	**2,500,000**	-
Short-term provisions	18	**3,716,963**	3,862,301
TOTAL CURRENT LIABILITIES		**9,492,774**	17,642,654
NON-CURRENT LIABILITIES			
Borrowings	17	**6,566,000**	6,565,988
Long-term provisions	18	**42,840**	35,012
TOTAL NON-CURRENT LIABILITIES		**6,608,840**	6,601,000
TOTAL LIABILITIES		**16,101,614**	24,243,654
NET ASSETS		**7,750,700**	4,794,893
EQUITY			
Issued capital	19	**19,333,469**	16,237,657
Accumulated losses	20	**(11,582,769)**	(11,442,764)
TOTAL EQUITY		**7,750,700**	4,794,893

The accompanying notes form part of these financial statements.

Cipla Australia Pty Ltd

ABN 46 132 155 063

Statement of Changes in Equity
For the Year Ended 31 March 2024

2024

	Note	Issued Capital	Accumulated Losses	Total
		$	$	$
Balance at 1 April 2023		**16,237,657**	**(11,442,764)**	**4,794,893**
Loss attributable to the entity	20	**-**	**(140,005)**	**(140,005)**
Issue of shares	19	**3,095,812**	**-**	**3,095,812**
Balance at 31 March 2024		**19,333,469**	**(11,582,769)**	**7,750,700**

2023

	Note	Issued Capital	Accumulated Losses	Total
		$	$	$
Balance at 1 April 2022		16,237,657	(8,887,430)	7,350,227
Loss attributable to the entity	20	-	(2,555,334)	(2,555,334)
Balance at 31 March 2023		16,237,657	(11,442,764)	4,794,893

The accompanying notes form part of these financial statements.

Cipla Australia Pty Ltd

ABN 46 132 155 063

Statement of Cash Flows

For the Year Ended 31 March 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss before taxation		**(207,007)**	(3,641,937)
Adjustments for:			
Depreciation		**25,905**	22,248
Amortisation		**638,440**	655,516
Impairment of intangible assets		**21,250**	-
Recognition of tax losses		**-**	449,786
Interest expense		**283,190**	245,385
Decrease/(Increase) in trade receivables		**(1,038,277)**	1,931,959
Decrease/(Increase) in other receivables and prepayments		**(220,879)**	49,157
Decrease/(Increase) in inventories		**5,612,641**	(3,009,988)
Increase/(Decrease) in trade payables		**(10,915,830)**	164,129
Increase/(Decrease) in other payables		**2,432,943**	155,112
Increase/(Decrease) in provisions		**(2,570,453)**	1,714,731
Net cash flows used in operating activities		**(5,938,077)**	(1,263,902)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(23,688)**	(10,236)
Net cash flows used in investing activities		**(23,688)**	(10,236)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the issue of share capital		**3,095,812**	-
Proceeds from borrowings		**2,500,012**	-
Interest paid		**(71,874)**	(332,153)
Net cash flows from financing activities		**5,523,950**	(332,153)
Net cash decrease in cash and cash equivalents		**(437,815)**	(1,606,291)
Cash and cash equivalents at the beginning of the year		**1,398,489**	3,004,780
Cash and cash equivalents at the end of the financial year	8	**960,674**	1,398,489

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2024

The financial report covers Cipla Australia Pty Ltd as an individual entity. Cipla Australia Pty Ltd is a for-profitCompany, incorporated and domiciled in Australia.

The functional and presentation currency of Cipla Australia Pty Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001.*

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

2 Material Accounting Policies Information

(a) Revenue recognition

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue recognition relating to the provision of services is recognised when the performance obligation has been completed.

All revenue is stated net of the amount of goods and services tax (GST).

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

2 Material Accounting Policies Information (continued)

(b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group 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 and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months at the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

2 Material Accounting Policies Information (continued)

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Depreciation is charged on all items of plant and equipment on a straight line basis over the asset's useful life to the company commencing when the asset is first installed and ready for use.

Category	Depreciation Rate
Fixtures and Fittings	10-20%
Computer Equipment	33.33%

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

(g) Intangible assets

Intangible fixed assets (including purchased goodwill and patents) are initially recorded at cost. They are amortised at rates calculated to write off the assets on a straight basis over their estimated useful economic lives amortisation is charged at the following rates:

Category	Amortisation Rate
Software	25-40%
Licenses	15-20%

Impairment of intangible assets is only reviewed where circumstances indicate that the carrying value of an asset may not be fully recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of the asset's future cash flows discounted at the expected rate of return. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

(h) Trade and other payables

Trade payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within thirty days of recognition of the liability.

(i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

2 Material Accounting Policies Information (continued)

(j) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and current provisions respectively in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(k) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Notes to the Financial Statements
For the Year Ended 31 March 2024

3 Critical Accounting Estimates and Judgments (continued)

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

4 Sales Revenue and Other Income

Sales revenue

	2024	2023
	$	$
- Service fees	**1,731,504**	2,420,183
- Sales income	**21,999,555**	30,409,543
Total Revenue	**23,731,059**	32,829,726

	2024	2023
	$	$
Revenue recognition		
- At a point in time	23,731,059	32,829,726
	23,731,059	32,829,726

Other Income

	2024	2023
	$	$
- Miscellaneous Income	**51,105**	1,079,604
- Interest Income	**39**	7
Total Other Income	**51,144**	1,079,611

5 Finance Expenses

	2024	2023
	$	$
Interest on related party loans	**191,934**	203,848
Interest on short-term bank loan	**91,256**	41,537
Total finance expenses	**283,190**	245,385

Notes to the Financial Statements
For the Year Ended 31 March 2024

6 Expenses

Loss before income tax includes the following specific expenses

	2024	2023
	$	$
Depreciation		
- Plant and equipment	25,905	22,248
Amortisation	638,440	655,515

7 Income Tax Credit

Prima facie tax on profit before income tax reconciled to income tax credit

	2024	2023
	$	$
Loss from continuing operations before income tax credit	(207,008)	(3,641,936)
Net tax adjustments	(1,193,281)	2,172,662
Taxable Income	**(1,400,289)**	(1,469,274)
Tax at the Australian tax rate of 30% (2023: 30%)	(420,087)	(440,782)
Deferred Tax Asset movement	353,085	(1,041,913)
Deferred Tax Liability movement	-	845,878
(Over)/Underpayment in previous year	-	(449,786)
Total income tax credit	**(67,002)**	(1,086,603)

8 Cash and cash equivalents

	2024	2023
	$	$
Cash at bank and on hand	**960,674**	1,398,489
	960,674	1,398,489

9 Trade and other receivables

	2024	2023
	$	$
CURRENT		
Trade receivables	**9,932,262**	8,876,065
GST receivable	**61,352**	-
	9,993,614	8,876,065

Notes to the Financial Statements
For the Year Ended 31 March 2024

10 Inventories

	2024 $	2023 $
At cost:		
Finished goods	**10,582,369**	14,475,009
Provision for slow moving inventories	**(5,613,141)**	(3,893,140)
	4,969,228	10,581,869

11 Other Assets

	2024 $	2023 $
CURRENT		
Prepayments	**248,281**	221,790
	248,281	221,790

12 Other Financial Assets

	2024 $	2023 $
CURRENT		
Security deposit[a]	**29,287**	29,287
	29,287	29,287

a) The company's bankers hold a charge over these deposits to support bank guarantees they have issued to the company's premises lessors pursuant to the terms of the company's rental agreement.

	2024 $	2023 $
NON-CURRENT		
Other financial assets	**194,388**	-
	194,388	-
Total	**223,675**	29,287

13 Investments in subsidiaries

	2024 $	2023 $
Cipla Malaysia Sdn Bhd (ownership % - 0.0002%)	1	1

Notes to the Financial Statements
For the Year Ended 31 March 2024

14 Property, plant and equipment

	Furniture, fixtures and fittings	Computer Equipment	Total
	$	$	$
Cost			
Balance at the beginning of the year	29,695	89,007	118,702
Additions	-	23,688	23,688
Deductions	-	-	-
Carried forward as at 31 March 2024	29,695	112,695	142,390
Depreciation			
Balance at the beginning of the year	28,597	59,665	88,262
Depreciation charge for the period	-	-	-
Deductions	481	25,424	25,905
Carried forward as at 31 March 2024	29,078	85,089	114,167
Net book value as at 31 March 2024	**617**	**27,606**	**28,223**
Net book value as at 31 March 2023	1,098	29,342	30,440

15 Intangible Assets

	Patents, trademarks and other rights	Software	Under Development	Total
	$	$	$	$
Cost				
Balance at the beginning of the year	7,865,000	64,300	-	7,929,300
Additions	-	-	120,700	120,700
Deductions	-	-	-	-
Carried forward as at 31 March 2024	7,865,000	64,300	120,700	8,050,000
Amortisation				
Balance at the beginning of the year	4,882,698	64,300	-	4,946,998
Amortisation for the period	638,440	-	-	638,440
Impairment losses for the period	-	-	21,250	21,250
Deductions	-	-	-	-
Carried forward as at 31 March 2024	5,521,138	64,300	21,250	5,606,688
Net book value as at 31 March 2024	**2,343,862**	**-**	99,450	**2,443,312**
Net book value as at 31 March 2023	2,982,302	-	-	2,982,302

16 Trade and other payables

	2024	2023
	$	$
CURRENT		
Trade payables	**2,467,438**	9,028,176
GST payable	**4,666**	97,474
Accrued payroll expenses	**252,480**	94,745
Other payables	**551,227**	4,559,958
	3,275,811	13,780,353

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

17 Borrowings

	2024	2023
	$	$
CURRENT		
Bank overdraft	**2,500,000**	-
	2,500,000	-

	2024	2023
	$	$
NON-CURRENT		
Related party loans	**6,566,000**	6,565,988
	6,566,000	6,565,988

18 Provisions

	2024	2023
	$	$
CURRENT		
Sales Provisions	**3,213,141**	3,218,252
Bonus Provision	**317,237**	456,872
Provision for annual leave	**186,585**	187,177
	3,716,963	3,862,301
NON-CURRENT		
Provision for long service leave	**42,840**	35,012
	42,840	35,012

Notes to the Financial Statements
For the Year Ended 31 March 2024

19 Issued Capital

	2024	2023
	$	$
Ordinary shares	**19,333,469**	16,237,657
	19,333,469	16,237,657

Ordinary shares

	2024	2023
	No.	No.
At the beginning of the reporting period	**16,237,657**	16,237,657
Shares issued during the year	**3,095,812**	-
At the end of the reporting period	**19,333,469**	16,237,657

The company has authorised share capital amounting to 19,333,469 ordinary shares with a value of $1 each, all of which have been issued and paid.

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

20 Accumulated losses

	2024	2023
	$	$
Balance at 1 April	**(11,442,764)**	(8,887,430)
Loss for the year	**(140,005)**	(2,555,334)
Balance at 31 March	**(11,582,769)**	(11,442,764)

21 Dividends

No dividends were paid or declared in the current period (2023: $Nil).

22 Contracted Commitments

There are no capital commitments as at 31 March 2023 (2023: $Nil).

Notes to the Financial Statements
For the Year Ended 31 March 2024

23 Financial Risk Management

	2024	2023
	$	$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	**960,674**	1,398,489
Trade and other receivables	**9,993,614**	8,876,065
Total financial assets	**10,954,288**	10,274,554
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**3,196,539**	13,780,353
Borrowings	**9,066,000**	6,565,988
Total financial liabilities	**12,262,539**	20,346,341

24 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is $271,251 (2023: $369,886).

25 Auditors' Remuneration

	2024	2023
	$	$
Remuneration of the auditor MVAB Assurance, for:		
- auditing the financial statements	**18,500**	18,000
Total	**18,500**	18,000

26 Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 31 March 2024 (31 March 2023:None).

27 Related Parties

The Company's main related parties are as follows:

The ultimate holding company and ultimate parent entity which exercises control over the Company is Cipla Limited, a company incorporated in India and owns 100% of Cipla Australia Pty Ltd. Cipla Limited has contracted Cipla Australia Pty Limited to hold market registrations for various pharmaceutical products on behalf of Cipla Limited. Cipla Australia Pty Limited’s operations are dependent on Cipla Limited continuing to require that these services be provided.

Key management personnel - refer to Note 24.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

27 Related Parties (continued)

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

2024

	Amount owed to Australia in AUD	Amount owed from Australia in AUD
	$	$
Account – Position as per Cipla Australia		
Purchases from CIPLA Limited, India	1,212,748	-
Receivables from CIPLA Limited, India	4,799,471	-
Payables to CIPLA Gulf FZ LLC	-	140,963
Filing Fee Reimbursement from Cipla Gulf FZ LLC	278,992	-
Payables to CIPLA Medpro Pharmaceutica (Pty) Ltd	-	69,499

2023

	Amount owed to Australia in AUD	Amount owed from Australia in AUD
	$	$
Account – Position as per Cipla Australia		
Payable to Cipla India	-	5,204,706
Purchases to Cipla India	-	8,754,201
Receivables from Cipla India	221,002	-
Intra-group sales in the period - Service income from Cipla India	2,420,164	-

Notes to the Financial Statements
For the Year Ended 31 March 2024

27 Related Parties (continued)

(b) Loans to/from related parties

2024

	Amount owed to Australia in AUD	Amount owed from Australia in AUD (Interest)	Interest charged
	$	$	$
Account – Position as per Cipla Australia			
Interest payable to CIPLA EU	-	306,749	184,352
Loan payable to CIPLA EU	-	6,566,000	-

2023

	Amount owed to Australia in AUD	Amount owed from Australia in AUD	Loan
	$	$	$
Account – Position as per Cipla Australia			
Cipla EU (Loan)	-	122,397	6,566,000
Receivables from Cipla EU	34,994	-	-

28 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

29 Statutory Information

The registered office is:
BSA Partnership Pty Ltd
Level 15
461 Bourke Street
Melbourne VIC 3000

The principal place of business is:
Level 1
132-136 Albert Road
South Melbourne 3205

Cipla Australia Pty Ltd

ABN 46 132 155 063

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 20, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Accounting Standards as stated in Note 1; and

   (b) give a true and fair view of the Company's financial position as at 31 March 2024 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....
Stephen John Fraser

Dated 06TH MAY 2024

Cipla Australia Pty Ltd
ABN 46 132 155 063

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIPLA AUSTRALIA PTY LTD

Report on the audit of the financial report

Opinion

We have audited the accompanying general purpose financial report of Cipla Australia Pty Ltd, which comprises the statement of financial position as at 31 March 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of Cipla Australia Pty Ltd is in accordance with the *Corporations Act 2001*, including:

giving a true and fair view of the company's financial position as at 31 March 2024 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Simplified Disclosure and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of those charged with governance for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are 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

MVAB Assurance
ABN: 13 488 640 554

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accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

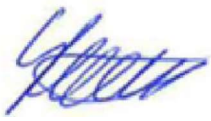
The directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Further information about our responsibilities can be found at http://www.auasb.gov.au/Home.aspx

We communicate with the directors 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.



MVAB ASSURANCE
Chartered Accountants

SHAUN EVANS
Partner

Signed at Melbourne this 6th day of May 2024

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AUSTRALIA + NEW ZEALAND

Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.

Financial Statements for Financial Year 2023-24

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL INFORMATION

Cipla Limited ("Cipla Group")
Period-End: 31 March 2024

Component Name: **Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.**

To,
Mr. Gautam Wadhera
Walker Chandiok & Co LLP
16th Floor, Tower II, One International Center,
Senapati Bapat Marg, Elphinstone West
Mumbai, Maharashtra 400013

Opinion

We have audited the accompanying Special Purpose Financial Information of **Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.**

1. In our opinion, the accompanying reporting package of the Component for the year ended 31 March 2024 is prepared, in all material respects, in accordance with the basis of accounting specified in note 3 to the reporting package.

Basis for Opinion

2. We conducted our audit in accordance with International Standards on Auditing (ISAs) subject to the materiality specified in the audit instructions as described further in paragraph 10 below. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Reporting Package' section of our report. We are independent of the Component / Cipla Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ('IESBA Code of Ethics), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution or Use

3. The reporting package has been prepared by the management solely to enable the Cipla Ltd ('Cipla Group'), to prepare its consolidated financial statements for the year ended 31 March 2024. Accordingly, the reporting package may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose and for the use by Walker Chandiok & Co LLP, in conjunction with the consolidated financial statements of Cipla Group, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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Responsibilities of Management for the reporting package

4. Management is responsible for the preparation and fair presentation of the reporting package in accordance with the basis of accounting specified in the reporting package and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.
In preparing the reporting package, management is responsible for assessing the Component'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 Component or to cease operations, or has no realistic alternative but to do so.

Management is also responsible for overseeing the Component's financial reporting process.

Auditor's Responsibility

5. Our objectives are to obtain reasonable assurance about whether the reporting package as a whole is 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 ISAs 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 the reporting package.

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

- Identify and assess the risks of material misstatement of the reporting package, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 reporting package 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.

7. As requested by you in your audit instructions of the Company dated 23rd March, 2024, we have planned and performed our audit using the materiality level specified in your audit instructions, which is different from the materiality level that we would have used, had we been designing the audit to express an opinion on the group reporting package alone. We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

Shahade & Associates
Chartered Accountants
(Firm Reg. No. 109840W)

SHAHADE & ASSOCIATES * CHARTERED ACCOUNTANTS * M.No. 35227 MUMBAI

Atul Shahade
Membership No. 035227
Partner

UDIN : 24035227BKCJQM4418

Place : *Mumbai*
Date : 26th April, 2024

Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.

Balance sheet as at 31st March 2024

Particulars	Notes	For the period ended 31st March 2024	For the period ended 31st March 2023
Assets			
(1) Non-Current Assets			
(a) Property, plant and equipment	2	2,688,901	1,912,968
(b) Right of Use Assets	2	92,222	-
(b) Capital work-in-progress	2	-	-
(f) Intangible assets under development	5	268,494	241,644
(i) Advance tax assets (net)	10	39,967	66,615
(j) Deferred tax assets	11	1,619,361	-
		4,708,945	**2,221,227**
(2) Current Assets			
(a) Inventories	13	938,596	201,648
(b) Financial assets			
(ii) Trade receivables	15	5,032,800	8,972,503
(iii) Cash and cash equivalents	16	1,500,432	4,201,292
(v) Loans	18	-	-
(vi) Other financial assets	19	25,800	21,000
(c) Other current assets	20	477,187	674,820
		7,974,814	**14,071,263**
Total Assets		**12,683,759**	**16,292,490**
Equity and liabilities			
(1) Equity			
(a) Share Capital	21	14,663,476	14,663,476
(b) Other Equity	22	-4,017,931	-2,272,650
Equity attributable to owner		**10,645,545**	**12,390,826**
Total Equity		**10,645,545**	**12,390,826**
(3) Non-current liabilities			
(a) Financial liabilities			
(b) Provisions	27	-	-
(d) Other non-current liabilities	28	-	-
		-	-
(4) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	-	1,270,100
(ii) Lease Liabilities	25	96,659	-
(iii) Trade payables	29	1,465,212	2,213,190
(iv) Other financial liabilities	30	-	52,059
(b) Other current liabilities	31	255,183	238,384
(c) Provisions	27	221,159	102,980
(d) Current tax liabilities (net)	32	-	24,952
		2,038,214	**3,901,664**
Total equity and liabilities		**12,683,759**	**16,292,490**
Significant accounting policies and key accounting estimates and judgements	1		
The accompanying notes form an integral part of these financial statements	2-44		

As per our report of even date
For Shahade & Associates
Chartered Accountants
Firm Reg. No. 109840W

SHAHADE & ASSOCIATES * M.No. 35227 MUMBAI * CHARTERED ACCOUNTANTS

Atul Shahade
Partner
Membership No. 035277

UDIN : 24035227BKCJQM4418
Mumbai, 26th Apr, 2024

Mr. Gaurav Datay
Legal Representative

Cipla Brasil Importadora e Distribuidorade Medicamentos Ltda.

Cipla Brasil Importadora E Distribuidora De Medicamentos Ltda.
Statement of Profit and Loss for the period ended 31st March 2024

Particulars	Note	For the period ended 31st March 2024	For the period ended 31st March 2023
(1) Revenue from operations			
(a) Revenue from sale of products	33	689,912	934,380
(b) Other operating income	34	-	-
		689,912	**934,380**
(c) Other income	35	13,667,047	-6,773
		14,356,959	**927,607**
(2) Expenditure			
(a) Cost of materials consumed	36	1,515,220	725,257
(b) Purchases of stock-in-trade	37	-	-
(c) Changes in inventories of finished goods , work-in-	38	-736,948	-201,648
(d) Employee benefits expense	39	2,279,834	-
(e) Finance costs	40	46,396	-
(f) Depreciation, impairment and amortisation expense	41	565,903	-
(g) Other expenses	42	14,087,596	-146,021
		17,758,001	**377,589**
(3) Profit before exceptional items and tax		**-3,401,042**	**550,018**
(4) Exceptional items		-	-
(5) Profit before tax		**-3,401,042**	**550,018**
(6) Tax expenses			
(a) Current tax (net)	43	-36,400	25,706
(b) Deferred tax credit	43	-1,619,361	-
(7) Profit for the Year		**-1,745,281**	**524,312**
(8) Other comprehensive income/(loss)			
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to these items		-	-
Other comprehensive income/ (loss) for the year	44	-	-
(9)Total comprehensive income/ (loss) for the year		**-1,745,281**	**524,312**
(10)Earning per Equity Share of Face Value of Rs 2/ each			
Basic (in INR)			
Diluted (in INR)			
Significant accounting Policies and key accounting estimates and judgements			
The accompanying notes form an integral part of these standalone financial statements			

As per our report of even date
For Shahade & Associates
Chartered Accountants
Firm Reg. No. 109840W

SHAHADE & ASSOCIATES M.No. 35227 MUMBAI CHARTERED ACCOUNTANTS

Atul Shahade
Partner
Membership No. 035277
UDIN : 24035227BKCJQM4418
Mumbai, 26th Apr, 2024

Mr. Gaurav Datay
Legal Representative
Cipla Brasil Importadora e Distribuidora De Medicamentos Ltda

Notes to the Financial statements

Note 2 to 5: Property Plant & Equipments and Intangibles

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Property, plant and equipment	2,688,901	1,912,968
(b) Right of Use Assets	92,222	-
(c) Capital work-in-progress	-	-
(d) Investment properties	-	-
(e) Goodwill	-	-
(f) Other intangible assets	-	-
(g) Intangible assets under development	268,494	241,644
	3,049,616	2,154,612

Note 6: Investments in Associates

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Investments in Associates	-	-
	-	-

Note 7: Investments

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Other Investments		
Investments in Equity Instruments - Subsidiaries		
Investments at fair value through OCI (fully paid)		
Investments carried at fair value through Profit and loss		
Investment in government securities carried at cost		
	-	-

Note 8: Loans

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Unsecured, Considered Goods (Carried at Amortised Cost)		
Deposits with body corporates and others		
Considered good	-	-
Considered doubtful	-	-
Loans to Subsidiaries	-	-
Other loans and advances	-	-
	-	-

Note 9: Other Financial Assets - Non-current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Margin Deposits	-	-
Fixed deposits as margin money (maturity more than 12 months)	-	-
Capital subsidy receivable	-	-
Deposits with Body Corporate	-	-
Recoverable from Suppliers	-	-
Derivatives designated as hedges carried at fair value		
Interest rate swap	-	-
Derivatives not designated as hedges carried at fair value		
Forward contracts	-	-
Share Application money pending allotment	-	-
	-	-

Note 10: Advance tax assets (net)

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advance tax assets (net)	39,967	66,615
	39,967	66,615

Note 11: Deferred tax assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred tax assets	1,619,361	-
	1,619,361	-

Note 11: Deferred tax Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred tax Liabilities	-	-
	-	-

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M.No. 35227
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Note 12: Other Non-Current Assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Unsecured, Considered good, except otherwise stated)		
Capital Advances		
Secured, Considered good	-	-
Unsecured, Considered good	-	-
Deferred Lease Assets	-	-
Prepaid Expenses	-	-
VAT Receivable	-	-
Others	-	-
	-	-

Note 13: Inventories

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Lower of cost and net realisable value)		
Raw materials and packing materials	-	-
Work in progress	-	-
Finished goods	-34,779	-
Stock-in-trade	973,374	201,648
Stores, spares and consumables	-	-
	938,596	201,648

Note 14: Current Investments

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Investments - mutual funds (unquoted)	-	-
	-	-

Note 15: Trade receivables

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Considered Good (Carried at Amortised Cost, Except otherwise stated)		
Unsecured	5,032,800	8,972,503
Considered Doubtful		
Unsecured	-	-
Less: Allowance for doubtful debts	-	-
	5,032,800	8,972,503

Note 16: Cash and Cash Equivalents

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Balances with Banks		
In current accounts	1,500,432	4,201,292
In EEFC accounts	-	-
In deposit accounts (original maturity less than 3 months)	-	-
Remittance in transit	-	-
Cash on hand	-	-
	1,500,432	4,201,292

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Note 17: Bank Balance other than Cash and Cash Equivalents

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Bank deposits (original maturity between 3 months and 12 months)	-	-
Amount held as margin money to Govt Authority	-	-
Balances earmarked for unclaimed dividend	-	-
	-	-

Note 18: Current Financial Assets-Loans

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Unsecured, Considered good except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Loan to employees	-	-
Loans to subsidiaries	-	-
Others	-	-
	-	-

Note 19: Other Financial Assets-Others

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Incentives benefit receivable from government		
Export Incentives Receivable	-	-
Security deposits	25,800	21,000
Deposits	-	-
Derivatives designated as hedges carried at fair value		
Forward contracts	-	-
Options	-	-
Derivatives not designated as hedges carried at fair value		
Forward contracts	-	-
Options	-	-
Advance Gratuity	-	-
Fixed Deposit (having remaining maturity less than 12 Month)	-	-
Interest accrued on FD	-	-
Margin money (Fixed Deposit)	-	-
Other receivables		
Considered good	-	-
Considered doubtful	-	-
Less: Allowance for doubtful advances	-	-
	25,800	21,000

Note 20: Other Current Assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advance to Suppliers		
Considered good	221,590	135,051
Considered doubtful	-	-
Prepaid Expenses	72,922	539,770
GST Balance with Revenue Authority	182,675	-
Others	-	-
	477,187	674,820

Note 21: Share Capital

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Equity Share Capital	14,663,476	14,663,476
	14,663,476	14,663,476

SHAHADE & ASSOCIATES ★ M.No. 35227 MUMBAI ★ CHARTERED ACCOUNTANTS

Note 22: Other Equity

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Equity Component	-	-
	-	-
Retained Earnings		
Opening Retained earnings	-2,272,650	-2,796,961
Profit for the year	-1,745,281	524,312
Other Comprehensive income	-	-
Dividend paid during the year	-	-
Dividend Distribution Tax during the year	-	-
	-4,017,931	-2,272,650
Reserves		
Capital reserve	-	-
Revaluation Reserve	-	-
Securities premium reserve	-	-
Capital Redemption Reserve	-	-
General reserve	-	-
Employee stock options	-	-
Foreign currency translation reserve	-	-
Fair value through other comprehensive income	-	-
Hedging reserve	-	-
	-	-
Total	-4,017,931	-2,272,650

Note 23: Non Controlling Interest

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Non Controlling Interest	-	-
	-	-

Note 24: Financial Liabilities - Borrowings

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Non current		
(Carried at amortised cost, except otherwise stated)		
Term loan from Banks		
Secured	-	-
Unsecured	-	-
Deferred sales tax loan	-	-
	-	-
(b) Current		
Loans repayable on demand		
Secured loans		
Cash Credit	-	-
Buyers' credit	-	-
Unsecured loans:		
Packing credit	-	-
Working Capital Loan	-	-
Current Maturities of Long term debt	-	-
Buyers' credit	-	-
Bank overdraft	-	-
Others borrowings	-	1,270,100
Current maturities of non-current borrowings	-	-
	-	1,270,100

Note 25: Financial Liabilities - Lease liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Non current		
Lease liabilities	-	-
(b) Current		
Lease liabilities	96,659	-
	96,659	-

SHAHADE & ASSOCIATES
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MUMBAI

Note 26: Other Financial Liabilities - Non-current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Forward Contracts	-	-
Security Deposits	-	-
Deferred consideration	-	-
Put option liability - Fair value through profit or loss	-	-
Derivatiave not designated as Hedge Carried at FVTPL	-	-
Derivatiave designated as Hedge Carried at FVOCI	-	-
	-	-

Note 27: Provisions

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Non-current		
Provision for Employee Benefits		
Gratuity	-	-
Leave Encashment	-	-
Cash settled share liability	-	-
	-	-
Current		
Provision for Employee Benefits		
Gratuity	-	-
Leave Encashment	135,270	45,267
Employee Health Insurance Payable	-	-
Performance bonus	85,889	57,713
Sales incentive	-	-
Cash settled share liability	-	-
Provision for Chargeback and Others Accruals		
Provision for litigation	-	-
Provision for anticipated claims on pricing	-	-
Provision for proposed dividend	-	-
Provision for Right of Return/expiry return/discounts an	-	-
Others	-	-
	221,159	102,980

Note 28: Other Non Current Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred government grant	-	-
Deferred revenue	-	-
Deferred lease income	-	-
Others	-	-
	-	-

Note 29: Trade Payables

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Due to micro and small enterprises	-	-
Others	1,465,212	2,213,190
	1,465,212	2,213,190

SHAHADE & ASSOCIATES * CHARTERED ACCOUNTANTS * M.No. 35227 MUMBAI

Note 30: Other Financial Liabilities - Current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Deferred sales tax loans	-	-
Unclaimed dividends	-	-
Security deposits	-	-
Capital creditors	-	-
Employee Dues	-	8,487
Derivative not designated as hedge carried at FVTPL		
Forward	-	-
Options	-	-
Derivative designated as hedge carried at FVOCI	-	-
Book overdraft	-	-
Import advance licences	-	-
Deferred consideration	-	-
Other Payable	-	43,571
	-	52,059

Note 31: Other Current Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advances from Customers	-	-
Amount refundable to customers	-	-
Income received in advance	-	-
Other Payables:		
Statutory Dues	255,183	238,384
Deferred Government Grant	-	-
Deferred Revenue	-	-
Deferred lease income	-	-
Others	-	-
	255,183	238,384

Note 32: Current tax liabilities (net)

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Liabilities for Current Tax (Net)	-	24,952
	-	24,952

SHAHADE & ASSOCIATES
M.No. 35227
MUMBAI
CHARTERED ACCOUNTANTS

Notes to the consolidated financial statements

33. Revenue from Sale of Products

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Sale of Products	689,912	934,380
	689,912	**934,380**

34. Other Operating Income

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Rendering of Services	-	-
Export Incentives	-	-
Technical Know-how and Licensing Fees	-	-
Scrap Sales	-	-
Sale of Marketing and Product License	-	-
Goods and service tax area based incentive	-	-
Production linked incentive (PLI)	-	-
Royalty Income	-	-
Others	-	-
	-	-

35. Other Income

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Interest Income		
Loan to subsidiaries - carried at amortised cost	-	-
Bank Deposit	-	-
Income tax refund	-	-
Others	-	-
Government Grants	-	-
Dividend	-	-
Net Gain on Disposal of property, plant and equipments and Intangible assets	-	-
Insurance Claim	-	-
Rent	-	-
Sundry Balances Written Back	-	-
Net Gain on Foreign Currency Transaction and Translation	-264,117	-6,773
Net Gain on Sale of Investment		
Net Gain on Sale of Subsidiary	-	-
Net Gain on Sale of Investments (Realised)	-	-
Net Gain on Sale of Investments (MTM)	-	-
Miscellaneous Income	72,805	-
No Markup reimbursement	13,858,359	-
	13,667,047	**-6,773**

SHAHADE & ASSOCIATES * CHARTERED ACCOUNTANTS * M.No. 35227 MUMBAI

36. Cost of Materials Consumed

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Cost of Materials Consumed	1,515,220	725,257
	1,515,220	725,257

37. Purchase of Stock in trade

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Purchase of Stock in trade	-	-

38. Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Opening Stock		
Work-in-Progress	-	-
Finished Goods	-	-
Stock-in-Trade	201,648	-
Less: Closing Stock		
Work-in-Progress	-	-
Finished Goods	-34,779	-
Stock-in-Trade	973,374	201,648
	-736,948	-201,648

39. Employee Benefits Expenses

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Salaries and Wages	1,602,574	-
Contribution to Provident and Other Funds	441,634	-
Employee Stock Option Scheme	-	-
Staff Welfare Expenses	235,625	-
	2,279,834	-

40. Finance Costs

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Interest on provision for claims - DPCO	-	-
Interest on lease liabilities	19,498	-
Interest Expense	26,899	-
Net loss on foreign currency transactions and translation	-	-
Interest on discounting of trade receivables	-	-
Interest on put option liability	-	-
Other Borrowing Cost	-	-
	46,396	-

41. Depreciation , impairment and amortization expense

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Depreciation on Property, Plant and Equipment	386,418	-
Depreciation on Investment Properties	-	-
Depreciation on right-of-use assets	179,485	-
Amortization of Intangible Assets	-	-
Impairment of Property, Plant and Equipment	-	-
Impairment of capital work-in-progress	-	-
Impairment of Intangibles Assets	-	-
Impairment of Intangibles Assets under development	-	-
	565,903	-

SHAHADE & ASSOCIATES * CHARTERED ACCOUNTANTS * M.No. 35227 MUMBAI

42. Other expenses

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Manufacturing expenses	-	-
Stores and spares	-	-
Repairs and maintenance		
Buildings	-	-
Plant and machinery	355,862	-
Insurance	111,301	-
Rent	161,504	-
Rates and taxes	1,003,526	-
Power and Fuel	52,340	-
Travelling and conveyance	399,101	-
Sales promotion expenses	770,732	-146,021
Commission on sales	-	-
Freight and forwarding	-	-
Contractual services	-	-
Postage and telephone expenses	34,168	-
Allowances and Bad Debts written off (net)	-	-
Non executive directors' remuneration	-	-
Professional fees	3,409,506	-
Donations	-	-
Payment to auditors		
Audit Fees	-	-
Taxation Matters	-	-
For Other Services	-	-
Net Loss on Disposal of Property, Plant and Equipment	1,682	-
CSR expenditure	-	-
Research - Clinical Trials, Samples & Grants	4,456,975	-
Excise Duty	-	-
Miscellaneous expenses	3,330,899	-
	14,087,596	**-146,021**

43. Tax Expense

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Current tax (net)	-36,400	25,706
Mat Credit	-	-
Deferred tax credit	-1,619,361	-
	-1,655,761	**25,706**

44. Other Comprehensive Income

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Items that will not be reclassified to profit or loss	-	-
Income tax relating to Items that will not be reclassified to profit or los	-	-
	-	-
Items that will be reclassified to profit or loss	-	-
Income tax relating to Items that will be reclassified to profit or loss	-	-
	-	-

As per our report of even date
For Shahade & Associates
Chartered Accountants
Firm Reg. No. 109840W

SHAHADE & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ M.No. 35227 MUMBAI

Atul Shahade
Partner
Membership No. 035277
UDIN : 24035227BKCJQM4418
Mumbai, 26th Apr, 2024

Mr. Gaurav Datay
Legal Representative
Cipla Brasil Importadora e Distribuidora De Medicamentos Ltda

Cipla (China) Pharmaceutical Co., Ltd

Financial Statements for Financial Year 2023-24

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INDEPENDENT COMPONENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL INFORMATION PREPARED FOR CONSOLIDATION PURPOSES

To the Members of Cipla (China) Pharmaceutical Co., Ltd.

As requested in your Group Audit Instructions issued by Walker Chandiok & Co LLP dated 23 March 2024, we have reviewed, for purposes of your audit of the consolidated financial statements of Cipla Limited, the accompanying special purpose financial information of Cipla (China) Pharmaceutical Co., Ltd. as at 31 March 2024 of the financial reporting package of Cipla Limited. This special purpose financial information has been prepared solely to enable Cipla Limited to prepare its consolidated financial statements.

Management's Responsibility for the Special Purpose Financial Information

Management is responsible for the preparation of this special purpose financial information in accordance with the instructions issued by Cipla Limited's management on 31 March 2024 and the policies contained in the Cipla Limited's accounting policies disclosed in the Cipla Limited's 2024 consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of the special purpose financial information that is free from material misstatement, whether due to fraud or error.

Component Auditor's Responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with International Standards on Review Engagements (ISRE) 2400 (revised), *Engagements to Review Historical Financial Statements*, to the extent directed by your instructions. ISRE 2400 (revised) requires us to conclude whether anything has come to our attention that causes us to believe that the special purpose financial information, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 (revised) is a limited assurance engagement. The component auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this special purpose financial information.

As requested by you, we planned and performed our review using the materiality level specified in your instructions. Accordingly, our conclusion is based on the component materiality level specified by you in the context of the audit of the consolidated financial statements of the group.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying special purpose financial information for Cipla (China) Pharmaceutical Co., Ltd. as at 31 March 2023 and for the year then ended has been prepared, in all material respects, in accordance with the instructions issued by Cipla Limited's management on 31 March 2024 and the policies contained in the Cipla Limited's accounting policies disclosed in the Cipla Limited's 2024 consolidated financial statements.

Restriction on Use and Distribution

This special purpose financial information has been prepared for purposes of providing information to Cipla Limited to enable it to prepare the consolidated financial statements of the group. As a result, the special purpose financial information is not a complete set of financial statements of Cipla (China) Pharmaceutical Co., Ltd. in accordance with Indian Accounting Standards and is not intended to present fairly, in all material respects, the financial position of Cipla (China) Pharmaceutical Co., Ltd. as at 31 March 2024, and of its financial performance, and its cash flows for the year then ended in accordance with Indian Accounting Standards. The special purpose financial information may, therefore, not be suitable for another purpose.

This report is intended solely for Walker Chandiok & Co LLP and should not be used by or distributed to other parties.

Grant Thornton Zhitong CPA LLP

Grant Thornton Zhitong Certified Public Accountants LLP

29 April 2024

45th Floor, Raffles City
268 Xizang Zhong Road
Huangpu District
Shanghai 200001
People's Republic of China

9100 - Cipla (China) Pharmaceutical Co., Ltd

Balance sheet as at 31st March 2024

Particulars	Notes	For the period ended 31st March 2024	For the period ended 31st March 2023
Assets			
(1) Non-Current Assets			
(a) Property, plant and equipment	2	-	-
(b) Right of Use Assets	2	-	-
(b) Capital work-in-progress	2	-	-
(c) Investment properties	3	-	-
(d) Goodwill	4	-	-
(e) Other intangible assets	5	-	-
(f) Intangible assets under development	5	-	-
(g) Investment in associate	6	-	-
(h) Financial assets			
(i) Investments	7	-	-
(ii) Loans	8	-	-
(iii) Other financial assets	9	-	-
(i) Advance tax assets (net)	10	2,232,856	2,259,665
(j) Deferred tax assets	11	-	-
(k) Other non-current assets	12	-	23,287
		2,232,856	**2,282,951**
(2) Current Assets			
(a) Inventories	13	-	-
(b) Financial assets			
(i) Investments	14	-	-
(ii) Trade receivables	15	8,582,167	6,985,369
(iii) Cash and cash equivalents	16	1,907,643	2,495,932
(iv) Bank balance other than cash and cash equivalents	17	-	-
(v) Loans	18	-	-
(vi) Other financial assets	19	81,457	81,457
(c) Other current assets	20	53,122	124,773
		10,624,389	**9,687,531**
Assets Held for Sale		-	-
Total Assets		**12,857,245**	**11,970,483**
Equity and liabilities			
(1) Equity			
(a) Share Capital	21	10,417,680	10,417,680
(b) Other Equity	22	1,629,284	1,059,814
Equity attributable to owner		**12,046,964**	**11,477,494**
(c) Non-Controlling Interest	23	-	-
Total Equity		**12,046,964**	**11,477,494**
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	-	-
(ii) Lease Liabilities	25	-	-
(iii) Other financial liabilities	26	-	-
(b) Provisions	27	-	-
(c) Deferred tax liabilities	10	-	-
(d) Other non-current liabilities	28	-	-
		-	-
(4) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	-	-
(ii) Lease Liabilities	25	-	-
(iii) Trade payables	29	340,442	120,539
(iv) Other financial liabilities	30	-	-
(b) Other current liabilities	31	119,817	60,204
(c) Provisions	27	350,021	312,046
(d) Current tax liabilities (net)	32	-	-
		810,280	**492,988**
Liabilities associated with Assets held for Sale		-	-
Total equity and liabilities		**12,857,245**	**11,970,483**

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

9100 - Cipla (China) Pharmaceutical Co., Ltd

Statement of Profit and Loss for the period ended 31st March 2024

Particulars	Note	For the period ended 31st March 2024	For the period ended 31st March 2023
(1) Revenue from operations			
(a) Revenue from sale of products	31	-	-
(b) Other operating income	32	5,177,891	3,830,565
		5,177,891	**3,830,565**
(c) Other income	33	353,683	-31,292
		5,531,573	**3,799,273**
(2) Expenditure			
(a) Cost of materials consumed	34	1,050	-
(b) Purchases of stock-in-trade	35	-	-
(c) Changes in inventories of finished goods , work-in-progress	36	-	-
(d) Employee benefits expense	37	2,004,255	1,093,956
(e) Finance costs	38	-	-
(f) Depreciation, impairment and amortisation expense	39	-	7,930
(g) Other expenses	40	2,926,826	2,494,463
		4,932,131	**3,596,349**
(3) Profit before exceptional items and tax		**599,442**	**202,924**
(4) Exceptional items		-	-
(5) Profit before tax		**599,442**	**202,924**
(6) Tax expenses	41		
(a) Current tax (net)		29,972	9,862
(b) Deferred tax credit		-	-
(7) Profit for the Year		**569,470**	**193,062**
(8) Other comprehensive income/(loss)			
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to Items that will not be reclassified to profit or loss		-	-
		-	-
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to these items		-	-
		-	-
Other comprehensive income/ (loss) for the year	42	-	-
(9)Total comprehensive income/ (loss) for the year		**569,470**	**193,062**
(10)Earning per Equity Share of Face Value of Rs 10/ each			
Basic (in INR)			
Diluted (in INR)			
Significant accounting Policies and key accounting estimates and judgements			
The accompanying notes form an integral part of these standalone financial statements			

FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

9100 - Cipla (China) Pharmaceutical Co., Ltd

Notes to the Financial statements

Note 2 to 5: Property Plant & Equipments and Intangibles

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Property, plant and equipment	-	-
(b) Right of Use Assets	-	-
(c) Capital work-in-progress	-	-
(d) Investment properties	-	-
(e) Goodwill	-	-
(f) Other intangible assets	-	-
(g) Intangible assets under development	-	-
	-	-

Note 6: Investments In Associates

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Investments In Associates	-	-
	-	-

Note 7: Investments

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Other Investments		
Investments in Equity Instruments - Subsidiaries	-	-
Investments at fair value through OCI (fully paid)		
Investments carried at fair value through Profit and loss	-	-
Investment in government securities carried at cost	-	-
	-	-

Note 8: Loans

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Unsecured, Considered Goods (Carried at Amortised Cost)		
Deposits with body corporates and others		
Considered good	-	-
Considered doubtful	-	-
Loans to Subsidiaries	-	-
Other loans and advances	-	-
	-	-

Note 9: Other Financial Assets - Non-current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Margin Deposits	-	-
Fixed deposits as margin money (maturity more than 12 months)	-	-
Capital subsidy receivable	-	-
Deposits with Body Corporate	-	-
Recoverable from Suppliers	-	-
Derivatives designated as hedges carried at fair value		
Interest rate swap	-	-
Derivatives not designated as hedges carried at fair value		
Forward contracts		
Share Application money pending allotment		
	-	-

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

Note 10: Advance tax assets (net)

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advance tax assets (net)	2,232,856	2,259,665
	2,232,856	**2,259,665**

Note 11: Deferred tax assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred tax assets	-	-
	-	-

Note 11: Deferred tax Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred tax Liabilities	-	-
	-	-

Note 12: Other Non-Current Assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Unsecured, Considered good, except otherwise stated)		
Capital Advances		
Secured, Considered good	-	-
Unsecured, Considered good	-	-
Deferred Lease Assets	-	-
Prepaid Expenses	-	23,287
VAT Receivable	-	-
Others	-	-
	-	23,287

Note 13: Inventories

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Lower of cost and net realisable value)		
Raw materials and packing materials	-	-
Work in progress	-	-
Finished goods	-	-
Stock-in-trade	-	-
Stores, spares and consumables	-	-
	-	-

Note 14: Current Investments

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Investments - mutual funds (unquoted)	-	-
	-	-

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Note 15: Trade receivables

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Considered Good (Carried at Amortised Cost, Except otherwise stated)		
Unsecured	8,582,167	6,985,369
Considered Doubtful		
Unsecured	-	-
Less: Allowance for doubtful debts	-	-
	8,582,167	**6,985,369**

Note 16: Cash and Cash Equivalents

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Balances with Banks		
In current accounts	1,907,643	2,495,932
In EEFC accounts	-	-
In deposit accounts (original maturity less than 3 months)	-	-
Remittance in transit	-	-
Cash on hand	-	-
	1,907,643	**2,495,932**

Note 17: Bank Balance other than Cash and Cash Equivalents

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Bank deposits (original maturity between 3 months and 12 months)	-	-
Amount held as margin money to Govt Authority	-	-
Balances earmarked for unclaimed dividend	-	-
	-	**-**

Note 18: Current Financial Assets-Loans

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Unsecured, Considered good except otherwise stated) **(Carried at amortised cost, except otherwise stated)**		
Loan to employees	-	-
Loans to subsidiaries	-	-
Others	-	-
	-	**-**

GRANT THORNTON
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CERTIFIED PUBLIC ACCOUNTANTS

Note 19: Other Financial Assets-Others

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Incentives benefit receivable from government		
Export Incentives Receivable	-	-
Security deposits	81,457	81,457
Deposits	-	-
Derivatives designated as hedges carried at fair value		
Forward contracts	-	-
Options	-	-
Derivatives not designated as hedges carried at fair value		
Forward contracts	-	-
Options	-	-
Advance Gratuity	-	-
Fixed Deposit (having remaining maturity less than 12 Mont	-	-
Interest accrued on FD	-	-
Margin money (Fixed Deposit)	-	-
Other receivables		
Considered good	-	-
Considered doubtful	-	-
Less: Allowance for doubtful advances	-	-
	81,457	**81,457**

Note 20: Other Current Assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advance to Suppliers		
Considered good	300	16,300
Considered doubtful	-	-
Prepaid Expenses	52,822	108,473
GST Balance with Revenue Authority	-	-
Others	-	-
	53,122	**124,773**

Note 21: Share Capital

Particulars	For the period ended 31st March	For the period ended 31st March
Equity Share Capital	10,417,680	10,417,680
	10,417,680	**10,417,680**

GR THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

Note 22: Other Equity

Particulars	For the period ended 31st March	For the period ended 31st March
Equity Component	-	-
	-	-
Retained Earnings		
Opening Retained earnings	1,006,261	813,199
Profit for the year	569,470	193,062
Other Comprehensive income	-	-
Dividend paid during the year	-	-
Dividend Distribution Tax during the year	-	-
	1,575,731	**1,006,261**
Reserves		
Capital reserve	-	-
Revaluation Reserve	-	-
Securities premium reserve	-	-
Capital Redemption Reserve	-	-
General reserve	53,554	53,554
Employee stock options	-	-
Foreign currency translation reserve	-	-
Fair value through other comprehensive income	-	-
Hedging reserve	-	-
	53,554	**53,554**
Total	**1,629,284**	**1,059,814**

Note 23: Non Controlling Interest

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Non Controlling Interest	-	-
	-	-

Note 24: Financial Liabilities - Borrowings

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Non current		
(Carried at amortised cost, except otherwise stated)		
Term loan from Banks		
Secured	-	-
Unsecured	-	-
Deferred sales tax loan	-	-
	-	-
(b) Current		
Loans repayable on demand		
Secured loans		
Cash Credit	-	-
Buyers' credit	-	-
Unsecured loans:		
Packing credit	-	-
Working Capital Loan	-	-
Current Maturities of Long term debt	-	-
Buyers' credit	-	-
Bank overdraft	-	-
Others borrowings	-	-
Current maturities of non-current borrowings	-	-
	-	-

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

Note 25: Financial Liabilities - Lease liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Non current		
Lease liabilities	-	-
(b) Current		
Lease liabilities	-	-
	-	-

Note 26: Other Financial Liabilities - Non-current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Forward Contracts	-	-
Security Deposits	-	-
Deferred consideration	-	-
Put option liability - Fair value through profit or loss	-	-
Derivatiave not designated as Hedge Carried at FVTPL	-	-
Derivatiave designated as Hedge Carried at FVOCI	-	-
	-	-

Note 27: Provisions

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Non-current		
Provision for Employee Benefits		
Gratuity	-	-
Leave Encashment	-	-
Cash settled share liability	-	-
	-	-
Current		
Provision for Employee Benefits		
Gratuity	-	-
Leave Encashment	-	-
Employee Health Insurance Payable	-	-
Performance bonus	350,021	312,246
Sales incentive	-	-
Cash settled share liability	-	-
Provision for Chargeback and Others Accruals		
Provision for litigation	-	-
Provision for anticipated claims on pricing	-	-
Provision for proposed dividend	-	-
Provision for Right of Return/expiry return/discounts a	-	-
Others	-	-
	350,021	312,246

Note 28: Other Non Current Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred government grant	-	-
Deferred revenue	-	-
Deferred lease income		-
Others		-
	-	-

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

Note 29: Trade Payables

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Due to micro and small enterprises	-	-
Others	340,442	120,539
	340,442	**120,539**

Note 30: Other Financial Liabilities - Current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Deferred sales tax loans	-	-
Unclaimed dividends	-	-
Security deposits	-	-
Capital creditors	-	-
Employee Dues	-	-
Derivative not designated as hedge carried at FVTPL		
Forward	-	-
Options	-	-
Derivative designated as hedge carried at FVOCI	-	-
Book overdraft	-	-
Import advance licences	-	-
Deferred consideration	-	-
Other Payable	-	-
	-	**-**

Note 31: Other Current Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advances from Customers	-	-
Amount refundable to customers	-	-
Income received in advance	-	-
Other Payables:		
Statutory Dues	119,817	42,204
Deferred Government Grant	-	-
Deferred Revenue	-	-
Deferred lease income	-	-
Others	-	18,000
	119,817	**60,204**

Note 32: Current tax liabilities (net)

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Liabilities for Current Tax (Net)	-	-
	-	**-**

9100 - Cipla (China) Pharmaceutical Co., Ltd

Notes to the consolidated financial statements

31. Revenue from Sale of Products

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Sale of Products	-	-
	-	-

32. Other Operating Income

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Rendering of Services	-	-
Export Incentives	-	-
Technical Know-how and Licensing Fees	-	-
Scrap Sales	-	-
Sale of Marketing and Product License	-	-
Goods and service tax area based incentive	;	-
Production linked incentive (PLI)	-	-
Royalty Income	-	-
Others	5,177,891	3,830,565
	5,177,890.72	**3,830,565.15**

33. Other Income

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Interest Income		
Loan to subsidiaries - carried at amortised cost	-	-
Bank Deposit	-	-
Income tax refund	-	-
Others	1,223	3,825
Government Grants	-	-
Dividend	-	-
Net Gain on Disposal of property, plant and equipments and Intangible assets	-	-
Insurance Claim	-	-
Rent	-	-
Sundry Balances Written Back	-	-47,346
Net Gain on Foreign Currency Transaction and Translation	-	-
Net Gain on Sale of Investment		
Net Gain on Sale of Subsidiary	-	-
Net Gain on Sale of Investments (Realised)	-	-
Net Gain on Sale of Investments (MTM)	-	-
Miscellaneous Income	352,460	12,229
No Markup reimbursement	-	
	353,682.52	**(31,292.47)**

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

34. Cost of Materials Consumed

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Cost of Materials Consumed	1,050	-
	1,050.00	**-**

35. Purchase of Stock in trade

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Purchase of Stock in trade	-	-

36. Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Opening Stock		
Work-in-Progress	-	-
Finished Goods	-	-
Stock-in-Trade	-	-
Less: Closing Stock		
Work-in-Progress	-	-
Finished Goods	-	-
Stock-in-Trade	-	-
	-	-

37. Employee Benefits Expenses

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Salaries and Wages	1,367,322	635,577
Contribution to Provident and Other Funds	123,559	91,201
Employee Stock Option Scheme	-	-
Staff Welfare Expenses	513,374	367,178
	2,004,255.18	**1,093,955.96**

38. Finance Costs

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Interest on provision for claims - DPCO	-	-
Interest on lease liabilities	-	-
Interest Expense	-	-
Net loss on foreign currency transactions and translation	-	-
Interest on discounting of trade receivables	-	-
Interest on put option liability	-	-
Other Borrowing Cost	-	-
	-	-

39. Depreciation , impairment and amortization expense

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Depreciation on Property, Plant and Equipment	-	7,930
Depreciation on Investment Properties	-	-
Depreciation on right-of-use assets	-	-
Amortization of Intangible Assets	-	-
Impairment of Property, Plant and Equipment	-	-
Impairment of capital work-in-progress	-	-
Impairment of Intangibles Assets		
Impairment of Intangibles Assets under development		
	-	7,930.00

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

40. Other expenses

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Manufacturing expenses	-	-
Stores and spares	-	-
Repairs and maintenance		
Buildings	-	-
Plant and machinery	-	-
Insurance	-	-
Rent	351,173	344,258
Rates and taxes	-0	9,651
Power and Fuel	-	-
Travelling and conveyance	127,305	26,533
Sales promotion expenses	-	-
Commission on sales	-	-
Freight and forwarding	-	-
Contractual services	-	-
Postage and telephone expenses	21,562	29,125
Allowances and Bad Debts written off (net)	-	-
Non executive directors' remuneration	-	-
Professional fees	2,327,679	1,948,909
Donations	-	-
Payment to auditors		
Audit Fees	75,238	75,237
Taxation Matters	-	-
For Other Services	-	-
Net Loss on Disposal of Property, Plant and Equipment	-	-
CSR expenditure	-	-
Research - Clinical Trials, Samples & Grants	-	-
Excise Duty	-	-
Miscellaneous expenses	23,869	60,750
	2,926,825.81	**2,494,462.79**

41. Tax Expense

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Current tax (net)	29,972	9,862
Mat Credit	-	-
Deferred tax credit	-	-
	29,972.32	**9,861.78**

42. Other Comprehensive Income

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Items that will not be reclassified to profit or loss	-	-
Income tax relating to Items that will not be reclassified to profit or lo	-	-
	-	-
Items that will be reclassified to profit or loss	-	
Income tax relating to Items that will be reclassified to profit or loss	-	
	-	

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FOR IDENTIFICATION PURPOSES ONLY
CERTIFIED PUBLIC ACCOUNTANTS

Cipla (Jiangsu) Pharmaceutical Co., Ltd

Financial Statements for Financial Year 2023-24

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INDEPENDENT COMPONENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL INFORMATION PREPARED FOR CONSOLIDATION PURPOSES

To the Members of Cipla (Jiangsu) Pharmaceutical Co., Ltd.

As requested in your Group Audit Instructions issued by Walker Chandiok & Co LLP dated 23 March 2024, we have audited, for purposes of your audit of the consolidated financial statements of Cipla Limited, the accompanying special purpose financial information of Cipla (Jiangsu) Pharmaceutical Co., Ltd. as at 31 March 2024 of the financial reporting package of Cipla Limited. This special purpose financial information has been prepared solely to enable Cipla Limited to prepare its consolidated financial statements.

Management's responsibility for the special purpose financial information

Management is responsible for the preparation of this special purpose financial information in accordance with the instructions issued by Cipla Limited's management on 31 March 2024 and the policies contained in the Cipla Limited's accounting policies disclosed in the Cipla Limited's 2024 consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of the special purpose financial information that is free from material misstatement, whether due to fraud or error.

Component auditor's responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing to the extent directed by your instructions. Those standards and instructions require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial information is free from material misstatement. As requested by you, we planned and performed our audit using the materiality level specified in your instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the special purpose financial information of the component alone.

An audit involves performing procedures to obtain audit evidence about the amounts in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The conclusions reached in forming our opinion are based on the component materiality level specified by you in the context of the audit of the consolidated financial statements of the group.

Opinion

In our opinion, the accompanying special purpose financial information for Cipla (Jiangsu) Pharmaceutical Co., Ltd. as at 31 March 2024 and for the year then ended has been prepared, in all material respects, in accordance with the instructions issued by Cipla Limited's management on 23 March 2024 and the policies contained in the Cipla Limited's accounting policies disclosed in the Cipla Limited's 2024 consolidated financial statements.

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Restriction on use and distribution

This special purpose financial information has been prepared for purposes of providing information to the policies contained in the Cipla Limited's accounting policies disclosed in the Cipla Limited's 2024 consolidated financial statements. As a result, the special purpose financial information is not a complete set of financial statements of Cipla (Jiangsu) Pharmaceutical Co., Ltd. in accordance with Indian Accounting Standards and is not intended to present fairly, in all material respects, the financial position of Cipla (Jiangsu) Pharmaceutical Co., Ltd. as at31 March 2024, and of its financial performance, and its cash flows for the year then ended in accordance with Indian Accounting Standards. The special purpose financial information may, therefore, not be suitable for another purpose.

This report is intended solely for Walker Chandiok & Co LLP and should not be used by or distributed to other parties.

Grant Thornton Zhitong CPA LLP

Grant Thornton Zhitong Certified Public Accountants LLP

29 April 2024

45th Floor, Raffles City
268 Xizang Zhong Road
Huangpu District
Shanghai 200001
People's Republic of China

9000 - Cipla (Jiangsu) Pharmaceutical Co., Ltd

Balance sheet as at 31st March 2024

(All amounts in CNY, unless otherwise stated)

Particulars	Notes	For the period ended 31st March 2024	For the period ended 31st March 2023
Assets			
(1) Non-Current Assets			
(a) Property, plant and equipment	2	26,00,04,182	13,27,42,106
(b) Right of Use Assets	2	1,65,16,254	1,69,53,771
(b) Capital work-in-progress	2	-	12,88,59,241
(c) Investment properties	3	-	-
(d) Goodwill	4	-	-
(e) Other intangible assets	5	-	-
(f) Intangible assets under development	5	-	-
(g) Investment in associate	6	-	-
(h) Financial assets			
(i) Investments	7	-	-
(ii) Loans	8	-	-
(iii) Other financial assets	9	3,46,000	3,44,000
(i) Advance tax assets (net)	10	-	-
(j) Deferred tax assets	11	-	-
(k) Other non-current assets	12	3,23,85,862	2,14,01,822
		30,92,52,298	**30,03,00,939**
(2) Current Assets			
(a) Inventories	13	10,88,875	-
(b) Financial assets			
(i) Investments	14	-	-
(ii) Trade receivables	15	-	-
(iii) Cash and cash equivalents	16	1,13,30,768	1,28,86,258
(iv) Bank balance other than cash and cash equivalents	17	-	-
(v) Loans	18	-	-
(vi) Other financial assets	19	16,100	-
(c) Other current assets	20	17,36,356	21,00,233
		1,41,72,099	**1,49,86,491**
Assets Held for Sale		-	-
Total Assets		**32,34,24,397**	**31,52,87,430**
Equity and liabilities			
(1) Equity			
(a) Share Capital	21	30,43,98,480	18,82,42,200
(b) Other Equity	22	-11,18,03,938	-6,16,90,890
Equity attributable to owner		**19,25,94,542**	**12,65,51,310**
(c) Non-Controlling Interest	23	-	-
Total Equity		**19,25,94,542**	**12,65,51,310**
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	11,77,76,986	17,17,92,493
(ii) Lease Liabilities	25	-	-
(iii) Other financial liabilities	26	-	-
(b) Provisions	27	46,090	-
(c) Deferred tax liabilities	10	-	-
(d) Other non-current liabilities	28	12,00,000	-
		11,90,23,076	**17,17,92,493**
(4) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	-	-
(ii) Lease Liabilities	25	-	-
(iii) Trade payables	29	41,21,181	44,34,412
(iv) Other financial liabilities	30	61,88,083	1,18,19,639
(b) Other current liabilities	31	2,90,819	43,967
(c) Provisions	27	12,06,695	6,45,610
(d) Current tax liabilities (net)	32	-	-
		1,18,06,778	**1,69,43,627**
Liabilities associated with Assets held for Sale		-	-
Total equity and liabilities		**32,34,24,397**	**31,52,87,431**

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CERTIFIED PUBLIC ACCOUNTANTS

9000 - Cipla (Jiangsu) Pharmaceutical Co., Ltd

Statement of Profit and Loss for the period ended 31st March 2024

(All amounts in CNY, unless otherwise stated)

Particulars	Note	For the period ended 31st March 2024	For the period ended 31st March 2023
(1) Revenue from operations			
(a) Revenue from sale of products	31	-	-
(b) Other operating income	32	1,517	-
		1,517	**-**
(c) Other income	33	-44,01,326	-90,58,694
		-43,99,809	**-90,58,694**
(2) Expenditure			
(a) Cost of materials consumed	34	1,47,590	-
(b) Purchases of stock-in-trade	35	-	-
(c) Changes in inventories of finished goods , work-in-	36	-	-
(d) Employee benefits expense	37	61,76,677	17,69,567
(e) Finance costs	38	94,23,156	61,80,906
(f) Depreciation, impairment and amortisation expense	39	2,08,47,371	1,95,89,147
(g) Other expenses	40	91,18,444	54,77,955
		4,57,13,238	**3,30,17,576**
(3) Profit before exceptional items and tax		**-5,01,13,048**	**-4,20,76,270**
(4) Exceptional items		-	-
(5) Profit before tax		**-5,01,13,048**	**-4,20,76,270**
(6) Tax expenses	41		
(a) Current tax (net)		-	-
(b) Deferred tax credit		-	-
(7) Profit for the Year		**-5,01,13,048**	**-4,20,76,270**

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

(8) Other comprehensive income/(loss)			
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to Items that will not be reclassified to profit or loss		-	-
		-	-
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to these items		-	-
		-	-
Other comprehensive income/ (loss) for the year	42	-	-
(9)Total comprehensive income/ (loss) for the year		**-5,01,13,048**	**-4,20,76,270**

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CERTIFIED PUBLIC ACCOUNTANTS

9000 - Cipla (Jiangsu) Pharmaceutical Co., Ltd

Notes to the Financial statements

(All amounts in CNY, unless otherwise stated)

Note 2 to 5: Property Plant & Equipments and Intangibles **CNY**

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Property, plant and equipment	26,00,04,182	13,27,42,106
(b) Right of Use Assets	1,65,16,254	1,69,53,771
(c) Capital work-in-progress	-	12,88,59,241
(d) Investment properties	-	-
(e) Goodwill	-	-
(f) Other intangible assets	-	-
(g) Intangible assets under development	-	-
	27,65,20,436	**27,85,55,117**

Note 6: Investments In Associates

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Investments In Associates	-	-
	-	-

Note 7: Investments

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Other Investments		
Investments in Equity Instruments - Subsidiaries	-	-
Investments at fair value through OCI (fully paid)		
Investments carried at fair value through Profit and loss	-	-
Investment in government securities carried at cost	-	-
	-	-

Note 8: Loans

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Unsecured, Considered Goods (Carried at Amortised Cost)		
Deposits with body corporates and others		
Considered good	-	
Considered doubtful	-	
Loans to Subsidiaries	-	
Other loans and advances	-	
	-	

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

Note 9: Other Financial Assets - Non-current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Margin Deposits	-	-
Fixed deposits as margin money (maturity more than 12 months)	-	-
Capital subsidy receivable	-	-
Deposits with Body Corporate	3,46,000	3,44,000
Recoverable from Suppliers	-	-
Derivatives designated as hedges carried at fair value		
Interest rate swap	-	-
Derivatives not designated as hedges carried at fair value		
Forward contracts	-	
Share Application money pending allotment	-	-
	3,46,000	**3,44,000**

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Note 10: Advance tax assets (net)

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advance tax assets (net)	-	-
	-	-

Note 11: Deferred tax assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred tax assets	-	-
	-	-

Note 11: Deferred tax Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred tax Liabilities	-	-
	-	-

Note 12: Other Non-Current Assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Unsecured, Considered good, except otherwise stated)		
Capital Advances		
Secured, Considered good	-	-
Unsecured, Considered good	39,13,853	-
Deferred Lease Assets	-	-
Prepaid Expenses	-	-
VAT Receivable	2,84,72,009	2,14,01,822
Others	-	-
	3,23,85,862	**2,14,01,822**

Note 13: Inventories

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Lower of cost and net realisable value)		
Raw materials and packing materials	10,88,875	-
Work in progress	-	-
Finished goods	-	-
Stock-in-trade	-	-
Stores, spares and consumables	-	-
	10,88,875	**-**

Note 14: Current Investments

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Investments - mutual funds (unquoted)	-	
	-	

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FOR IDENTIFICATION PURPOSES ONLY
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Note 15: Trade receivables

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Considered Good (Carried at Amortised Cost, Except otherwise stated)		
Unsecured	-	-
Considered Doubtful		
Unsecured	-	-
Less: Allowance for doubtful debts	-	-
	-	-

Note 16: Cash and Cash Equivalents

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Balances with Banks		
In current accounts	1,13,30,768	1,28,86,258
In EEFC accounts	-	-
In deposit accounts (original maturity less than 3 months)	-	-
Remittance in transit	-	-
Cash on hand	-	-
	1,13,30,768	**1,28,86,258**

Note 17: Bank Balance other than Cash and Cash Equivalents

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Bank deposits (original maturity between 3 months and 12 months)	-	-
Amount held as margin money to Govt Authority	-	-
Balances earmarked for unclaimed dividend	-	-
	-	-

Note 18: Current Financial Assets-Loans

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Unsecured, Considered good except otherwise stated)		
(Carried at amortised cost, except otherwise stated)		
Loan to employees	-	-
Loans to subsidiaries	-	-
Others	-	-
	-	-

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Note 19: Other Financial Assets-Others

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Incentives benefit receivable from government		
Export Incentives Receivable	-	-
Security deposits	16,100	-
Deposits	-	-
Derivatives designated as hedges carried at fair value		
Forward contracts	-	-
Options	-	-
Derivatives not designated as hedges carried at fair value		
Forward contracts	-	-
Options	-	-
Advance Gratuity	-	-
Fixed Deposit (having remaining maturity less than 12 Month)	-	-
Interest accrued on FD	-	-
Margin money (Fixed Deposit)	-	-
Other receivables		
Considered good	-	-
Considered doubtful	-	
Less: Allowance for doubtful advances	-	
	16,100	

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Note 20: Other Current Assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advance to Suppliers		
Considered good	13,94,389	16,51,698
Considered doubtful	-	-
Prepaid Expenses	2,14,195	4,36,834
GST Balance with Revenue Authority	-	-
Others	1,27,772	11,702
	17,36,356	**21,00,233**

Note 21: Share Capital

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Equity Share Capital	30,43,98,480	18,82,42,200
	30,43,98,480	**18,82,42,200**

Note 22: Other Equity

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Equity Component	-	-
	-	-
Retained Earnings		
Opening Retained earnings	-6,16,90,890	-1,96,14,620
Profit for the year	-5,01,13,048	-4,20,76,270
Other Comprehensive income	-	-
Dividend paid during the year	-	-
Dividend Distribution Tax during the year	-	-
	-11,18,03,938	**-6,16,90,890**
Reserves		
Capital reserve	-	-
Revaluation Reserve	-	-
Securities premium reserve	-	-
Capital Redemption Reserve	-	-
General reserve	-	-
Employee stock options	-	-
Foreign currency translation reserve	-	-
Fair value through other comprehensive income	-	-
Hedging reserve	-	-
	-	-
Total	**-11,18,03,938**	**-6,16,90,890**

Note 23: Non Controlling Interest

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Non Controlling Interest	-	
	-	-

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

Note 24: Financial Liabilities - Borrowings

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Non current		
(Carried at amortised cost, except otherwise stated)		
Term loan from Banks		
Secured	-	-
Unsecured	11,77,76,986	17,17,92,493
Deferred sales tax loan	-	-
	11,77,76,986	**17,17,92,493**
(b) Current		
Loans repayable on demand		
Secured loans		
Cash Credit	-	-
Buyers' credit	-	-
Unsecured loans:		
Packing credit	-	-
Working Capital Loan	-	-
Current Maturities of Long term debt	-	-
Buyers' credit	-	-
Bank overdraft	-	-
Others borrowings	-	-
Current maturities of non-current borrowings	-	-
	-	-

Note 25: Financial Liabilities - Lease liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Non current		
Lease liabilities	-	-
(b) Current		
Lease liabilities	-	-
	-	-

Note 26: Other Financial Liabilities - Non-current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Forward Contracts	-	-
Security Deposits	-	-
Deferred consideration	-	
Put option liability - Fair value through profit or loss	-	
Derivatiave not designated as Hedge Carried at FVTPL	-	
Derivatiave designated as Hedge Carried at FVOCI	-	
	-	-

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY CERTIFIED PUBLIC ACCOUNTANTS

Note 27: Provisions

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Non-current		
Provision for Employee Benefits		
Gratuity	-	-
Leave Encashment	-	-
Cash settled share liability	46,090	-
	46,090	**-**
Current		
Provision for Employee Benefits		
Gratuity	-	-
Leave Encashment	-	-
Employee Health Insurance Payable	-	-
Performance bonus	11,76,045	6,45,610
Sales incentive	-	-
Cash settled share liability	30,650	-
Provision for Chargeback and Others Accruals		
Provision for litigation	-	-
Provision for anticipated claims on pricing	-	-
Provision for proposed dividend	-	-
Provision for Right of Return/expiry return/discounts and	-	-
Others	-	-
	12,06,695	**6,45,610**

Note 28: Other Non Current Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred government grant	12,00,000	-
Deferred revenue	-	-
Deferred lease income	-	-
Others	-	-
	12,00,000	**-**

Note 29: Trade Payables

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Due to micro and small enterprises	-	-
Others	41,21,181	44,34,412
	41,21,181	**44,34,412**

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Note 30: Other Financial Liabilities - Current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Deferred sales tax loans	-	-
Unclaimed dividends	-	-
Security deposits	-	-
Capital creditors	-	-
Employee Dues	-	-
Derivative not designated as hedge carried at FVTPL		
Forward	-	-
Options	-	-
Derivative designated as hedge carried at FVOCI	-	-
Book overdraft	-	-
Import advance licences	-	-
Deferred consideration	-	-
Other Payable	61,88,083	1,18,19,639
	61,88,083	**1,18,19,639**

Note 31: Other Current Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advances from Customers	-	-
Amount refundable to customers	-	-
Income received in advance	-	-
Other Payables:		
Statutory Dues	90,819	43,967
Deferred Government Grant	2,00,000	-
Deferred Revenue	-	-
Deferred lease income	-	-
Others	-	-
	2,90,819	**43,967**

Note 32: Current tax liabilities (net)

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Liabilities for Current Tax (Net)	-	
	-	

GRANT THORNTON
FOR IDENTIFICATION PURPOSES ONLY
CERTIFIED PUBLIC ACCOUNTANTS

9000 - Cipla (Jiangsu) Pharmaceutical Co., Ltd
Notes to the consolidated financial statements
(All amounts in CNY, unless otherwise stated)

31. Revenue from Sale of Products

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Sale of Products	-	-
	-	-

32. Other Operating Income

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Rendering of Services	-	-
Export Incentives	-	-
Technical Know-how and Licensing Fees	-	-
Scrap Sales	1,517	-
Sale of Marketing and Product License	-	-
Goods and service tax area based incentive	;	-
Production linked incentive (PLI)	-	-
Royalty Income	-	-
Others	-	-
	1,517.00	-

33. Other Income

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Interest Income		
Loan to subsidiaries - carried at amortised cost	-	-
Bank Deposit	-	-
Income tax refund	-	-
Others	1,925	1,800
Government Grants	1,00,000	-
Dividend	-	-
Net Gain on Disposal of property, plant and equipments and Intangible assets	-	-
Insurance Claim	-	-
Rent	-	-
Sundry Balances Written Back	3,21,293	-
Net Gain on Foreign Currency Transaction and Translation	-51,49,209	-92,60,063
Net Gain on Sale of Investment		
Net Gain on Sale of Subsidiary	-	-
Net Gain on Sale of Investments (Realised)	-	-
Net Gain on Sale of Investments (MTM)	-	-
Miscellaneous Income	3,24,666	1,99,568
No Markup reimbursement	-	
	(44,01,326.32)	**(90,58,694.40)**

GRANT THORNTON
FOR IDENTIFICATION PURPOSES ONLY
CERTIFIED PUBLIC ACCOUNTANTS

34. Cost of Materials Consumed

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Cost of Materials Consumed	1,47,590	-0
	1,47,590.19	**(0.00)**

35. Purchase of Stock in trade

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Purchase of Stock in trade	-	-

36. Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Opening Stock		
Work-in-Progress	-	-
Finished Goods	-	-
Stock-in-Trade	-	-
Less: Closing Stock		
Work-in-Progress	-	-
Finished Goods	-	-
Stock-in-Trade	-	-
	-	-

37. Employee Benefits Expenses

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Salaries and Wages	52,82,896	10,46,361
Contribution to Provident and Other Funds	2,06,908	20,439
Employee Stock Option Scheme	-	-
Staff Welfare Expenses	6,86,873	7,02,767
	61,76,676.82	**17,69,567.31**

38. Finance Costs

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Interest on provision for claims - DPCO	-	-
Interest on lease liabilities	-	-
Interest Expense	94,23,156	61,80,906
Net loss on foreign currency transactions and translation	-	-
Interest on discounting of trade receivables	-	-
Interest on put option liability	-	
Other Borrowing Cost	-	
	94,23,156.14	**61,80,906.18**

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39. Depreciation , impairment and amortization expense

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Depreciation on Property, Plant and Equipment	2,04,09,854	1,91,51,631
Depreciation on Investment Properties	-	-
Depreciation on right-of-use assets	4,37,517	4,37,517
Amortization of Intangible Assets	-	-
Impairment of Property, Plant and Equipment	-	-
Impairment of capital work-in-progress	-	-
Impairment of Intangibles Assets	-	-
Impairment of Intangibles Assets under development	-	-
	2,08,47,371.09	**1,95,89,147.35**

40. Other expenses

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Manufacturing expenses	9,60,143	4,51,734
Stores and spares	3,17,638	28,508
Repairs and maintenance		
Buildings	2,878	-
Plant and machinery	1,17,147	-
Insurance	10,30,424	2,88,478
Rent	1,85,357	83,010
Rates and taxes	5,40,629	6,85,513
Power and Fuel	13,47,222	1,57,602
Travelling and conveyance	14,54,661	8,75,344
Sales promotion expenses	-	-
Commission on sales	-	-
Freight and forwarding	800	-
Contractual services	2,80,488	2,56,842
Postage and telephone expenses	3,43,337	4,02,656
Allowances and Bad Debts written off (net)	-	-
Non executive directors' remuneration	-	-
Professional fees	7,50,611	9,73,406
Donations	-	-
Payment to auditors		
Audit Fees	1,13,683	1,06,582
Taxation Matters	-	-
For Other Services	-	-
Net Loss on Disposal of Property, Plant and Equipment	-	-
CSR expenditure	-	-
Research - Clinical Trials, Samples & Grants	-	-
Excise Duty	-	-
Miscellaneous expenses	16,73,426	11,68,280
	91,18,444.13	**54,77,954.99**

41. Tax Expense

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Current tax (net)	-	
Mat Credit	-	
Deferred tax credit	-	
	-	

GRANT THORNTON
FOR IDENTIFICATION PURPOSES ONLY
CERTIFIED PUBLIC ACCOUNTANTS

42. Other Comprehensive Income

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Items that will not be reclassified to profit or loss	-	-
Income tax relating to Items that will not be reclassified to profit or los	-	-
	-	-
Items that will be reclassified to profit or loss	-	-
Income tax relating to Items that will be reclassified to profit or loss	-	
	-	

Cipla Colombia SAS

Financial Statements for Financial Year 2023-24

Estados Financieros de propósito especial

CIPLA COLOMBIA S.A.S.

Por el periodo comprendido entre el 1 de abril de 2023 y 31 de marzo de 2024

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Certificación de Estados Financieros

Gaurav Yeshwant Datay en calidad de Representante Legal y Wilmer Efrey Sanchez Angarita en calidad de Contador de **CIPLA COLOMBIA S.A.S.**, declaramos que los estados financieros los cuales comprenden: estados de situación financiera de Marzo de 2024, los estados de resultados, de cambios en el patrimonio, de flujos de efectivo y las notas por el año terminado en esas fechas, se elaboraron con base en disposiciones legales que establecieron la adopción de las Normas de Contabilidad y de Información Financiera aceptadas en Colombia. También certificamos que:

- La información relevante para los usuarios de los mencionados estados financieros ha sido incluida.
- En los estados financieros se han representado todos los eventos económicos de una forma completa, neutral y libre de error material, ocurridos durante periodo.
- No ha habido irregularidades que involucren a miembros de la administración que puedan tener efecto de importancia relativa sobre los Estados Financieros enunciados.
- Aseguramos la existencia de activos y pasivos cuantificables, así como sus derechos y obligaciones registrados de acuerdo con cortes de documentos, acumulación y compensación contable de sus transacciones en el año terminado el 31 de marzo de 2024 y evaluados bajo métodos de reconocido valor técnico.
- Confirmamos la integridad de la información proporcionada, respecto a que todos los hechos económicos han sido reconocidos en los Estados Financieros enunciados.
- Los hechos económicos se han registrado, clasificado, descrito y revelado dentro de los Estados Financieros enunciados incluyendo los gravámenes y restricciones de los activos, pasivos reales y contingencias, así como también las garantías que se han dado a terceros.
- La información contenida en los formularios de autoliquidación de aportes al sistema general de seguridad social integral es correcta, de acuerdo a las disposiciones legales, y no se encuentra en mora por concepto de aportes al sistema mencionado.
- En cumplimiento del artículo 1° de la ley 603/2000 declaramos que el software utilizado tiene la licencia correspondiente y cumple por lo tanto con las normas de derecho de autor

- No ha habido hechos posteriores al 31 de marzo del 2024, que requieran ajuste o revelación en los Estados Financieros o en sus notas explicativas.
- La empresa no cuenta con información cierta y definitiva de hechos importantes ocurridos luego del cierre contable que genere contingencias que comprometan su evolución y el patrimonio de los accionistas.

Cordialmente,

Gaurav Yeshwant Datay
Representante Legal

Wilmer Efrey Sanchez Angarita
Contador T P No. 268475-T
Designada por Baker Tilly Colombia Ltda.

Statement of financial position

As of March 31, 2024 and 2023
Balances expressed in thousands of Colombian Pesos

ASSETS	Notas	2024	2023
Current Assets			
Cash and cash equivalents	6	2.333.598	5.378.882
Inventories	7	12.056.339	14.368.013
Other current assets	8	2.563.398	4.861.548
Other financial assets	9	8.955	9.686
Trade receivables	10	5.575.553	6.349.536
Total Current Assets		**22.537.844**	**30.967.666**
Non-Current Assets			
Property, plant and equipment	11	4.771	4.419
Other non-current assets	12	1.343	1.343
Total Non-Current Assets		**6.114**	**5.762**
Total Assets		**22.543.958**	**30.973.428**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables	13	18.883.215	24.036.488
Provisions	14	242.425	241.241
Other current liabilities	15	63.416	4.053.293
Other financial liabilities	16	12.572	4.746
Total Current liabilities		**19.201.628**	**28.335.767**
Non-current liabilities			
Deferred tax liabilities	17	552.953	-
Total Non-current liabilities		**552.953**	-
Total Liabilities		**19.754.580**	**28.335.767**
Equity	18		
Share Capital		7.068.654	7.068.654
Other Equity		(4.279.277)	(4.430.994)
Total Equity		**2.789.377**	**2.637.660**
Total Liabilities and Equity		**22.543.958**	**30.973.428**

Gaurav Yeshwant Datay
Representante Legal

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Fabio Ramon Wilches Vargas
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Designado por Auditorías Iriesgo S.A.S

Las notas 1 a 29 que se acompañan son parte integral de los estados financieros.

Income Statement

For the period from April 1 to March 31, 2024 and 2023
Balances expressed in thousands of Colombian Pesos

	Notas	2024		2023
Revenue from sale of products	19	30.856.180		29.835.556
Cost of materials consumed	20	(27.891.080)		(18.515.749)
Gross profit		**2.965.100**		**11.319.807**
Employee Benefits Expenses	21	(2.707.067)		(2.497.988)
Depreciation, impairment and amortisation expense	22	(3.548)		(7.097)
Other expenses	23	(3.578.543)		(3.611.976)
Other Income	24	4.378.923		(4.307.097)
Income (Loss) before taxes		**1.054.865**	**-**	**895.650**
Current tax (net)	25	(350.197)	-	(996.680)
Deferred tax credit	26	(552.953)	-	(502.284)
Loss for the period		**151.716**	**-**	**(603.314)**

Gaurav Yeshwant Datay
Representante Legal

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Estado de Cambios en el Patrimonio

Por el año terminado el 31 de marzo de 2024 y 2023
(Cifras expresadas en miles de pesos colombianos)

	Capital suscrito y pagado	Anticipos para futuras capitalizaciones	Resultados acumulados	Resultados del periodo	Total
Saldo al 31 de marzo de 2022	**7.068.654**	**-**	**(579.361)**	**(3.248.320)**	**3.240.974**
Traslado de resultados	-	-	(3.248.320)	3.248.320	-
Capital suscrito por cobrar	-	-	-	-	-
Incremento futuras capitalizaciones	-		-	-	-
Resultado del ejercicio	-	-	-	(603.312)	(603.312)
Saldo al 31 de marzo de 2023	**7.068.654**	**-**	**(3.827.680)**	**(603.312)**	**2.637.661**
Traslado de resultados		-	(603.312)	603.312	-
Resultado del ejercicio				151.716	151.716
Saldo al 31 de marzo de 2024	**7.068.654**	**-**	**(4.430.992)**	**151.716**	**2.789.377**

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Estado de Flujos de Efectivo

Por el periodo comprendido entre el 1 de Abril y el 31 de marzo de 2024 y 2023
(Cifras expresadas en miles de pesos colombianos)

	2024	2023
Flujos de efectivo de actividades de operación:		
Pérdida neta del ejercicio	151.716	(603.312)
Ajustes por ingresos y gastos que no requirieron uso del efectivo		
Depreciación de propiedades, planta y equipo	3.548	7.097
Amortización intangibles	98.424	109.194
Impuesto diferido del período	552.953	502.284
Subtotal	**806.641**	**15.263**
Cambios en los activos y pasivos de operación:		
Cuentas comerciales por cobrar y otras cuentas por cobrar	4.206.299	(564.134)
Deudores por operaciones comerciales y otras cuentas por cobrar partes relacionadas	-	-
Inventarios	2.311.674	(13.189.882)
Activos por impuestos	(1.218.917)	(531.475)
Otros activos	(18.222)	(1.905)
Obligaciones financieras	7.827	3.179
Cuentas por pagar comerciales y otras cuentas por pagar	(5.153.273)	12.548.259
Pasivos por impuestos corrientes	(3.989.877)	670.639
Beneficios a los empleados	1.183	4.431
Otros pasivos	1.733	10.805
Efectivo neto usado en actividades de operación	**(3.044.932)**	**(1.034.820)**
Flujos de efectivo de actividades de inversión:		
Compra de Propiedad planta y equipo	(352)	(3.200)
Compra Activos intangibles	-	(30.175)
Flujo neto de efectivo usado en actividades de inversión	**(352)**	**(33.375)**
Flujos de efectivo de actividades de financiación		
Capital aportado por los accionistas	-	-
Anticipos futuras capitalizaciones	-	-
Efectivo neto provisto por actividades de financiación	-	-
Aumento (disminución) neta de efectivo	(3.045.284)	(1.068.196)
Efectivo al inicio del período	5.378.882	6.447.078
Efectivo al final del período	**2.333.598**	**5.378.882**

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Políticas Contables y Notas Explicativas a los Estados Financieros

Al 31 de Marzo de 2024 y 2023

(Cifras expresadas en miles de pesos colombianos)

Nota 1 Información general de la Compañía

La Compañía **CIPLA COLOMBIA S.A.S** es una sociedad por acciones simplificada radicada en Colombia. El domicilio de su sede social y principal es la ciudad de Bogotá. Fue constituida de acuerdo con las leyes colombianas mediante documento privado de la Asamblea General de Accionistas del 23 de abril de 2019, e inscrito bajo el Número 02451198 del libro IX por la Cámara de Comercio de Bogotá, el 25 de abril de 2019, el término de su duración es indefinida. Su casa matriz es **CIPLA (EU) LIMITED** ubicado en la ciudad de Londres.

Su actividad principal es vender, distribuir, promocionar y exportar e importar medicamentos farmacéuticos y dispositivos médicos; sus ventas son realizadas en el país.

Negocio en marcha

Al preparar los estados financieros la gerencia ha evaluado la capacidad que tiene la Compañía **CIPLA COLOMBIA S.A.S** para continuar en funcionamiento, considerando toda la información disponible sobre el futuro, que cubre al menos los doce meses siguientes a partir de la fecha sobre la que se informa, sin limitarse a dicho periodo, concluyendo que la compañía tendrá continuidad en su operación y no tendrá cambios significativos en las cifras de los estados financieros, las cuales han sido determinadas bajo el principio de negocio en marcha.

Representación

El gobierno, administración y representación legal de la sociedad está a cargo del gerente y su suplente, tal como se desprende de las designaciones realizadas por la asamblea de accionistas el 2 de septiembre de 2021, inscrita ese mismo día ante la Cámara de Comercio de Bogotá, así:

Posición	Nombre
Gerente	Gaurav Yeshwant Datay
Suplente del Gerente	Deepali Choudhary

Nota 2 Declaración de cumplimiento con las NIIF para Pymes

Los estados financieros individuales de la Compañía **CIPLA COLOMBIA S.A.S,** correspondientes al periodo comprendido entre el 1 de abril de 2023 y el 31 de marzo de 2024 han sido preparados de acuerdo con las Normas de Contabilidad y de Información Financiera adoptadas en Colombia (NCIF), establecidas en la Ley 1314 de 2009, para preparadores de la información financiera pertenecientes al Grupo 2, reglamentadas por el Decreto Único Reglamentario 2420 de 2015 modificado por el Decreto 2496 de 2015.

Las NCIF se basan en la Norma Internacional de Información Financiera para Pequeñas y Medianas Entidades (NIIF para las PYMES), emitida por el Consejo de Normas Internacionales de Contabilidad (International Accounting Standards Board – IASB). La norma de base corresponde a la traducida al español y emitida al 31 de diciembre de 2015 por el IASB.

Los estados financieros se presentan en miles de pesos colombianos.

Notas 3 Resumen de políticas contables significativas

3.1. Consideraciones generales

Las principales políticas contables que se han utilizado en la preparación de estos estados financieros se resumen a continuación:

3.2. Moneda extranjera

3.2.1. Moneda funcional y de presentación

Moneda funcional pesos.

La moneda funcional de la Compañía es el peso colombiano dado que es la moneda del entorno económico principal en el que genera y usa el efectivo. Por lo tanto, se manejan los registros contables en dicha moneda, la cual, a su vez, es la usada para la presentación de los estados financieros. Toda la información es presentada en miles de pesos colombianos y ha sido aproximada a la unidad más cercana.

3.2.2. Transacciones y saldos en moneda extranjera

Las operaciones con monedas extranjeras se convierten a pesos colombianos utilizando los tipos de cambio prevalecientes en las fechas de las operaciones (tipo de cambio spot). Las ganancias y pérdidas cambiarias resultantes de la liquidación de dichas operaciones y de la modificación de la medición de las partidas monetarias al tipo de cambio del cierre del año, se reconocen en resultados como ingresos o gastos por diferencia en cambio.

El tipo de cambio peso dólar al 31 de Marzo de 2024 fue de $3.842,3 por cada US$ 1.

3.3. Efectivo y equivalentes al efectivo

Se incluye dentro del efectivo todos los dineros que se tienen disponibles para su uso inmediato en caja, cuentas corrientes y cuentas de ahorro y se mantienen a su valor nominal.

3.4. Instrumentos financieros

3.4.1. Cuentas por cobrar

Las ventas se realizan con condiciones de crédito normales sin devengar intereses, y las cuentas por cobrar se reconocen inicialmente a su precio de transacción. Posteriormente se miden a costo amortizado utilizando el método de interés efectivo, menos el deterioro acumulado.

Cuando existe evidencia objetiva de que los montos registrados de las cuentas por cobrar no son recuperables, la pérdida por deterioro se reconoce en resultados.

3.4.2. Obligaciones financieras

Las obligaciones financieras se reconocen cuando se recibe el producto del préstamo. Se miden en su reconocimiento inicial a su valor nominal, neto de los costos incurridos en la transacción. En su medición posterior, se valoran al costo amortizado con base en la tasa de interés efectiva de la deuda. Cualquier diferencia entre cada valoración, se reconoce como gastos financieros.

Las obligaciones financieras se retiran del pasivo cuando se pagan, liquidan, o expiran.

3.4.3. Proveedores y cuentas por pagar

Los proveedores y cuentas por pagar corresponden a obligaciones pactadas en condiciones de crédito normales y no tienen intereses. Se reconocen cuando se ha adquirido una obligación generada al recibir los riesgos y beneficios de bienes comprados o al recibir los servicios acordados, midiéndolos por el valor acordado con el proveedor. Posteriormente se miden al costo amortizado.

3.4.4. Retiro de los activos financieros

Los activos financieros se retiran de los estados financieros cuando los derechos contractuales a recibir los flujos de efectivo del activo expiran, o cuando el activo financiero y sustancialmente todos los riesgos y beneficios han sido transferidos. Usualmente, esto ocurre cuando se recibe el dinero producto de la liquidación del instrumento o por el pago del saldo deudor.

Si no se transfiere ni se retienen substancialmente todos los riesgos y ventajas inherentes a la propiedad y continúa reteniendo el control del activo transferido, reconoce su participación en el activo y la obligación asociada por los montos que tiene que pagar. Si retiene sustancialmente todos los riesgos y ventajas inherentes a la propiedad de un activo financiero transferido, continúa reconociendo el activo financiero y también reconoce un préstamo colateral por los ingresos recibidos.

La diferencia entre el valor en libros del activo financiero y el valor de la contraprestación recibida y por recibir se reconoce en los resultados.

3.4.5. Deterioro de valor de los activos financieros

Todos los activos financieros, excepto aquellos que se llevan a valor razonable con cambios en resultados, se revisan por deterioro al menos al final de cada año para determinar si existe evidencia objetiva de su deterioro.

Las cuentas por cobrar significativas se consideran para el análisis de deterioro de manera individual cuando están vencidas o cuando existe evidencia objetiva de que un cliente caerá en incumplimiento como resultado de uno o más eventos que ocurrieron después del reconocimiento inicial del activo que tienen impacto en los flujos de efectivo futuros estimados del saldo de la deuda. Las demás cuentas por cobrar se analizan de manera colectiva agrupándolas según características de riesgo crediticio similares.

Si hay evidencia objetiva de que una pérdida por deterioro se ha incurrido, se estiman los flujos de efectivo futuros a recuperar mediante un análisis y proyección que considera la probabilidad de deterioro y la estimación del valor que no se recuperará basados en el análisis de todos los factores que afectan el activo financiero. Cuando el valor presente de los flujos de efectivo futuros estimados a recuperar, descontados utilizando la tasa de interés efectivo original del activo es menor al valor en libros del activo financiero se reconoce una pérdida por deterioro en una subcuenta del activo con cargo al resultado de periodo.

Si en un período posterior, el valor de la pérdida por deterioro disminuye como consecuencia de un evento ocurrido después de que el deterioro fue reconocido, la reversión de la pérdida por deterioro se reconoce en resultados.

3.5. Inventarios

Se reconoce la existencia del inventario en el momento en que los riesgos de los productos farmacéuticos adquiridos son asumidos y son clasificados como activos para la venta.

Según la demanda de clientes y las proyecciones realizadas en conjunto con su casa matriz; han definido en esta política como medición inicial del inventario: el costo de la mercancía (producto farmacéutico); valor que es soportado por los diferentes documentos que hacen parte de los procesos de importación, nacionalización y ubicación que hayan sido necesarios para situarlos en el lugar que se ha definido para almacenamiento, custodia y disposición a través de su operador logístico autorizado. Para establecer el costo del medicamento en la medición inicial se tiene en cuenta cada uno de los anteriores rubros definidos como los costos de adquisición y disposición; a fin de establecer objetivamente el costo de cada uno de los medicamentos que se van a comercializar. Así mismo, dejando claro que cualquier impuesto que sea debidamente recuperable ante las autoridades fiscales no es parte del costo mencionado.

A fin de medir los inventarios se ha adoptado el método del costo promedio ponderado; en donde se suman los valores de las existencias de medicamentos al inicio del periodo más los valores de las nuevas compras, para luego dividir dicho resultado entre el número de unidades existentes en el inventario incluyendo tanto las inicialmente existentes, como las de la nueva compra. Inventario Inicial + compras de productos farmacéuticos ÷ Unidades de saldo inicial + unidades compradas

Teniendo en cuenta las condiciones del mercado y la distribución de los medicamentos que se comercializa, se tiene claro que no siempre es recuperable el costo de los medicamentos; que son parte de su inventario, ya sea por daño o vencimiento de un lote, aumento en el costo de venta o la caída del precio en el mercado. De tal forma, que periódicamente evalúa las diferencias que se puedan presentar entre el costo y el Valor Neto Realizable: que representa el valor neto que espera obtener a partir de la venta del medicamento.

Cuando se trate de importaciones, su costo de compra se reconoce al tipo de cambio de la fecha en que se reciben los riesgos y beneficios del inventario.

3.6. Propiedades y equipo

Los elementos de propiedades y equipo son medidos inicialmente al costo, el cual incluye el precio de compra, neto de descuentos y rebajas, más todos los costos directamente atribuibles a la ubicación del activo en el lugar y en las condiciones necesarias para que pueda operar de la forma prevista por la gerencia.

En su medición posterior, para el equipo de cómputo y comunicación se mide al costo menos la depreciación acumulada menos cualquier pérdida por deterioro de valor acumulada.

La depreciación se calcula sobre el importe depreciable del activo, utilizando el método de línea recta con base en las siguientes vidas útiles:

Clase de activo	Vida útil en años
Equipo de computación y comunicación	3

Las erogaciones por reparaciones menores, mantenimiento normal de los activos y todas aquellas actividades que mantienen el servicio y capacidad de uso del activo en condiciones normales se cargan a gastos del período.

El valor en libros de un elemento de propiedades y equipo se retira de los activos cuando se vende o cede a un tercero transfiriendo los riesgos y beneficios y/o cuando no se espere obtener beneficios económicos futuros por su uso o venta. Las ganancias o pérdidas que se deriven del retiro se reconocen en resultados como parte de "otros ingresos u otros gastos', según corresponda.

3.7. Deterioro del valor de los activos no financieros

Al cierre de cada año, se evalúa si existe algún indicio de deterioro del valor de algún activo individual en la medida en que éste genere flujos de efectivo de manera independiente, o unidades generadoras de efectivo. Si existen indicios de un posible deterioro del valor, se estima y compara el valor recuperable de cualquier activo afectado (o unidades generadoras de efectivo) con su valor en libros con excepción de la plusvalía. Si el valor recuperable estimado es inferior al costo neto en libros del activo (individual o unidad generadora de efectivo), se reduce su valor en libros al valor recuperable estimado, y se reconoce una pérdida por deterioro del valor, la cual se contabilizada en los resultados como gastos o mediante una disminución del superávit por revaluación de activos, en caso de existir.

Si una pérdida por deterioro del valor se revierte posteriormente, el valor en libros del activo (o unidad generadora de efectivo) se incrementa hasta la estimación revisada de su valor recuperable, sin superar el valor que habría sido determinado si no se hubiera reconocido ninguna pérdida por deterioro de valor del activo en años anteriores. Una reversión de una pérdida por deterioro de valor se reconoce inmediatamente en resultados.

3.8. Arrendamientos

La Compañía actuando como arrendataria clasifica un arrendamiento como financiero si se le transfiere sustancialmente todos los riesgos y beneficios relacionados con la propiedad del activo arrendado. Por lo tanto, al inicio del arrendamiento se reconoce un activo (propiedades, planta y equipo, activos intangibles o propiedades de inversión, según corresponda) al valor razonable del activo arrendado o, si es menor al valor presente de los pagos mínimos del arrendamiento. Un valor similar se reconoce como un pasivo de arrendamiento financiero dentro de las obligaciones financieras.

Los pagos del arrendamiento se reparten entre la carga financiera y la reducción de la obligación del arrendamiento, para así conseguir una tasa de interés constante sobre el saldo restante del pasivo. La carga financiera se reconoce como gastos financieros en el estado de resultados.

El resto de los arrendamientos se tratan como arrendamientos operativos, procediendo a reconocer las cuotas pactadas en el resultado del periodo de forma lineal a lo largo del plazo del arrendamiento.

3.9. Impuesto sobre la renta

El impuesto a la renta corriente y la sobretasa de renta se calculan con base en la renta líquida, usando las leyes tributarias promulgadas y vigentes a la fecha de cierre anual, lo cual difiere del resultado contable reflejado en los estados financieros.

El gasto de impuesto reconocido en los resultados del período incluye la suma de los impuestos corrientes por concepto del impuesto la renta corriente y la sobretasa al impuesto de renta y complementario, y el impuesto diferido.

Los activos y/o pasivos por impuestos corrientes comprenden las obligaciones o reclamos de las autoridades fiscales en relación con los períodos de reportes actuales o anteriores que están pendientes de pago a la fecha de cierre anual. Se evalúa periódicamente la posición asumida en las declaraciones de impuestos, respecto de situaciones en las que las leyes tributarias son objeto de interpretación, cuando corresponde, se reconocen los valores que espera deberá pagar a las autoridades tributarias.

Los activos y pasivos por impuestos diferidos se calculan sobre las diferencias temporarias entre el valor en libros de los activos y pasivos y su base fiscal, en la medida en que se espere que aumenten o reduzcan la utilidad fiscal en el futuro.

Los activos y pasivos por impuestos diferidos se calculan, sin descontarse, a las tasas fiscales que se espera apliquen en el periodo de realización respectivo. El impuesto diferido se reconoce en los resultados del período, excepto cuando se trata de partidas que se reconocen en el patrimonio o en otro resultado integral, en cuyo caso el impuesto también se reconoce en el patrimonio o en otro resultado integral, respectivamente.

El impuesto diferido activo solo se reconoce en la medida en que sea probable la existencia de beneficios tributarios futuros contra los que se puedan usar las diferencias temporarias que lo generan. Lo anterior se determina con base en las proyecciones sobre los resultados de operación futuros, ajustados por partidas significativas que se concilian para el resultado fiscal y por los límites en el uso de pérdidas fiscales u otros activos fiscales pendientes de aplicar.

El valor en libros de los activos por impuestos de renta diferidos se revisa en cada fecha de reporte y se ajusta según sea necesario para reflejar la evaluación actual de las utilidades fiscales futuras.

3.10. Beneficios a empleados

Las obligaciones laborales de la Compañía incluyen beneficios de corto plazo.

3.10.1. Beneficios de corto plazo

Los beneficios de corto plazo incluyen salarios, cesantías, vacaciones, prima legal, intereses a las cesantías y todos aquellos conceptos que remuneran el servicio que prestan los empleados a la Compañía y que se espera liquidar totalmente antes de los doce meses siguientes al cierre anual sobre el que se informa en el que los empleados hayan prestado los servicios relacionados.

Estos beneficios son reconocidos en la medida en que el empleado presta sus servicios a la Compañía y se miden por el valor establecido en las normas laborales y/o en los acuerdos individuales establecidos entre el empleado y la Compañía.

3.11. Provisiones y contingencias

Su reconocimiento se realiza cuando se tiene una obligación presente legal o asumida como resultado de eventos pasados, es probable que se requiera de la salida de recursos para su pago y su valor se puede estimar confiablemente.

Las provisiones se miden al valor presente de los desembolsos que se espera se requerirán para cancelar la obligación, utilizando como tasa de descuento la tasa de interés promedio de los créditos bancarios de la Compañía. Anualmente se actualizan las provisiones existentes y su valor se reconoce como gastos financieros en la parte que refleje el paso del tiempo y como gastos la parte que refleja un ajuste en la estimación de la provisión.

Las contingencias de ganancias a favor de la Compañía no se reconocen hasta tanto se tenga la certeza de obtener un beneficio económico.

3.12. Capital emitido

El capital accionario representa el valor nominal de las acciones que han sido emitidas.

Las distribuciones de dividendos pagaderos a los accionistas se reconocen como cuentas por pagar cuando los dividendos son decretados por la Asamblea de Accionistas.

3.13. Reconocimiento de ingresos de actividades ordinarias

Los ingresos se miden por referencia al valor razonable del pago recibido o por recibir de los bienes suministrados, sin contar impuestos sobre ventas y neto de rebajas, descuentos comerciales y similares. La política contable para cada grupo de ingresos es la siguiente:

3.13.1. Venta de productos

Los ingresos de actividades ordinarias procedentes de la venta de medicamentos en el país se reconocen cuando se entregan los bienes y ha cambiado su propiedad, lo cual ocurre con el despacho real de la mercancía.

El valor del ingreso está dado por el precio de la transacción de la cual espera tener derecho, también se reconoce los descuentos por pronto pago y las devoluciones en ventas. Los importes recibidos por parte de los clientes como anticipo de compra o importes cuya asociación a una factura no sea posible, se registrarán como pasivo hasta que se identifique su correspondiente partida.

La Compañía mantiene como parte de la gestión del efectivo un porcentaje de descuento que esta dado entre el 2,5 y el 5% sobre aquellas facturas cuya cancelación se haga dentro del plazo acordado y también se otorga descuentos comerciales del 7% y 10% , de acuerdo al reconocimiento del ingreso los descuentos se reflejan en los Estados Financieros como un menor valor del ingreso de actividades ordinarias, de tal forma que los usuarios de la información financiera puedan observar el valor real por el que obtuvieron los ingresos.

La medición de los ingresos se realiza por el precio acordado entre las partes, neto de descuentos, rebajas y similares. Cuando se otorga un plazo para el pago o se financia la venta más allá de un año, el ingreso se determina por medio del descuento (valor actual) de todos los cobros futuros, utilizando una tasa de interés imputada para la actualización. La diferencia entre este valor y el valor nominal de la contrapartida se reconoce como ingreso de actividades ordinarias por intereses en el plazo otorgado.

3.13.2. Ingresos Financieros

Corresponden al ingreso generado por concepto de diferencia en cambio como resultado de la conversión de las cuentas por pagar a proveedores en moneda extranjera, como es el caso de las importaciones de los medicamentos que son adquiridos con el vinculado económico **CIPLA LIMITED** y por transacciones que se puedan llegar a tener con otros terceros. Se establece la diferencia de cambio de acuerdo a tasa de cambio vigente a la fecha de presentación de cada cierre.

3.14. Reconocimiento de costos y gastos

Se reconocen los costos y gastos en la medida en que ocurran los hechos económicos en forma tal que queden registrados sistemáticamente en el periodo contable correspondiente (devengo), independiente del momento de su pago.

3.15. Clasificación en activos y pasivos corrientes y no corrientes

Se clasifican como activos corrientes aquellas partidas que:

a. Espera realizar, vender o consumir en su ciclo normal de operación, que es de 12 meses,
b. Mantiene principalmente con fines de negociación,
c. espera realizar dentro de los doce meses siguientes después del período sobre el que se informa, o
d. son efectivo o equivalente al efectivo.

Todos los demás activos se clasifican como no corrientes.

Se clasifican como pasivos corrientes aquellas partidas que:

a. Espera liquidar en su ciclo normal de operación, que es de 12 meses,
b. mantiene principalmente con fines de negociación,
c. deben liquidarse dentro de los doce meses siguientes a la fecha del periodo sobre el que se informa, o
d. no tienen un derecho incondicional de aplazar su pago al menos en los doce meses siguiente a la fecha de cierre.

Todos los demás pasivos se clasifican como no corrientes.

Nota 4 Supuestos clave de la incertidumbre en la estimación

Al preparar los estados financieros, se asumen una serie de juicios, estimados y supuestos sobre el reconocimiento y medición de activos, pasivos, ingresos y gastos. Estos juicios y estimaciones son evaluados periódicamente basados en la experiencia y otros factores. Los resultados reales pueden diferir de las estimaciones realizadas y podrían requerir de ajustes significativos en el valor en libros de los activos y pasivos afectados.

Las estimaciones más significativas corresponden a:

4.1. Deterioro de deudores

Se considera la situación de cada deudor a la fecha del estado financiero y se realiza un análisis de antigüedad desde la creación de la cuenta por cobrar y si esta supera el tiempo de recaudo de 90 días se reconoce una estimación de deterioro de cartera de acuerdo a su antigüedad.

El deterioro de valor de los deudores puede modificarse en un futuro por situaciones económicas, legales y de mercado que afecten los deudores y su futuro pago.

4.2. Deterioro de Inventarios

Los valores netos realizables de los inventarios se determinan tomando en consideración la evidencia más confiable que está disponible a la fecha del cierre anual respecto del estado del inventario, precios de venta esperados y situación del mercado, entre otros.

La futura realización de estos inventarios puede verse afectada por cambios en el mercado, en la tecnología y en los hábitos de los consumidores que pueden reducir los precios de venta.

Nota 5 Objetivos y política de administración del riesgo

La Compañía está expuesta a varios riesgos relacionados con instrumentos financieros, como son los riesgos de liquidez, cambiario, de tasa de interés y crediticio. La Administración de los riesgos financieros se analiza por la administración y se enfoca en asegurar los flujos de efectivo a corto y a mediano plazo al minimizar la exposición a los mercados financieros.

No se realizan actividades de negociación con fines especulativos ni efectúa operaciones de coberturas.

A continuación se informa para cada uno de los riesgos financieros información cuantitativa y cualitativa.

- Las exposiciones al riesgo y la forma en que éstas surgen;
- Sus objetivos, políticas y procesos para la gestión del riesgo, así como los métodos utilizados para medirlo; y
- Datos cuantitativos resumidos acerca de su exposición al riesgo al cierre 2019.
- Las concentraciones de riesgo

Riesgo de liquidez

El riesgo de liquidez consiste en no poder ser capaz de cumplir con sus obligaciones, por lo que se deberán considerar los flujos de efectivo esperados de los activos financieros al evaluar y administrar el riesgo de liquidez, en particular sus recursos de efectivo y sus cuentas por cobrar. Se gestionan las necesidades de liquidez al monitorear los pagos que deben ser realizados. Los requerimientos de efectivo neto se comparan con las facilidades de préstamo disponibles para poder determinar el alcance máximo o cualquier déficit. Este análisis permite identificar las facilidades de préstamos disponibles y que éstas sean suficientes durante todo el periodo analizado.

Los siguientes son los vencimientos contractuales de los pasivos financieros restantes al término del período sobre el que se informa:

	Corriente		No corriente		
	A seis meses	De seis meses a un año	De un año a cinco años	Más de cinco años	Al 31 de marzo de 2024
Obligaciones Financieras	12.572	0	0	0	12.572
Cuentas por pagar comerciales y otras cuentas por pagar	18.883.215	0	0	0	18.883.215
Cuentas por pagar vinculadas	0	0	0	0	0
Pasivos por impuestos corrientes	63.416	0	0	0	63.416
Beneficios a los empleados	242.425	0	0	0	242.425
Otros pasivos	14.119	0	0	0	14.119
Total	**19.215.746**	**0**	**0**	**0**	**19.215.746**

Riesgo cambiario

La mayoría de las transacciones se llevan a cabo en pesos colombianos. Las exposiciones a los tipos de cambio surgen de las ventas y compras en el extranjero que básicamente están denominadas en dólares de los Estados Unidos (US$).

Para mitigar la exposición al riesgo cambiario, se monitorean los flujos de efectivo que están originados en moneda extranjera así como los compromisos a futuro en esas monedas siguiendo las políticas de administración de riesgo establecidas.

Los activos y pasivos financieros denominados en moneda extranjera que exponen a un riesgo cambiario se analizan a continuación:

	Dólares	Al 31 de Marzo de 2024	Dólares	Al 31 de Marzo de 2024
Proveedores del exterior	**5.029.539**	**19.324.999**	**4.266.183**	**19.740.782**

Riesgo crediticio

El riesgo crediticio es el riesgo de que los clientes y otros deudores no realicen su pago, por lo que su exposición a este riesgo se da principalmente por los saldos de efectivo y equivalentes de efectivo y todos los deudores.

La máxima exposición de riesgo crediticio se presenta a continuación de acuerdo con los saldos del estado de situación financiera:

	Valor en libros
Efectivo y equivalentes de efectivo	2.333.981
Cuentas comerciales por cobrar y otras cuentas por cobrar	6.051.227
Total	**8.385.207**

Se monitorean continuamente los saldos expuestos al riesgo crediticio, en forma individual o por grupo de deudores, y se incorpora esta información a los controles de riesgo crediticio. Cuando está disponible a un costo razonable, se llevan a cabo calificaciones y/o reportes de crédito externos acerca de los clientes y de otros y esta información se utiliza.

Se considera que todos los activos financieros que no están deteriorados ni vencidos, tienen una buena calidad de crédito debido al buen cumplimiento de sus acuerdos con clientes.

Las cuentas por cobrar consisten de un gran número de clientes en varias industrias y áreas geográficas. Con base en la información histórica acerca de las tasas de mora de clientes, la gerencia considera la calidad de crédito de las cuentas por cobrar que no están vencidas o deterioradas, como buena.

El riesgo crediticio para efectivo y equivalentes de efectivo es insignificante, ya que las contrapartes son bancos de reputación con altas calificaciones por parte de compañías calificadoras externas.

Políticas y procedimientos de administración de capital

Los objetivos sobre la administración de capital son:

i. Garantizar la habilidad para continuar como negocio en marcha

ii. Proporcionar un retorno adecuado a los accionistas.

En esa misma línea, se determinan los requerimientos de capital con el fin de mantener una estructura general de financiamiento eficiente mientras evita un apalancamiento excesivo. Lo anterior toma en consideración los niveles de subordinación de las diferentes clases de deuda que se mantienen. Además, se administra la estructura de capital y se ajusta en virtud de los cambios en las condiciones económicas y las características de riesgo de los activos involucrados.

Nota 6 Cash and cash equivalents

El efectivo y equivalentes al 31 de marzo de 2024 y 2023 incluye los siguientes componentes:

	31 de Marzo	
	2024	2023
Cuenta corriente Citibank	394.430	2.205.523
Cuenta corriente Bancolombia	1.939.168	3.173.359
Total	**2.333.598**	**5.378.882**

Los ingresos en las cuentas corrientes bancarias corresponden a pagos de las facturas emitidas por la venta de medicamentos y el dinero recibido por pago de capital (inversión extranjera).

A la fecha de emisión del presente estado de situación financiera, el efectivo y equivalentes al efectivo no presenta restricción sobre el uso de los recursos.

Nota 7 Inventories

El saldo de los inventarios al 31 de marzo de 2024 y 2023 incluye:

	31 de Marzo	
	2024	2023
Medicamentos	7.320.166	14.840.332
Mercancía facturada no entregada	-	18.868
Deterioro De Medicamentos	(1.669.398)	(1.113.982)
Medicamentos En Transito	6.405.571	622.794
Total	**12.056.339**	**14.368.013**

A continuación, se detalla el valor del inventario por producto a 31 de marzo de 2024 y 2023:

Producto	Saldo al 31 marzo 2024	Saldo al 31 marzo 2023
Tenomune	346.739	275.115
Daruvir	538.694	709.198
Zentair	180.509	224.376
Oncoterona	992	3.506
Cipladanogen	99.252	364.749
Lenoside	4.792.571	8.716.675
Tripzol	210.968	508.206
Erlocip	12.754	22.319
Capegard	7.539	160.525
Prazolar	0	9.900
Oncoemet	4.221	630.942
Blexicip	803	803
Gefticip	96.183	198.695
Salbumed	453.576	1.323.717
Tiozide	95.006	381.348
Beclort	159.141	656.211
Serohale	279.278	609.469
Zerostat	2	2
Flohale	10	10
Foracort	-	2.501
Budetec	33.143	33.157
Huf	4.556	4.677
Nepfast	4.231	4.231
Total Inventario	**7.320.166**	**14.840.332**

Nota 8 Other current assets

El saldo de los otros activos al 31 de marzo de 2024 y 2023 comprende:

	31 de Marzo	
	2024	2023
Tarjetas débito (1)	382	831
Anticipos A Proveedores (2)	461.555	573.918
Transacciones con casa matriz	-	3.320.955
Licencia Registro Invima (3)	368.125	368.125
Amortización Licencia Registro Invima	(276.955)	(185.376)
Afiliaciones (4)	53.177	46.192
Pólizas	2.471	2.471
Anticipos a empleados (1)	8.140	-
Amortización Afiliaciones	(52.013)	(45.168)
Amortización Pólizas	(2.471)	(2.471)
Anticipo De Impuesto De Renta	-	534.273
Retención En La Fuente 2 5 %	184.550	189.331
Autorretenciones De Renta 0 55%	39.559	37.684
Saldo A Favor Impuesto De Renta	1.757.798	-
Retención Ica 4 14 X 1000	19.080	20.783
Total	**2.563.398**	**4.861.548**

(1) Las tarjetas débito y los anticipos a empleados corresponden a dinero girado al personal para gastos de viaje.

(2) Corresponde principalmente a los anticipos girados por importaciones al proveedor Agencia de Aduanas UPS SCS Colombia Ltda.

(3) Corresponde a los registros ante el INVIMA por la renovación de los productos, el tiempo de las licencias son de 5 años.

(4) Corresponde a las suscripciones de la Asociación Nacional de Empresarios de Colombia – ANDI y Experian Colombia.

Nota 9 Other financial assets

El saldo de los otros activos financieros al 31 de marzo de 2024 y 2023 comprende:

	31 de Marzo	
	2024	2023
Otras Cuentas Por Cobrar	-	731
Depósito En Garantía (1)	8.955	8.955
Total	**8.955**	**9.686**

(1) Corresponde al depósito en garantía del arriendo de la oficina. Con el proveedor Calle 93 NO. 19 - 55 Tenant.

Nota 10 Trade receivables

Los deudores comerciales y otros al 31 de marzo de 2024 y 2023 comprenden:

	31 de Marzo	
	2024	2023
Clientes Nacionales (1)	8.573.221	7.346.220
Abonos Clientes	(727.534)	(252.349)

Estimación descuento por negocios especiales	(2.000.939)	(446.101)
Estimación Devoluciones de venta	(75.926)	(152.114)
Estimación nota crédito	-	(9.820)
Mercancía Facturada No Entregada	-	(17.722)
Deterioro De Cartera	(179.150)	(106.193)
Anticipo De Clientes Nacionales	(14.119)	(12.386)
Total	**5.575.553**	**6.349.536**

(1) Corresponde a la cartera por la venta de medicamentos, el saldo más representativo es el del cliente RB Pharmaceuticals SA por $ 1.225.890 y Caja Colombiana de Subsidio Familiar Colsubsidio por $ 1.110.358.

La cartera al 31 de marzo de 2024 y 2023 se detalla por edades a continuación:

Antigüedad	Saldo al 31 marzo 2024	Saldo al 31 marzo 2023
Entre 01 y 30 días	6.341.276	6.736.378
Entre 31 y 60 días	972.452	273.647
Entre 61 y 90 días	540.346	183.792
Entre 91 y 180 días	532.861	35.884
Entre 181 y 365 días	104.593	18.812
Más de 365 días	81.693	97.708
Total Cartera	**8.573.221**	**7.346.220**

Nota 11 Property, plant and equipment

El saldo de las propiedades y equipo al 31 de marzo de 2024 y 2023 comprende:

	31 de Marzo	
	2024	2023
Equipo de comunicación y computación	32.057	28.157
Depreciación acumulada equipo de comunicación	(27.286)	(23.738)
Total	**4.771**	**4.419**

El siguiente es el detalle de las adiciones de propiedad planta y equipo:

	Equipo de comunicación y computación	Total
Saldo al 31/03/2022	8.316	8.316
Compras	3.200	3.200
Depreciación	(7.097)	-7.097
Saldo al 31/03/2023	**4.419**	**4.419**
Compras	3.900	3.900
Depreciación	(3.548)	(3.548)
Saldo al 31/03/2024	**4.771**	**4.771**

Nota 12 Other non-current assets

El saldo de anticipos de impuestos y contribuciones al 31 de marzo de 2023 y 2024 comprenden lo siguiente:

	31 de Marzo	
	2024	2023
Saldo a favor IVA	1.343	1.343
Total	**1.343**	**1.343**

Nota 13 Trade payables

El saldo de las cuentas por pagar al 31 de marzo de 2024 y 2023 comprende:

	31 de Marzo	
	2024	2023
Proveedores Nacionales (1)	54.217	384.527
Proveedores del exterior (2)	18.512.942	22.502.957
Honorarios (3)	56.439	127.393
Almacenamiento Del Producto (4)	140.420	142.912
Servicios Plataforma De Datos	260	232
Servicios Temporal	3.538	3.002
Reembolso De Gastos	-	1.415
Otras Cuentas Por Pagar	115.399	874.049
Total	**18.883.215**	**24.036.488**

(1) Corresponde al saldo de la cuenta por pagar del proveedor Agencia de Aduanas UPS SCS Colombia Ltda. Nivel 2 por los costos de las importaciones de medicamentos.

(2) Corresponde al valor por pagar de las importaciones de los medicamentos que se compran a casa matriz **CIPLA LIMITED** y a otros proveedores por valor de USD 5.029.539 (2022 USD 4.266.183), más los cargos por licencias de IT y los ajustes por diferencia en cambio.

(3) Corresponde al saldo de cuentas por pagar de honorarios, el más representativo es por servicios legales con el proveedor Aruna Asesores S.A.S.

(4) Corresponde al servicio prestado por el proveedor Agencia de aduanas UPS SCS por el almacenamiento de los medicamentos para la venta.

Nota 14 Provisions

El saldo de las provisiones comprende al 31 de marzo lo siguiente:

	31 de Marzo	
	2024	2023
Vacaciones	62.163	33.525
Cesantías	25.727	23.558
Intereses a las cesantías	772	707
Primas De Servicios	25.727	23.558
Bonificaciones	128.036	159.894
Total	**242.425**	**241.241**

Nota 15 Other current liabilities

El saldo de impuestos por pagar comprende lo siguiente al 31 de marzo de 2024 y 2023:

	31 de Marzo	
	2024	2023
Impuestos De Renta Por Pagar	-	3.981.757
Impuesto de Industria y Comercio	29.025	32.971
Retención en la fuente	18.401	16.250
Autorretención Renta 0.55%	14.721	21.073
Retención de ICA	1.270	1.242
Total	**63.416**	**4.053.293**

Gastos por Impuestos

	31 de Marzo	
	2024	2023
Impuesto de Renta	266.965	996.680
Impuesto de Renta Años Anteriores	83.232	-
Impuesto Diferido	552.953	502.284
Total	**903.149**	**1.498.964**

Las declaraciones de renta de los años 2019 al 2022 se encuentran abiertas fiscalmente quedando pendientes de revisión. La Compañía considera que, en caso de revisión por parte de las autoridades tributarias, no se presentarán cambios en las bases declaradas por la Compañía.

La conciliación entre la ganancia contable y el gasto por impuesto de renta del año 2024 y 2023 es la siguiente:

	Al 31 Marzo 2024	Al 31 marzo 2023
Ganancia contable antes de impuesto de renta	1.054.865	895.652
Ajuste utilidad enero - marzo		(18.803)
Ganancia contable antes de impuesto de renta	**1.054.865**	**876.850**
Más: partidas no deducibles temporales		
Deterioro de inventario supera el 3%	555.417	501.302
Deterioro de cartera	72.957	(35.458)
Provisión ajuste costo de productos	-	-
Depreciación	(4.740)	2.732
Amortización	36.042	17.775
Impuesto ICA e GMF	71.891	165.120
Gastos no deducibles	402.674	664.070
Impuestos asumidos	9.797	-
Incapacidad	-	13.862
Destrucción medicamentos	3.718	1.945
Recuperación de cartera	-	27.147
Donaciones	5.986	-
Mercancía facturada no entregada	18.868	-
Bonificaciones	(61.488)	-
Gastos del año facturados en el año siguiente	-	-
Gastos bancarios (partidas conciliatorias)	-	-
Limitación gastos en el exterior	-	-
Diferencia en cambio contable	(2.187.261)	4.298.511
Sanciones	9.033	2.212.692
Ajuste al peso	(12)	(3)
Intereses de mora	20.323	107
Menos: Ingresos no gravables		
Diferencia en cambio contable	(1.386.971)	(248.634)
Estimación descuentos a clientes	1.451.109	(780.278)
Renta (Perdida)líquida	**72.208**	**7.717.740**
Compensaciones pérdidas fiscales		
Renta Liquida Gravable	**72.208**	**7.717.740**
Renta liquida Gravable Tarifa 35%	72.208	7.717.740
Impuesto de renta 35%	**25.273**	**2.701.209**
Tasa de impuesto de renta	35%	35%
Impuesto de renta del año	**25.273**	**2.701.209**
Descuento Tributario - Ica	-	**(60.507)**
Impuesto Neto de Renta	**25.273**	**2.640.702**

Menos:

Anticipo de renta		-
Retenciones en la fuente	(846.962)	(758.870)
Autorretención de Renta	(184.566)	(114.325)
Impuesto de renta (a favor)	**(1.006.255)**	**1.767.507**

Disposiciones legales aplicables al impuesto sobre la renta, renta presuntiva y gravamen a los dividendos:

Las siguientes son las disposiciones vigentes aplicables a la Compañía durante 2023 y 2021:

a. Las tarifas del impuesto sobre la renta para los años 2023, 2021 y años posteriores son las siguientes:

Año	Tarifa
2021	31%
2023	35%
2024 en adelante	35%

b. La base para determinar el impuesto sobre la renta presuntiva para 2023 y 2022 es del 0% del patrimonio líquido del año inmediatamente anterior.

c. Cuando el impuesto sobre la renta se hubiere determinado con base en el sistema de renta presuntiva, la Compañía puede restar de la renta bruta determinada dentro de los cinco años siguientes, el valor del exceso de la renta presuntiva sobre la renta líquida, calculada por el sistema ordinario y, reajustado con base en el índice de inflación hasta el 31 de diciembre de 2016. A partir del 2017, los excesos de renta presuntiva sobre la renta ordinaria pueden ser deducibles sin reajuste, dentro de los cinco años siguientes (2023).

d. Hasta el 31 de diciembre de 2023 la tarifa del impuesto sobre la renta correspondiente a dividendos o participaciones y su retención, fue la que se indica en el cuadro siguiente:

Concepto	INCRNGO (*)	Gravado
Año gravable 2016 y anteriores, se debe practicar retención por la parte gravada como sigue: 20% obligados a presentar declaración 33% no obligados a presentar declaración (20% si supera 1400 UVT)	N/A	
Utilidades 1 ° ene de 2017 – 31 diciembre de 2018, que hayan sido decretados en calidad de exigibles, a las personas naturales residentes y sucesiones ilíquidas de causantes que al momento de su muerte eran residentes del país.	Por el año gravable 2020 0 – 300 UVT 0% 300 UVT en adelante 15% (10% desde 2020)	
Dividendos recibidos de sociedades extranjeras a las personas naturales residentes y sociedades nacionales	N/A	Tarifas art. 240 ET 33% 2019 32% 2020 31% 2022 35% 2023 En adelante
Utilidades 1 ° de enero de 2017 – 31 de diciembre de 2018 que hayan sido decretados en calidad de exigibles a las sociedades y entidades extranjeras y por personas naturales NO residentes y sucesiones ilíquidas de causantes no residentes al momento de su muerte	7,5%	
SIMPLE Utilidad respecto a Ingresos gravados en el SIMPLE, El valor por detraer será el componente simple nacional	Operan las retenciones de la Ley 2010/19 Personas naturales residentes 0 – 1090 UVT 0% 1090 UVT en adelante 10%	

(*) INCRNGO – Ingreso No Constitutivo de Renta Ni Ganancia Ocasional

e. De acuerdo con la Ley 2277 de 2022 "reforma tributaria para la igualdad y la justicia social" y el Decreto 1103 de 2023 las tarifas aplicables a los dividendos y su retención con respecto a las utilidades que se distribuyan en calidad de exigibles son las siguientes:

Concepto	INCRNGO (*)	Gravado
Año gravable 2016 y anteriores, se debe practicar retención por la parte gravada como sigue: 20% obligados a presentar declaración. 33% no obligados a presentar declaración (20% si supera 1400 UVT)	N/A	Tarifas art. 240 ET 33% 2019 32% 2020 31% 2022 35% 2023 En adelante
Tarifa de retención en la fuente sobre dividendos que se distribuyan a partir 1°. enero de 2023 con cargo a utilidades a partir del 1°. enero de 2017, y que no se hayan decretado a partir del 31 diciembre de 2022 **a sociedades nacionales**	10% Retención trasladable al beneficiario final	
Sociedades, entidades extranjeras y establecimientos permanentes	20%	
Personas naturales residentes	0 – 1090 UVT 0% 1090 UVT en adelante 15%	
Personas naturales no residentes	20%	

(*) INCRNGO - Ingreso No Constitutivo de Renta Ni Ganancia Ocasional

f. Las tarifas en materia de dividendos son las siguientes:

Concepto	Gravado	INCRNGO (*)
Sociedades nacionales	Tarifas art. 240 ET 33% 2019 32% 2020 31% 2021 35% 2022 en adelante	10% Retención trasladable al beneficiario final
Sociedades, entidades extranjeras y establecimientos permanentes		20%
Personas naturales residentes		0% 0 - 1090 UVT 10% 1090 UVT en adelante
Personas naturales no residentes		15%

g. Las pérdidas fiscales obtenidas a partir del año gravable 2017 se pueden compensar con las rentas líquidas ordinarias que se obtengan en los doce períodos gravables siguientes, sin límite en las cuantías a compensar (Art. 147 ET). Las pérdidas acumuladas a 31 de diciembre de 2016 reajustadas en el índice de inflación hasta el 31 de diciembre de 2016 de renta y CREE, no se someten al término de compensación previsto en el Art. 147 ET, ni serán reajustadas fiscalmente y se debe considerar la fórmula del numeral 5 Art. 290 ET (Régimen de transición).

h. Hay límites para las deducciones: de intereses en proporción al patrimonio líquido respecto de préstamos con vinculados económicos, amortización de crédito mercantil por adquisición de acciones y valor residual para depreciación por reducción de saldos, entre otros.

i. La tarifa de ganancias ocasionales para 2023 es del 15% y 2022 era del 10%.

j. A partir de 2017, los contribuyentes del impuesto sobre la renta que perciban rentas de fuente extranjera, sujetas a impuestos sobre la renta en el país de origen, pueden descontar tales valores del impuesto sobre la renta, y de su sobretasa, hasta agotarlo. El valor del descuento en ningún caso podrá ser mayor al impuesto de renta liquidado. Estas reglas deben verificarse con respecto a los países con los cuales Colombia tiene un acuerdo para evitar la doble tributación y la CAN (Comunidad Andina de Naciones).

Nuevas disposiciones a partir del año gravable 2023:

Las siguientes son las novedades contenidas en la Ley 2277 del 13 de diciembre de 2022 en relación con el impuesto sobre la renta para personas jurídicas a partir del año 2023:

Impuesto de renta para personas jurídicas

La tarifa del impuesto sobre la renta aplicable a las sociedades nacionales y sus asimiladas, los establecimientos permanentes de entidades del exterior, y las personas jurídicas extranjeras con o sin residencia en el país, obligadas a presentar la declaración anual del impuesto sobre la renta y complementarios, será del 35%.

Tasa de Tributación Depurada

Se establece una tasa mínima de tributación para los contribuyentes del impuesto sobre la renta que se denominará Tasa de Tributación Depurada (TTD), la cual no podrá ser inferior al 15%, y será el resultado de dividir el Impuesto Depurado (ID) sobre la Utilidad Depurada (UD). El siguiente es el detalle del cálculo de TTD al 31 de diciembre de 2023:

	2023
Impuesto Depurado	
Impuesto neto de renta.	0
(+) Descuentos tributarios o créditos tributarios	0
(-) Impuesto sobre la renta por rentas pasivas provenientes de entidades controladas del exterior	0
Total Impuesto Depurado (ID)	**0**
Utilidad Depurada	
Utilidad contable o financiera antes de impuestos.	1.007.312
(+) Diferencias permanentes consagradas en la ley y que aumentan la renta líquida.	772.455
(-) Ingresos no constitutivos de renta ni ganancia ocasional, que afectan la utilidad contable o financiera.	0
(-) Valor ingreso método de participación patrimonial del respectivo año gravable.	0
(-) Valor neto de ingresos por ganancia ocasional que afectan la utilidad contable o financiera	0
(-) Rentas exentas por aplicación de tratados para evitar la doble imposición	0
(-) Compensación de pérdidas fiscales o excesos de renta presuntiva tomados en el año gravable y que no afectaron la utilidad contable del periodo.	0
Total Utilidad Depurada (UD)	**1.779.767**
Tasa de Tributación Depurada (ID/UD)	0%
Impuesto a adicionar (UD * 15%) - ID	**266.965**

La tasa mínima se denominará tasa de tributación depurada (TTD), no puede ser inferior al 15% y será el resultado de dividir el impuesto depurado (ID) sobre la utilidad depurada (UD).

No están sujetos a la Tasa de Tributación Depurada:

a. Los contribuyentes cuyos estados financieros no sean objeto de consolidación y su Utilidad Depurada (UD) sea igual o menor a cero, o para los contribuyentes cuyos estados financieros sean objeto de consolidación y la sumatoria de la Utilidad Depurada sea igual o menor a cero; b) Las sociedades que se constituyeron como Zonas Económicas y Sociales Especiales -ZESE durante el período en el cual su tarifa de impuesto sobre la renta sea del cero por ciento (0%);
b. Las sociedades que aplican el incentivo tributario de las zonas más afectadas por el conflicto armado -ZOMAC; y
c. Las sociedades constituidas bajo ley 1429 de 2010.

Tarifas de renta

Las siguientes serán las tarifas de renta para 2023 y años siguientes:

Tarifa General	Tarifa del 35%, pero con tasa mínima de tributación del 15%
Tarifas Especiales	Tarifa especial del 9% para empresas industriales y comerciales del Estado y las sociedades de economía mixta, en las cuales la participación del Estado sea superior del 90% que ejerzan los monopolios de suerte y azar y de licores y alcoholes.

Servicios hoteleros	Tarifa del 15% sobre los ingresos percibidos en la prestación de servicios hoteleros, de parques temáticos de ecoturismo y/o agroturismo, por un término de 10 años
Editoriales	Tarifa del 15% sobre la renta percibida por las casas editoriales cuyo objeto social sea exclusivamente la edición de libros
Zonas francas	Tarifa del 20% sobre ingresos de exportación y 35% sobre los demás ingresos y cuando no cumpla el plan de internacionalización descrito anteriormente.

Límite a los beneficios y estímulos tributarios

Para las sociedades nacionales y sus asimiladas, los establecimientos permanentes de entidades del exterior y las personas jurídicas extranjeras con o sin residencia en el país contribuyentes del impuesto sobre la renta y complementarios, el valor de los ingresos no constitutivos de renta ni ganancia ocasional, deducciones especiales, rentas exentas y descuentos tributarios no podrá exceder el 3% anual de su renta líquida ordinaria antes de detraer las deducciones especiales contempladas.

Los rubros que se limitarán al 3% de la renta liquida serán los siguientes beneficios y estímulos:

- Deducción contribución a educación de los empleados
- Deducción financiación de los estudios de trabajadores
- Deducción contratación de trabajadores víctimas de violencia
- Deducción gastos para la conservación de bienes de intereses cultural
- Deducción inversión en infraestructura de espectáculos públicos
- Rentas exentas utilidades repartidas en acciones al trabajador
- Descuentos inversiones en control, conservación y mejoramiento del medio ambiente
- Descuentos becas por impuestos

Deducción de impuestos, tasas y contribuciones

Es deducible el cien por ciento (100%) de los impuestos, tasas y contribuciones, que efectivamente se hayan pagado durante el año o período gravable por parte del contribuyente, que tengan relación de causalidad con su actividad económica, con excepción del impuesto sobre la renta y complementarios. Tampoco serán deducibles en el impuesto sobre la renta el impuesto al patrimonio y el impuesto de normalización.

Por su parte, el Impuesto de Industria y Comercio si será deducible, pero se elimina el descuento tributario del 50% del impuesto pagado.

Dividendos

La retención en la fuente a título de renta se calcula sobre el valor del Dividendo decretado en calidad de exigible a los socios o accionistas, considerando que se debe descomponer en la parte gravada y no gravada o ingreso no constitutivo de renta ni Ganancia ocasional. Con ocasión de la aprobación de la Reforma Tributaria, en los artículos 48 y 49 de Estatuto tributario, se consideró que:

- **Dividendos Decretados a Personas Naturales:** Los dividendos y participaciones pagados o abonados en cuenta a personas naturales residentes y sucesiones ilíquidas, será la que resulte de aplicar a dichos pagos una tarifa que va desde el 0% al 15% cuando el pago sea mayor o igual a 1090 UVT.

- **Dividendos Decretados a sociedades extranjeras y personas naturales no residentes:** La tarifa del impuesto sobre la renta correspondiente a dividendos o participaciones, percibidos por sociedades u otras entidades extranjeras sin domicilio principal en el país, por personas naturales sin residencia en Colombia y por sucesiones ilíquidas de causantes que no eran residentes en Colombia será del quince por ciento (15%).

- **Dividendos Decretados a Personas jurídicas nacionales:** Los dividendos y participaciones pagados o abonados en cuenta a sociedades nacionales, provenientes de distribución de utilidades que hubieren sido consideradas como ingreso no constitutivo de renta ni ganancia ocasional, estarán sujetas a la tarifa del diez por ciento (10%) a título de retención en la fuente sobre la renta.

- **Dividendos Decretados a establecimientos Permanente de sociedad extranjera:** La tarifa del impuesto sobre la renta aplicable a los dividendos y participaciones que se paguen o abonen en cuenta a establecimientos permanentes en Colombia de sociedades extranjeras será del veinte por ciento (20%).

Ganancia ocasional

La ganancia ocasional para sociedades y entidades nacionales y extranjeras, para personas naturales residentes o no residentes se fijó en un 15% y para el caso de ganancias ocasionales derivadas de loterías, juegos de azar y similares la tarifa continua en el 20%.

Mecanismos de lucha contra la evasión y la elusión tributaria

Siempre que la conducta no constituya otro delito sancionado con pena mayor, el que estando obligado a declarar no declare, o que en una declaración tributaria omita ingresos, o incluya costos o gastos inexistentes, o reclame créditos fiscales, retenciones o anticipos improcedentes, con el propósito de defraudación o evasión, que generen un menor valor a pagar o un mayor saldo a favor en declaraciones tributarias, en un monto igual o superior a 100 salarios mínimos mensuales legales vigentes (SMMLV) e inferior a 2.500 salarios mínimos mensuales legales vigentes (SMMLV), definido en todos los casos por liquidación oficial de la autoridad tributaria competente, será sancionado con pena privativa de la libertad de 36 a 60 meses de prisión. En los eventos en que el valor sea superior a 2.500 salarios mínimos mensuales legales vigentes (SMMLV) e inferior a 5.000 salarios mínimos mensuales legales vigentes (SMMLV), las penas previstas en este artículo se incrementarán en una tercera parte y, en los casos que sea superior a 5.000 salarios mínimos mensuales legales vigentes (SMMLV), las penas se incrementarán en la mitad.

Nota 16 Other financial liabilities

Al 31 de marzo 2024 y 2023 los saldos de las tarjetas de crédito de la compañía con Bancolombia son:

	31 de Marzo	
	2024	2023
Tarjeta de crédito Corporativa No.7020	2.886	7
Tarjeta de crédito Gaurav No.6011	9.686	4.738
Total	**12.572**	**4.746**

Nota 17 Deferred tax liabilities

El pasivo por impuesto diferido por el periodo comprendido entre el 31 de marzo de 2024 y 2023 incluye:

	31 de Marzo	
	2024	2023
Activo Impuesto Diferido	268.733	-
Pasivo Impuesto Diferido	284.220	-
Total	**552.953**	**-**

El impuesto diferido originado en el año a marzo 2024 por las diferencias temporarias ha sido determinado de la siguiente manera:

Concepto	Diferencia temporaria	Tasa	Impuesto diferido	
			Activo	Pasivo
Estimación de descuentos a los clientes	2.076.865	35%	726.903	-
Deterioro de cartera	127.663	35%	44.682	
Deterioro del inventario	1.669.398	35%	584.289	-
Activos fijos (depreciación)	7.717	35%	2.702	-
Afiliaciones (amortización)	44.886	35%	15.710	-
CXP Importaciones (Dif. en cambio, ajuste precios transferencia y prov NC productos vencidos)	812.057	35%	-	284.220
Cuentas por pagar (provisiones)	252.137	35%	88.248	-
Bonificaciones	128.036	35%	44.813	-
Total			**1.507.347**	**284.220**

Nota 18 Equity

El capital accionario de la Compañía al 31 de marzo de 2024 está conformado por 7.068.654 acciones ordinarias con un valor nominal de $1.000 pesos cada una. El único accionista es **CIPLA (EU) LIMITED**. Todas las acciones son igualmente elegibles para recibir dividendos y reembolsos de capital y representan un voto en la asamblea de accionistas.

	31 de Marzo	
	2024	2023
Share Capital	7.068.654	7.068.654
Other Equity	(4.279.277)	(4.430.994)
Capital aportado por los accionistas	**2.789.377**	**2.637.660**

Nota 19 Revenue from sale of products

Los ingresos de actividades ordinarias incluyen:

	31 de Marzo	
	2024	2023
Venta De Medicamentos	35.680.423	34.018.447
Devoluciones en Ventas	(1.818.404)	(3.162.693)
Descuentos Comerciales	(899.111)	(727.216)

Descuentos Financieros	(688.262)	(723.460)
Provisión Descuento Por Negocios Especiales	(1.554.839)	(185.886)
Provisión Devoluciones De Venta	86.008	457.154
Venta De Medicamentos Exportación	32.644	-
Mercancía Facturada No Entregada	17.722	(4.072)
Provisión Descuento Comercial	-	163.283
Total	**30.856.180**	**29.835.556**

Corresponde a los ingresos por la venta de medicamentos a nivel nacional y los descuentos que se otorgaron fueron comerciales en un rango del 5% al 15% y financieros en un rango del 2% y el 5%.

Nota 20 Cost of materials consumed

El valor de los costos de ventas por $ 18.515.749 comprenden los gastos de nacionalización de los medicamentos incluidos los servicios de la agencia aduanera y los costos de logística y transporte para tener la mercancía disponible en la bodega para su venta.

	31 de Marzo	
	2024	**2023**
Venta De Medicamentos	26.581.864	16.367.874
Estimación Deterioro Medicamentos	555.417	84.980
Deterioro Medicamentos (1)	731.213	2.077.159
Mercancía Facturada No Entregada	18.868	(16.210)
Deterioro destrucción de medicamentos por el cliente	3.718	1.945
Total	**27.891.080**	**18.515.749**

(1) El deterioro de medicamentos se debe a los productos que se encontraban vencidos o prontos a vencerse, las 2 destrucciones del año 2023 fueron en febrero y noviembre.

Nota 21 Employee Benefits Expenses

El detalle de los gastos de administración y ventas relacionados con empleados comprende lo siguiente:

	31 de Marzo	
	2024	**2023**
Beneficios a empleados (1)	1.903.107	1.795.337
Prestaciones sociales	308.575	272.914
Seguridad social	236.641	224.578
Parafiscales	93.250	88.097
Seguros	57.453	33.670
Servicios	107.382	82.843
Diversos	659	550
Total	**2.707.067**	**2.497.988**

(1) Comprenden lo relacionado con la compensación salarial de cada uno de sus trabajadores de administración y ventas, como lo son salarios, auxilios, licencias, bonificaciones, entre otros, otorgados a los empleados durante este período.

Nota 22 Depreciation, impairment and amortisation expense

	31 de Marzo	
	2024	**2023**
Depreciación Equipo De Comunicación y Computación	3.548	7.097
Total	**3.548**	**7.097**

Nota 23 Other expenses

El detalle de otros gastos de la compañía comprende lo siguiente:

	31 de Marzo	
	2024	2023
Otros beneficios a empleados (1)	62.384	107.742
Impuestos, contribuciones y tasas	155.458	172.175
Honorarios (2)	1.204.500	1.110.259
Arrendamientos (3)	1.160.624	839.008
Deterioro De Cartera	72.957	(6.527)
Teléfono	215.458	184.659
Mantenimiento	1.233	1.038
Amortizaciones	98.424	109.194
Gasto de marketing (4)	29.440	32.894
Servicios	4.502	4.801
Seguros	7.086	3.682
Compras elementos de oficina	-	166
Gastos de viaje	187.472	249.894
Diversos	175.181	172.043
Gastos bancarios	174.263	131.523
Otros gastos financieros	29.561	499.425
Total otros gastos	**3.578.543**	**3.611.976**

(1) Corresponden a gastos relacionados con capacitación a empleados administrativos y de ventas, y con incentivos al personal.

(2) Corresponde a honorarios de consultorías, outsourcing contable y nomina, revisoría fiscal, servicios legales, tramites regulatorios y honorarios de seguridad y salud en el trabajo.

(3) Corresponde al arrendamiento de la oficina que se tiene con WeWork Colombia SAS y el arriendo del espacio de la bodega para el almacenamiento de los productos que se tiene con UPS SCS Colombia Ltda.

(4) Corresponde a gastos de publicidad y material promocional.

Nota 24 Other Income

El detalle de los otros ingresos incluye lo siguiente:

	31 de Marzo	
	2024	2023
Ingreso Diferencia en cambio contable (1)	1.386.971	248.582
Ingreso Diferencia en cambio pagada	1.800.864	79.796
Aprovechamientos	33.770	546
Reintegro de Costos y Gastos por pagar	-	11.450
Condonación deuda	-	441.253
Gasto Diferencia en cambio pagada	(1.029.943)	(1.879.797)
Gasto Diferencia en cambio contable (1)	2.187.261	(3.203.594)
Nd diferencia en cambio	-	(5.333)
Total otros ingresos	**4.378.923**	**(4.307.097)**

(1) La diferencia en cambio contable corresponde al ajuste de las cuentas por pagar al exterior con la TRM de cierre del 31 de marzo de 2024 que fue de $3.842,30

Nota 25 Current tax (net)

El detalle del impuesto de renta comprende lo siguiente:

	31 de Marzo	
	2024	2023
Impuesto Renta Y Complementarios	266.965	996.680
Impuesto Renta De Años Anteriores	83.232	-
Total	**350.197**	**996.680**

Nota 26 Deferred tax credit

El detalle del impuesto diferido incluye lo siguiente:

	31 de Marzo	
	2024	2023
Impuesto Diferido	552.953	502.284
Total	**552.953**	**502.284**

Nota 27 Transacciones con partes relacionadas

Las partes relacionadas de la Compañía incluyen sus accionistas, relacionadas y personal clave de la Gerencia.

27.1 Transacciones con parte relacionadas

Los saldos con partes relacionadas de la Compañía son las siguientes:

	31 de Marzo	
	2024	2023
Cuentas por Cobrar		
Cuentas por cobrar otros vinculados	-	3.320.955
Cuentas por cobrar casa matriz	-	-
Total	**0**	**3.320.954,87**
Cuentas por pagar		
Compra medicamentos	18.512.942	22.502.957
Pago gastos de empleados	-	-
Total	**18.512.942**	**22.502.957**

Nota 28 Hechos ocurridos después del periodo sobre el que se informa

No se ha presentado ningún evento que requiera algún ajuste o que no requiera ajuste, pero sea significativo, entre la fecha de reporte y la fecha de autorización

Nota 29 Aprobación de los estados financieros

Estos estados financieros serán aprobados por la Asamblea en su próxima reunión.

Cipla Malaysia Sdn. Bhd.

Financial Statements for Financial Year 2023-24

CIPLA MALAYSIA SDN. BHD.

[201301009254 (1039096 P)]

(Incorporated in Malaysia)

Reports and audited financial statements
for the year ended 31 March 2024

S P TAN & SUNDAR
Chartered Accountants

CIPLA MALAYSIA SDN. BHD.
[201301009254 (1039096 P)]
(Incorporated in Malaysia)

Reports and audited financial statements for the year ended 31 March 2024

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Directors' report
For the year ended 31 March 2024

The directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2024.

Principal activity

The principal activity of the Company is providing marketing and support services in Malaysia for its ultimate holding company. There is no significant change in the nature of the Company's businesses during the year.

Financial results

	RM
Net profit for the year after taxation	161,579

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

Dividends

No dividends were paid or declared by the Company since the end of the previous financial year.

The directors do not recommend payment of any dividend in respect of the current financial year on the ordinary shares of the Company.

Directors of the Company

The directors in office during the financial year and at the date of this report are :-

Selochana A/P Murugiah
Kushagra Mathur
Anand Girdharilal Agarwal

Directors' interest in shares

None of the directors who held office at the end of the financial year had, according to the register required to be kept under Section 59 of the Companies Act, 2016, any interest in shares of the Company and the holding company.

Directors' benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other corporate.

Issue of shares and debentures

During the financial year, no issue of shares or debentures was made by the Company.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Company were made out, the directors took reasonable steps:-

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and

(ii) to ensure that any current assets which were unlikely to be realized in the ordinary course of business including their value as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

Other statutory information (contd.)

At the date of this report, the Directors are not aware of any circumstances:-

(i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and

(ii) which would render the value attributed to the current assets in the financial statements of the Company misleading, or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or

(iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:-

(i) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 March 2024 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Immediate and ultimate holding companies

The Company's immediate holding company is Cipla (EU) Limited, a company incorporated in United Kingdom and the ultimate holding company is Cipla Limited, a company incorporated in India.

Auditors

Auditors' remuneration paid or payable is disclosed in Note 16 to the financial statements.

The auditors, S P Tan & Sundar, have expressed their willingness to continue in office.

Signed on behalf of the board of directors in accordance with a resolution of the directors

KUSHAGRA MATHUR

ANAND GIRDHARILAL AGARWAL

Date : 26 Apr 2024

CIPLA MALAYSIA SDN. BHD. [201301009254 (1039096 P)]
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 251(2) of the Companies Act, 2016

We, Kushagra Mathur and Anand Girdharilal Agarwal, being two of the directors of Cipla Malaysia Sdn. Bhd., do hereby state that, in the opinion of the directors, the financial statements set out on pages 10 to 29 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2024 and of the results and cash flows of the Company for the year ended on that date in accordance with applicable approved Malaysian private entities reporting standard and the provisions of the Companies Act, 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a resolution of the directors

KUSHAGRA MATHUR

ANAND GIRDHARILAL AGARWAL

Date : 26 Apr 2024

Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Kushagra Mathur (P/P No. Z5786907), being the director primarily responsible for the financial management of Cipla Malaysia Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 10 to 29 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of Notaries Act, 1952.

Subscribed and solemnly declared by)
KUSHAGRA MATHUR at)
)
)

KUSHAGRA MATHUR

Before me

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIPLA MALAYSIA SDN. BHD.

(Incorporated in Malaysia)
Company No : 201301009254 (1039096 P)

Opinion

We have audited the financial statements of Cipla Malaysia Sdn. Bhd., which comprise the statement of financial position as at 31 March 2024, and the statement of income and retained earnings and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 29.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

Suite 12B-22, Level 12B, Wisma Zelan, No 1 Jalan Tasik Permaisuri 2, Bandar Tun Razak, Cheras, 56000 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIPLA MALAYSIA SDN. BHD. (CONTD.)

(Incorporated in Malaysia)
Company No : 201301009254 (1039096 P)

Information Other than the Financial Statements and Auditors' Report Thereon (contd.)

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing 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.

Suite 12B-22, Level 12B, Wisma Zelan, No 1 Jalan Tasik Permaisuri 2, Bandar Tun Razak, Cheras, 56000 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIPLA MALAYSIA SDN. BHD. (CONTD.)

(Incorporated in Malaysia)
Company No : 201301009254 (1039096 P)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditors' 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 of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Suite 12B-22, Level 12B, Wisma Zelan, No 1 Jalan Tasik Permaisuri 2, Bandar Tun Razak, Cheras, 56000 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIPLA MALAYSIA SDN. BHD. (CONTD.)

(Incorporated in Malaysia)
Company No : 201301009254 (1039096 P)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

S P TAN & SUNDAR
AF No : 1527
Chartered Accountants

LEONG WAI LENG
2898/03/25 (J)
Chartered Accountant

Dated : 26 Apr 2024

Kuala Lumpur

Statement of financial position as at 31 March 2024

	Note	*2024 RM*	*2023 RM*
Assets			
Non current assets			
Plant and equipment	6	34,415	53,054
Current assets			
Trade receivables	7	1,354,829	1,983,858
Deposits and prepayments	8	143,964	97,594
Current tax assets		89,626	70,439
Cash and cash equivalents	9	1,211,662	675,613
Total current assets		2,800,081	2,827,504
Total assets		2,834,496	2,880,558
Equity			
Contributed share capital	10	578,500	578,500
Retained earnings	11	1,984,598	1,823,019
Total equity		2,563,098	2,401,519
Non current liabilities			
Deferred tax liabilities	12	6,511	879
Current liabilities			
Other payables	13	264,887	478,160
Total liabilities		271,398	479,039
Total equity and liabilities		2,834,496	2,880,558

The annexed notes form an integral part of these financial statements.

Statement of income and retained earnings for the year ended 31 March 2024

	Note	*2024* *RM*	*2023* *RM*
Revenue	14	4,451,492	4,220,666
Other operating income		38,229	507
Employee benefits expenses	15	(2,892,602)	(2,638,928)
Depreciation		(18,639)	(19,692)
Other operating expenses		(1,366,506)	(1,361,569)
Profit before tax	16	211,974	200,984
Tax expense	17	(50,395)	(48,953)
Profit for the year		161,579	152,031
Retained earnings brought forward		1,823,019	1,670,988
Retained earnings carried forward		1,984,598	1,823,019

The annexed notes form an integral part of these financial statements.

Statement of cash flows
for the year ended 31 March 2024

	2024	*2023*
	RM	*RM*
Cash flows from operating activities		
Profit before tax	211,974	200,984
Adjustments for :-		
Depreciation of plant and equipment	18,639	19,692
Plant and equipment written off	-	551
Provision for expenses	200,285	154,308
Unrealised gain on exchange		
- Provision	(19,526)	(408)
- Write back	408	240
Unrealised loss on exchange		
- Provision	-	18,703
- Write back	(18,703)	(99)
Operating profit before working capital changes	393,077	393,971
Receivables	620,888	(1,245,128)
Payables	(413,966)	105,630
Cash inflow/(outflow) from operating activities	599,999	(745,527)
Tax paid	(63,950)	(67,500)
Net cash inflow/(outflow) from operating activities	536,049	(813,027)
Cash flows used in investing activities		
Purchase of plant and equipment	-	(6,800)
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	536,049	(819,827)
Cash and cash equivalents at beginning of year	675,613	1,495,440
Cash and cash equivalents at end of year (Note 9)	1,211,662	675,613

The annexed notes form an integral part of these financial statements.

Notes to the financial statements
for the year ended 31 March 2024

1. General information

The Company, Cipla Malaysia Sdn. Bhd., is a private company incorporated and domiciled in Malaysia. The principal activity of the Company is providing marketing and support services in Malaysia for its ultimate holding company. There is no significant change in the nature of the Company's business during the year.

The Company's registered office is located at Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur and its principal place of business is located at Suite 1101, Amcorp Tower, Amcorp Trade Centre, No. 18, Persiaran Barat, 46050 Petaling Jaya, Selangor.

The Company's immediate holding company is Cipla (EU) Limited, a company incorporated in United Kingdom and the ultimate holding company is Cipla Limited, a company incorporated in India.

The financial statements of the Company are presented in Ringgit Malaysia (RM) which is also the Company's functional currency.

The financial statements were authorised for issue by the Board of Directors on 26 April 2024.

2. Compliance with Financial Reporting Standards and the Companies Act 2016

The financial statements have been prepared in compliance with the Malaysian Private Entities Reporting Standard issued by the Malaysian Accounting Standards Board and the provisions of the Malaysian Companies Act 2016.

3. Basis of preparation

The financial statements of the Company have been prepared on the historical cost basis other than as disclosed in Note 4.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 5.

4. Significant accounting policies

4.1 Plant and equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purposes or for rental to others are recognised as plant and equipment when the Company obtains control of the assets. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalized as a new component in the asset and the old component is derecognised.

All plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

Plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life. The depreciation methods used and the annual rates of depreciation of the respective classes of plant and equipment are as follows:

	Method	**Annual Rate**
Computer equipment	Straight-line	20%
Furniture and fittings	Straight-line	10%
Office equipment	Straight-line	20%

At the end of each reporting period, the residual values, useful lives and depreciation methods for the plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

4. Significant accounting policies (contd.)

4.2 *Impairment of non-financial assets*

An impairment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.

At the end of each reporting date, the Company assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in an active market; and (iii) estimate of market price using the best available information. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognized in profit or loss.

For a cash-generating unit, any impairment loss is allocated to the assets of the unit pro rata based on the relative carrying amounts of the assets.

The Company reassesses the recoverable amount of an impaired asset or a cash generating unit if there is any indication that an impairment loss recognized previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognized in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognized previously.

4. Significant accounting policies (contd.)

4.3 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period (i.e. the closing rates). Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognized in profit or loss in the period.

4.4 Share capital and distribution

(a) Share capital

Ordinary shares issued are classified as equity instruments.

When ordinary shares are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received.

When ordinary shares are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at their fair value at the date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax effect.

(b) Distribution

Liability is recognised for the amount of any dividend declared, which is appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distribution to holders of an equity instrument is recognised directly in equity.

4. Significant accounting policies (contd.)

4.5 *Financial instruments*

(a) Initial recognition and measurement

The Company recognises a financial asset or financial liability in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(b) Derecognition of financial instruments

A financial asset is derecognized when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial assets, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial assets or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognized when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

4. Significant accounting policies (contd.)

4.5 Financial instruments (contd.)

(c) Subsequent measurement of financial assets
For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4.5(g).

(d) Subsequent measurement of financial liabilities
After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

(e) Fair value measurement of financial instruments
The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

(f) Recognition of gains or losses
Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognized in profit or loss when they arise.

For financial assets and liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognized or impaired, and through the amortization process of the instrument.

(g) Impairment and uncollectibility of financial assets
At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Evidence of trigger loss events include; (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other financial reorganization; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

4. Significant accounting policies (contd.)

4.5 Financial instruments (contd.)

(g) Impairment and uncollectibility of financial assets (contd.)

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognized in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognized previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognized are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

4.6 Finance and operating leases

The Company recognises a lease whenever there is an agreement, whether explicitly stated as a lease or otherwise, whereby the lessor conveys to the Company in return for a payment or series of payments the right to use an asset for an agreed period of time. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Title may or may not eventually be transferred. All other leases that do not meet this criterion are classified as operating leases.

Short-term leases of land and buildings are treated as operating leases and the underlying leased assets are not capitalised and lease payments are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the Company's benefit. Any upfront lease payments are classified as a prepaid lease payment, an intangible asset in the nature of right-of-use asset.

4. Significant accounting policies (contd.)

4.7 Tax assets and tax liabilities

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as a current tax asset. A current tax liability (asset) is measured at the amount the Company expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from; (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying plant and equipment.

A deferred tax asset is recognized for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Company treats these as part of initial recognition differences.

4. Significant accounting policies (contd.)

4.7 Tax assets and tax liabilities (contd.)

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted at the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilized. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognized as income or expense in profit or loss for the period. For items recognized directly in equity, the related tax effect is also recognised directly in equity.

4.8 Employee benefits

(a) Short-term employee benefits

Wages and salaries are usually accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc.) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

(b) Post-employment benefits – defined contribution plans

The Company makes statutory contributions to approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Company has no further payment obligations.

4.9 Provisions

The Company recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

4. Significant accounting policies (contd.)

4.9 Provisions (contd.)

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

Any reimbursement attributable to a recognised provision from a counter-party (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

4.10 Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, cash and equivalents are presented net of bank overdrafts and pledged deposits.

4.11 Revenue recognition and measurement

Revenue from marketing and support services is recognised upon performance of services.

5. Critical judgements and estimation uncertainty

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following:-

5. Critical judgements and estimation uncertainty (contd.)

(a) Determining the value-in-use

In determining the value-in-use of stand-alone asset or a cash-generating unit, management uses reasonable and supportable inputs about sales, cost of sales and other expenses based upon past experiences, current events and reasonably possible future developments. Cash flows are projected based on those inputs and discounted at an appropriate discount rate(s). The actual outcome or events may not coincide with the inputs or assumptions and the discount rate applied in the measurement, and this may have significant effect on the Company's financial position and results.

(b) Loss allowances of financial assets

The Company recognises impairment losses for receivables using the incurred loss model. Individually significant receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All other receivables are categorized into credit risk classes and tested for impairment collectively, using the Company's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowances made and these may affect the Company's financial position and results.

(c) Depreciation of plant and equipment

The cost of an item of plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation methods, the useful lives and the residual values. The actual consumption of the economic benefits of the plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of plant and equipment.

(d) Measurement of income taxes

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities, the amount might be different from the initial estimate of the tax payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Company will adjust for the differences as over- or under- provision of current or deferred taxes in the current period in which those differences arise.

6. Plant and equipment

	Computer equipment	*Furniture and fittings*	*Office equipment*	*Total*
Gross carrying amounts	*RM*	*RM*	*RM*	*RM*
At beginning/end of year	33,803	25,493	59,331	118,627
Accumulated depreciation				
At beginning of year	20,309	14,751	30,513	65,573
Charge for the year	6,131	2,296	10,212	18,639
At end of year	26,440	17,047	40,725	84,212
Net book value				
At 31 March 2024	7,363	8,446	18,606	34,415
At 31 March 2023	13,494	10,742	28,818	53,054

7. Trade and other receivables

	2024	*2023*
	RM	*RM*
Trade receivables		
- Third parties	88,265	-
- Ultimate holding company	1,100,852	1,734,969
Other receivables		
- Third parties	2,579	88,367
- Related parties	163,133	160,522
	1,354,829	1,983,858

The amount due from ultimate holding company and related parties are unsecured, interest free and repayable on demand.

8. Deposits and prepayments

Deposits	23,730	23,730
Prepayments	120,234	73,864
	143,964	97,594

9. Cash and cash equivalents

	2024	2023
	RM	RM
Cash and bank balances	1,211,662	675,613

10. Contributed share capital

	Number of ordinary shares		Amount	
	2024	2023	2024	2023
Shares with no par value			RM	RM
Ordinary shares issued and fully paid				
At beginning / end of year	578,500	578,500	578,500	578,500

11. Retained earnings

The retained earnings of the Company are available for distribution by way of cash dividends or dividends in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences that would result from the payment of dividends to shareholders.

12. Deferred tax liabilities

2024	*At 1 April 2023*	*Recognised in profit or loss (Note 17)*	*At 31 March 2024*
	RM	RM	RM
Plant and equipment	5,367	(2,916)	2,451
Other provisions	(4,488)	8,548	4,060
	879	5,632	6,511

2023	*At 1 April 2022*	*Recognised in profit or loss (Note 17)*	*At 31 March 2023*
	RM	RM	RM
Plant and equipment	8,356	(2,989)	5,367
Other provisions	58	(4,546)	(4,488)
	8,414	(7,535)	879

13. Other payables

	2024	*2023*
	RM	*RM*
Other payables		
- Third parties	39,945	286,291
- Ultimate holding company	-	24,166
Accruals	224,942	167,703
	264,887	478,160

All short term payables are measured at undiscounted amounts because the effect of discounting is immaterial.

The amount due to ultimate holding company is unsecured, interest free and repayable on demand.

14. Revenue

Marketing and support services provided to ultimate holding company	4,451,492	4,220,666

15. Employee benefits expenses

Staffs' remuneration		
- Salaries, allowances and bonus	2,357,158	2,111,688
- SOCSO and EIS contributions	23,928	21,096
- Defined contribution plan expenses	274,805	248,821
- Staff welfare and benefits	236,711	257,323
	2,892,602	2,638,928

16. Profit before tax

	2024	*2023*
	RM	*RM*
Profit before tax has been arrived at :-		
After charging :		
Audit fee	14,000	13,000
Advertising and marketing expenses	57,534	66,014
Loss on exchange		
- Realised	6,767	20,421
- Unrealised	-	18,703
Plant and equipment written off	-	551
Product registration fees and expenses	123,682	34,526
Rental of equipment	2,760	2,760
Rental of office	54,720	54,720
Rental of warehouse	4,945	5,559
Unrealised gain on foreign exchange written back	408	240
And crediting :		
Unrealised gain on exchange	19,526	408
Unrealised loss on foreign exchange written back	18,703	99

17. Tax expense

Malaysian income tax		
- Current year	44,763	56,482
- Previous year	-	6
	44,763	56,488
Deferred taxation (Note 12)		
- Current year	5,632	(7,535)
	50,395	48,953

17. Tax expense (contd.)

The significant differences between the tax expense and accounting profit multiplied by the statutory tax rate are due to the following tax effects :-

	2024	*2023*
	RM	*RM*
Profit from ordinary activities before tax	211,974	200,984
Tax calculated at the Malaysian tax rate of 24% (2023 - 24%)	50,874	48,236
Tax effects of non-deductible expenses	148	833
Income not subject to tax	(627)	(122)
Income tax - previous year	-	6
Tax expense	50,395	48,953

18. Non-cancellable operating lease

Future minimum lease payments :-		
- Not later than 1 year	54,720	41,040
- Later than 1 year and not later than 5 years	41,040	-
Total lease commitments payable	95,760	41,040
Total lease payments recognised as an expense	54,720	54,720

19. Related party disclosures

19.1 Control relationship

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

The Company has related party relationship with its immediate and ultimate holding companies.

19.2 Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director of the Company.

There was no compensation paid to key management personnel.

19. Related party disclosures (contd.)

19.3 Related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, if any, the Company had the following transactions with related parties during the financial year.

	2024	*2023*
	RM	*RM*
Ultimate holding company		
Revenue for marketing and support services	4,451,492	4,220,666
Administrative expenses	(26,255)	(21,183)

The above revenue charged were based on terms in an agreement with the ultimate holding company. The balance uncollected at the end of the year was RM1,100,852 (2023: RM1,734,969), which was accumulated in the related party current receivables. No interest has been charged and this amount is repayable on demand.

20. Categories of financial instruments

Financial assets

Financial assets measured at amortised cost		
Trade receivables and deposits, excluding prepayments	1,378,559	2,007,588
Cash and cash equivalents	1,211,662	675,613
	2,590,221	2,683,201
Financial liabilities		
Financial liabilities measured at amortised cost		
Other payables	264,888	478,160

21. Comparative figures

	As previously stated	Reclassification	As restated
	RM	RM	RM
Statement of income and retained earnings			
Employee benefits expenses	(2,460,551)	(178,377)	(2,638,928)
Other operating expenses	(1,539,946)	178,377	(1,361,569)

CIPLA MALAYSIA SDN. BHD. [201301009254 (1039096 P)]
(Incorporated in Malaysia)

Management income statement for the year ended 31 March 2024

		2024 *RM*	*2023* *RM*
Revenue		4,451,492	4,220,666
Other operating income			
Unrealised gain on exchange		19,526	408
Unrealised loss on foreign exchange written back		18,703	99
		38,229	507
Employee benefits expenses	*Appendix I*	(2,892,602)	(2,638,928)
Depreciation	*Appendix I*	(18,639)	(19,692)
Other operating expenses	*Appendix II*	(1,366,506)	(1,361,569)
Profit before tax		211,974	200,984

This management income statement is prepared from information furnished by the management Cipla Malaysia Sdn.Bhd. and does not form part of the audited financial statements of the Company.

Management schedule of operating expenses for the year ended 31 March 2024

	2024	*2023*
	RM	*RM*
Employee benefits expenses		
Staffs' remuneration		
- Salaries, allowances and bonus	2,357,158	2,111,688
- SOCSO and EIS contributions	23,928	21,096
- Defined contribution plan expenses	274,805	248,821
- Staff welfare and benefits	236,711	257,323
	2,892,602	2,638,928
Depreciation		
Computer equipment	6,131	6,501
Furniture and fittings	2,296	2,539
Office equipment	10,212	10,652
	18,639	19,692
Other operating expenses		
Accounting fee and expenses	48,976	47,016
Administrative expenses	26,255	24,574
Advertising and marketing expenses	57,534	66,014
Audit fee	14,000	13,000
Bank charges	295	574
Conference and training expenses	182,298	176,251
Courier charges	56,353	172,947
Distribution services	184,427	186,585
Donation and gifts	38,750	70,020
E-Perolehan charges	355	-
Electricity, gas and water	1,578	1,739
Insurance	16,855	-
Licence fee	200	200
Loss on exchange		
- Realised	6,767	20,421
- Unrealised	-	18,703
Balance carried forward	634,643	798,044

This management schedule of operating expenses is prepared from information furnished by the management of Cipla Malaysia Sdn. Bhd. and does not form part of the audited financial statements of the Company.

Management schedule of operating expenses for the year ended 31 March 2024 (contd.)

	2024	*2023*
	RM	*RM*
Other operating expenses (contd.)		
Balance brought forward	634,643	798,044
Payroll administration	8,547	8,215
Penalties and fines	-	26,960
Pharmaceutical samples	756	1,418
Plant and equipment written off	-	551
Printing and stationery	18,905	11,934
Product registration fees and expenses	123,682	34,526
Professional fees and expenses	7,170	9,250
Rental of equipment	2,760	2,760
Rental of office	54,720	54,720
Rental of warehouse	4,945	5,559
Secretarial fee and expenses	4,590	4,792
Sponsorship	115,554	73,917
Subscription fees	5,000	5,000
Sundry expenses	1,084	966
Telephone and internet charges	23,466	22,957
Travelling expenses	350,142	283,274
Unrealised gain on foreign exchange written back	408	240
Upkeep of office equipment and premises	10,134	16,486
	1,366,506	1,361,569

This management schedule of operating expenses is prepared from information furnished by the management of Cipla Malaysia Sdn. Bhd. and does not form part of the audited financial statements of the Company.

Meditab Holdings Limited

Financial Statements for Financial Year 2023-24

MEDITAB HOLDINGS LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2024

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MEDITAB HOLDINGS LIMITED

CORPORATE DATA 2.

		Date appointed	Date resigned
DIRECTORS	Ashraf Ramtoola	02-Dec-09	-
	Kamalam Pillay Rungapadiachy	01-Jan-10	-
	Neernaysingh Madhour	13-Aug-15	-
	Anchal Sultania	12-Oct-22	21-Apr-23
	Nishant Saxena	16-May-23	25-Mar-24
	Mark Warwick Daly	25-Mar-24	-

ADMINISTRATOR AND SECRETARY

IQ EQ Corporate Services (Mauritius) Ltd
33, Edith Cavell Street
Port Louis, 11324
Republic of Mauritius

REGISTERED OFFICE

C/o IQ EQ Corporate Services (Mauritius) Ltd
33, Edith Cavell Street
Port Louis, 11324
Republic of Mauritius

AUDITORS

Business Financial Services
4th Floor, Goliva Court
St Jean Road
Quatre Bornes
Republic of Mauritius

BANKER

HSBC Bank (Mauritius) Limited
6th Floor, HSBC Centre
18 Cybercity
Ebène
Republic of Mauritius

The directors present their commentary and the audited financial statements of Meditab Holdings Limited (the "Company") for the year ended 31 March 2024.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS AND DIVIDENDS

The results for the year are shown in the statement of profit or loss and other comprehensive income.

The directors recommended a divdend of USD 14,000,000 during the year under review.(2023: USD nil).

DIRECTORS

The directors in office during the year are as stated on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Business Financial Services, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

CERTIFICATE FROM THE SECRETARY **4**
(SECTION 166 (D) OF THE COMPANIES ACT 2001)

We certify that, to the best of our knowledge and belief, **MEDITAB HOLDINGS LIMITED** (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 for the year ended 31 March 2024.

For and on behalf of
IQ EQ Corporate Services (Mauritius) Ltd
CORPORATE SECRETARY

Date: **06 May 2024**

BUSINESS FINANCIAL SERVICES
4th Floor, Goliva Court
St Jean Road
Quatre Bornes
Tel: 230 467 4611
Fax: 230 467 4390
Email: bfs@bfservices.mu

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MEDITAB HOLDINGS LIMITED ('the Company') on pages 8 to 24, which comprise the statement of financial position as at 31 March 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Companies Act 2001 and the Financial Reporting Act 2004, in so far as applicable to companies holding Global Business Licence as modified by the exemption from consolidation in the Companies Act 2001 for companies holding Global Business Licence and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 7 of the financial statements, the Company's investment in Shanghai Desano Pharmaceuticals Co. Ltd is being shown at a fair value of USD 40,986,193 (2023: 35,024,948). The fair valuation has been based on unobservable market data for the years ended 31 March 2024 and 31 March 2023. Our audit opinion is not qualified in this respect.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report and the Company Secretary's Certificate as required by the Mauritius Companies Act 2001, but does not include the financial statements and our auditors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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.

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Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparation of the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the company's financial reporting process.

Auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of directors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

BUSINESS FINANCIAL SERVICES

4th Floor, Goliva Court
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Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

Other matter

This report is made solely for the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with, or any interest in, the Company other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

B.F Services

BUSINESS FINANCIAL SERVICES

Date....06/05/2024

S. Arnag

Sivalingum Arnagherry FCCA
Licensed by FRC

MEDITAB HOLDINGS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		USD	USD
Revenue			
Dividend income		**-**	974,797
Interest income		**-**	450,714
Profit on disposal of investments in subsidiary		**7,252,169**	-
		7,252,169	1,425,511
Expenses			
Administrative and other expenses		**(30,254)**	(19,268)
Audit fees		**(2,120)**	(2,120)
Professional fees		**(343,642)**	(19,308)
		(376,016)	(40,696)
Profit before taxation		**6,876,153**	1,384,815
Taxation	5	**-**	(149,005)
Profit for the year		**6,876,153**	1,235,810
Other comprehensive income:			
Gain on fair valuation of investment		**5,961,245**	1,776,276
Total comprehensive income for the year		**12,837,398**	3,012,086

MEDITAB HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2024

	Note	2024	2023
		USD	USD
ASSETS			
Non-current assets			
Investment in subsidiary	6	**-**	-
Financial assets at fair value through other comprehensive income	7	**40,986,193**	35,024,948
		40,986,193	35,024,948
Current assets			
Loan receivable	8	**2,500,000**	2,500,000
Other receivables	9	**4,308**	3,418
Cash and cash equivalents		**252,279**	12,310,045
Cash in transit	10	**-**	405,598
		2,756,587	15,219,061
Assets classified as held for sale	6(i)	**-**	17,682,681
		2,756,587	32,901,742
Total assets		**43,742,780**	67,926,690
EQUITY AND LIABILITIES			
Equity			
Stated capital	11	**27,708,335**	44,620,100
Fair value reserves		**21,986,193**	16,024,948
(Accumulated losses)/retained earnings		**(5,955,318)**	7,256,764
Total equity		**43,739,210**	67,901,812
Current liability			
Other payables	12	**3,570**	24,878
Total equity and liabilities		**43,742,780**	67,926,690

Approved by the Board of Directors on **06 May 2024**
and signed on its behalf by:

Director **Director**

The notes on pages 12 to 24 form an integral part of these financial statements.
Auditors' report is on pages 5 to 7.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Stated capital	Fair value reserves	Retained earnings/ (Accumulated losses)	Total
	USD	USD	USD	USD
For the year ended 31 March 2023				
At 01 April 2022	44,620,100	14,248,672	6,020,954	64,889,726
Total comprehensive income for the year	-	1,776,276	1,235,810	3,012,086
At 31 March 2023	**44,620,100**	**16,024,948**	**7,256,764**	**67,901,812**
For the year ended 31 March 2024				
At 01 April 2023	**44,620,100**	**16,024,948**	**7,256,764**	**67,901,812**
Redemption of shares	**(16,911,765)**	**-**	**(6,088,235)**	**(23,000,000)**
Total comprehensive income for the year	**-**	**5,961,245**	**6,876,153**	**12,837,398**
Dividend paid	**-**	**-**	**(14,000,000)**	**(14,000,000)**
At 31 March 2024	**27,708,335**	**21,986,193**	**(5,955,318)**	**43,739,210**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	USD	USD
Cash flows from operating activities		
Profit before taxation	**6,876,153**	1,384,815
Adjustments for:		
Interest income	**-**	(450,714)
Dividend income	**-**	(974,797)
Profit on disposal of investments in subsidiary	**(7,252,169)**	-
Operating loss before working capital changes	**(376,016)**	(40,696)
Changes in other receivables	**(890)**	(1,590)
Changes in other payables	**(21,308)**	13,538
Net cash used in operating activities	**(398,214)**	(28,748)
Cash flows from investing activities		
Interest received	**-**	57,590
Repayment of loan	**405,598**	11,000,000
Dividend received	**-**	877,318
Disposal of investments in subsidiary	**24,934,850**	-
Net cash generated from investing activities	**25,340,448**	11,934,908
Cash flows from financing activities		
Dividend paid	**(14,000,000)**	-
Redemption of shares	**(23,000,000)**	-
Net cash used in financing activities	**(37,000,000)**	-
Net change in cash and cash equivalents for the year	**(12,057,766)**	11,906,160
Cash and cash equivalents at beginning of year	**12,310,045**	403,885
Cash and cash equivalents at end of year	**252,279**	12,310,045

The notes on pages 12 to 24 form an integral part of these financial statements.
Auditors' report is on pages 5 to 7.

1. GENERAL INFORMATION

The Company was incorporated as a private limited company in the Republic of Mauritius on 6 February 2007. The Company's registered office and principal place of business is IQ EQ Corporate Services (Mauritius) Ltd, 33 Edith Cavell Street, Port Louis 11324, Mauritius. The principal activity of the Company is that of investment holding.

2. BASIS OF PREPARATION

(a) *Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) *Basis of measurement*

The financial statements have been prepared under the historical cost basis except for financial assets and financial liabilities that are measured at fair value.

(c) *Functional and presentation currency*

The Company's financial statements are presented in United States Dollar (USD) which is the Company's functional and presentation currency.

(d) *Use of the estimates and judgments*

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting polices and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of income and expenses during the reporting year. Actual results could differ from these estimates.

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

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee of the IASB that are relevant to its operations and effective for accounting periods beginning on 01 April 2023.

New and revised IFRSs applied with no material effect on the financial statements

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on 01 April 2023. The adoption of these new and revised standards has no material effect on the Company's accounting policies and disclosures.

New and revised IFRSs and IASs in issue but not yet effective as at 31 March 2024

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 31 March 2024 and have not been applied in preparing these financial statements. None of these are expected to be relevant or to have a material impact on the Company's financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Investment in subsidiaries

Subsidiaries are entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

Investment in subsidiaries are shown at cost less impairment. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of the investments, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(b) Non-current assets held for sale

Non-current assets (disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-currents assets an disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition, and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial assets at fair value through other comprehensive income

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at 'Fair Value Through Other Comprehensive Income' as they believe that recognising short-term fluctuations in these investments 'fair value in profit or loss' would not be consistent with the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

(d) Impairment of assets

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at fair value through other comprehensive income; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases.

Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

(e) Expense recognition

All expenses are accounted for in profit or loss on an accruals basis.

(f) Revenue Recognition

Revenue earned by the Company is recognised on the following:

- Dividend income - when the shareholders right to receive payment is established.
- Interest income - as it accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

(g) Foreign currencies translations

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in USD which is the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions and balances

Foreign currency transactions are translated into the functional and presentation currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(h) Related party transactions

Parties are considered to be related to the Company if they have the ability directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or where the Company is subject to common significant influence. Related parties may be individuals or companies.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

(j) Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial instruments are initially measured at fair value, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

(i) Financial assets

The Company's principal financial assets are financial assets at fair value through other comprehensive income, loan and other receivables (excluding prepayments), cash and cash equivalents, cash in transit and assets classified as held for sale.

Loan and other receivables are stated at their carrying amounts.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(ii) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Significant financial liabilities include other payables.

Other payables are stated at amortised cost.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

(k) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the end of the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Provisions

Provisions are recognised when the Company has a present obligation as a result of past events, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of the reporting date, and are discounted to present value where the effect is minimal.

5. TAXATION

The Company is subject to income tax in Mauritius at the rate of 15%. It is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritian tax payable on its foreign source income, giving a maximum effective tax rate of 3%.

Changes in Finance (Miscellaneous Provisions) Act 2018 ("The Finance Act 2018")

The Finance (Miscellaneous Provisions) Act 2018 (The Finance Act 2018) was passed by Parliament on 31 July 2018 and the following changes were implemented:

Under the new tax regime, an income tax exemption of 80% shall apply on the following:

• Foreign source dividend, provided the dividend has not been allowed as a deduction in the source country and the Company satisfies the conditions relating to the substance of its activities as prescribed;

• Interest income derived by a company other than banks provided the Company satisfies the conditions relating to the substance of its activities prescribed as follows:

(i) carries its core income generating activities in Mauritius;

(ii) employs directly or indirectly an adequate number of suitably qualified persons to conduct its core income generating activities; and

(iii) incurs a minimum level of expenditure proportionate to its level of activities.

• Profit attributable to a permanent establishment which a resident company has in a foreign country;

• Foreign source income derived by a Collective Investment Scheme ("CIS") closed end fund, CIS manager, CIS Administrator, Investment advisor or asset manager licensed or approved by the Financial Services Commission;

• Income derived by companies engaged in ship and aircraft leasing;

• Reinsurance/Reinsurance brokering activities;

• Leasing & provision of international fibre capacity; and

• Sale, financing, arrangement, asset management of aircraft and its spare parts and aviation advisory services related thereto.

No credit shall be allowed on foreign source income where the 80% exemption has been claimed.

5. TAXATION (CONTINUED)

A numerical reconciliation between the accounting profit and the tax charge is shown below:

	2024	2023
	USD	USD
Profit before taxation	**6,876,153**	1,384,815
Tax calculated at a rate of 15%	**1,031,423**	207,722
Add: Non allowable expenses	**56,402**	30,825
Less: Exempt income	**(1,087,825)**	-
Foreign tax credit	**-**	(224,062)
Withholding tax	**-**	149,005
(Tax loss utilised)/Deferred tax not recognised	**-**	(14,485)
Tax charge	**-**	149,005

	2024	2023
	USD	USD
Opening balance	**-**	-
Tax charge	**-**	149,005
Withholding tax paid	**-**	(149,005)
	-	-

6. INVESTMENT IN SUBSIDIARY

	2024	2023
	USD	USD
Unquoted		
Opening balance	**-**	17,682,681
Reclassified to asset held for sale (note 6(i))	**-**	(17,682,681)
Closing balance	**-**	-

6(i). ASSETS CLASSIFIED AS HELD FOR SALE

	2024	2023
	USD	USD
Opening balance	**17,682,681**	-
Reclassified from investment in subsidiary (note 6)	**-**	17,682,681
Disposal of held for sale asset	**(17,682,681)**	
Closing balance	**-**	17,682,681

Pursuant to directors meeting dated 13 March 2023, it has been agreed to dispose the entire shareholding in Cipla Quality Chemicals Industries Limited to Africa Capitalworks SSA 3 Limited.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	2023
	USD	USD
Opening balance	**35,024,948**	33,248,672
Fair value gain	**5,961,245**	1,776,276
Closing balance	**40,986,193**	35,024,948

Name of company	**Country of incorporation**	**Class of shares**	**Value (USD)**	**% holding**
			Cost	**2024 & 2023**
Shanghai Desano Pharmaceuticals Co., Ltd	China	Equity	19,000,000	16.50%

For the year ended 31 March 2024, the investment in Shanghai Desano Pharmaceuticals Co., Ltd has a fair value of **USD 40,986,193** (2023: USD 35,024,948).

Fair value hierarchy

Fair vaue measurements are classified into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value. The hierarchy priorities the inputs valuation techniques used to measure the fair value based on their observable or unobservable nature. The three levels are as follows:

Level 1 - valued using quoted prices in active markets for identical assets.

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within level 1.

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

Fair value hierarchy (continued)

31 March 2024	**Level 3**
	USD
Financial assets at fair value through other comprehensive income	**40,986,193**

31 March 2023	Level 3
	USD
Financial assets at fair value through other comprehensive income	35,024,948

8. LOAN RECEIVABLE

	2024	2023
	USD	USD
Loan to Cipla Kenya Limited (note 13)	**2,500,000**	2,500,000
	2,500,000	2,500,000

The loan receivable from related party is unsecured, interest free and repayable on demand.

9. OTHER RECEIVABLES

	2024	2023
	USD	USD
Prepayments	**4,307**	3,417
Amount receivable from related party (note 13)	**1**	1
	4,308	3,418

The amount receivable from related party is unsecured, interest free and repayable on demand.

10. CASH IN TRANSIT

	2024	2023
	USD	USD
Cash in transit	**-**	405,598

Cash in transit represented interest repayment from Medpro Pharmaceutica (Pty) Ltd with value date 31 March 2023 and received into the Company's bank account on 03 April 2023.

11. STATED CAPITAL

Issued and fully paid up

	2024	2023
	USD	USD
As at 1 April ,	**44,620,100**	44,620,100
Share buy back	**(16,911,765)**	-
As at 31 March,	**27,708,335**	44,620,100

The Company has one class of ordinary shares of USD 1 each, which carry a right to vote but no right to fixed income.

12. OTHER PAYABLES

	2024	2023
	USD	USD
Accrued expenses	**3,570**	24,878

13. RELATED PARTY DISCLOSURES

During the year under review, the Company traded with related entities. The nature, volume of transactions and the balances with the related entities are as follows:

Volume of transactions

Name of entity	**Relationship**	**Transactions**	**2024**	2023
			USD	USD
IQ EQ Corporate Services (Mauritius) Ltd	Administrator and secretary	Professional fees	**18,777**	12,650
Cipla Limited	Ultimate holding company	Professional fees	**-**	19,308

Balance at year end

Name of entity	**Relationship**	**Transactions**	**2024**	2023
			USD	USD
Cipla Kenya Limited	Group member	Amount receivable	**2,500,000**	2,500,000
Cipla (EU) Limited	Group member	receivable	**1**	1
Cipla Limited	Ultimate holding company	Professional fees	**-**	19,308

14. FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk
- Concentration risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Credit risk

Credit risk is the risk that a counterparty will be unable or unwilling to meet a commitment which it has entered into with the Company. The Company's main credit risk concentration is its cash and cash equivalents, financial assets at fair value through other comprehensive income and loan and other receivables, cash in transit and assets classified as held for sale.

The Company's exposure to credit risk arises from the default of the counterparties, with a maximum exposure equal to the carrying amounts of these financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date was:

	2024	2023
	USD	USD
Loan and other receivables	**2,500,001**	2,500,001
Financial assets at fair value through other comprehensive income	**40,986,193**	35,024,948
Cash and cash equivalents	**252,279**	12,310,045
Assets classified as held for sale	**-**	17,682,681
Cash in transit	**-**	405,598
	43,738,473	67,923,273

The financial assets are neither past due nor impaired at reporting date. The cash and cash equivalents are maintained with reputable financial institutions. Prepayments amounting to **USD 4,307** (2023: USD 3,417) have been excluded from financial assets.

Market risk

Market risk is the risk that the changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk comprises currency risk and interest rate risk.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

Currency risk

The Company has investments denominated in Renminbi ("CNY"). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to CNY may change in a manner which has a material effect on the reported value of the Company's investments denominated in these currencies.

The currency profile of the Company's assets and liabilities are summarised as follows:

	Financial assets	**Financial liabilities**	Financial assets	Financial liabilities
	2024	**2024**	2023	2023
	USD	**USD**	USD	USD
United States Dollar	**2,752,279**	**3,570**	32,898,324	24,878
Renminbi	**40,986,193**	**-**	35,024,948	-
Turkish Lira	**1**	**-**	1	-
	43,738,473	**3,570**	67,923,273	24,878

Sensitivity analysis

The following demonstrates the sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Company's profit or loss.

	2024	**2024**	2023	2023
	Increase /decrease in foreign exchange rate	**Effect on profit or loss**	Increase /decrease in foreign exchange rate	Effect on profit or loss
Appreciation of CNY	**+1%**	**(133,627)**	+1%	(140,263)
Depreciation of CNY	**-1%**	**130,981**	-1%	137,486

Cash flow interest rate risk

The Company's income and operating cash flows are substantially independent of changes in interest rates. The Company's only significant interest earning financial asset is money market assets. Interest income from cash at bank may fluctuate in amount, in particular due to changes in market interest rates. The directors are of the opinion that interest rate changes will not have a material impact on the Company's net profit and equity. The Company does not have any interest bearing debt or funding for year ended 31 March 2024.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	3 to 12 months	
	2024	2023
	USD	USD
Other payables	**3,570**	24,878

Fair value of financial instruments

Investment in subsidiary is valued as described in note 4(a). The Company's financial assets and liabilities include financial assets at fair value through other comprehensive income, other receivables, cash and cash equivalents, loan receivable, cash in transit and assets classified as held for sale and other payables which are realised or settled within a short period of time. The carrying amounts of these assets and liabilities approximate their fair values.

Categories of financial instruments

	2024	2023
	USD	USD
Financial assets		
Financial assets at fair value through other comprehensive income	**40,986,193**	35,024,948
Loan receivables	**2,500,000**	2,500,000
Other receivables	**1**	1
Cash and cash equivalents	**252,279**	12,310,045
Assets classified as held for sale	**-**	17,682,681
Cash in transit	**-**	405,598
	43,738,473	67,923,273

	2024	2023
	USD	USD
Financial liabilities		
Other payables	**3,570**	24,878

Prepayments amounting to **USD 4,307** (2023: USD 3,417) for the year ended 31 March 2024 are not included in financial assets.

15. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide return for shareholders and benefits for other stakeholders.

The Company does not have any debt for the year ended 31 March 2024, hence does not have any capital risk.

16. HOLDING AND ULTIMATE HOLDING COMPANIES

The Company is wholly owned by Meditab Specialities Limited, a limited liability company incorporated in India and ultimately owned by Cipla Limited, which is also a limited liability company incorporated in India.

17. EVENTS AFTER THE REPORTING DATE

There were no material subsequent events post year end that warrant adjustments or disclosures in the financial statements for the year ended 31 March 2024.

Cipla Maroc S.A.

Financial Statements for Financial Year 2023-24

Fidaroc
Grant Thornton

CIPLA MAROC S.A

Rapport spécial du commissaire aux comptes

Exercice du 1er avril 2023 au 31 mars 2024

Fidaroc
Grant Thornton

Aux Actionnaires de la société
CIPLA MAROC S.A
Angle Rue Ibnou Toufail Et Abdelhak Ibn Mahyou
Res IBN MAHYOU imm B Etg 1
Casablanca

Rapport spécial du commissaire aux comptes
Exercice du 1er avril 2023 au 31 mars 2024

En notre qualité de commissaire aux comptes de votre société, nous vous présentons notre rapport sur les conventions réglementées conformément aux dispositions des articles 56 à 59 de la loi 17-95 telle que modifiée et complétée.

Il nous appartient de vous présenter les caractéristiques et les modalités essentielles des conventions dont nous avons été avisées par le Président du Conseil d'Administration ou que nous aurions découvertes à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé, ni à rechercher l'existence d'autres conventions. Il vous appartient, selon la loi ci-dessus, de vous prononcer sur leur approbation.

Nous avons mis en œuvre les diligences que nous avons estimées nécessaires au regard des normes de la profession au Maroc. Ces diligences ont consisté à vérifier la concordance des informations qui nous ont été communiquées avec les documents de base dont elles sont issues.

1. CONVENTIONS CONCLUES AU COURS DE L'EXERCICE

Le Président de votre Conseil d'Administration ne nous a donné avis d'aucune convention nouvelle conclue au cours de l'exercice arrêté au 31 mars 2024.

2. CONVENTIONS CONCLUES AU COURS DES EXERCICES ANTERIEURS ET DONT L'EXECUTION S'EST POURSUIVIE DURANT L'EXERCICE

2.1 Convention écrite de distribution conclue avec la société Cooper Pharma

Entités concernées : La société Cooper PHARMA détenant 24,9% du capital de la société Cipla Maroc.

Nature et objet de la convention : Contrat de distribution par lequel Cooper Pharma prend l'exclusivité de la distribution des produits commercialisés par Cipla Maroc

Montant comptabilisé en produits : Le montant des produits s'élève, au 31 mars 2024, à KMAD 199.992 HT.

Montant encaissé au cours de l'exercice : Le montant encaissé au cours de l'exercice 2023-2024 s'élève à KMAD 234.067.

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2.2 Convention écrite de services commerciaux avec Cooper Pharma

Entités concernées : La société Cooper PHARMA détenant 24,9% du capital de la société Cipla Maroc.

Nature et objet de la convention : Contrat de promotion par lequel Cipla Maroc commercialise des produits dont les AMM sont détenues par Cooper Pharma (Isperid, Synnax, Allergin, Efloxin)

Montant comptabilisé en produits : Le montant des produits s'élève, au 31 mars 2024, à KMAD 18.336 HT.

Montant comptabilisé en charges : Le montant des charges s'élève, au 31 mars 2024, à KMAD 12.336 HT

2.3 Convention écrite de licence et de fournitures des produits finis conclue avec CIPLA LTD

Entité concernée : La société CIPLA EU, Actionnaire à hauteur de 75,1% de la Société Cipla Maroc.

Nature et objet de la convention : Contrat de licence et de fournitures de produits finis par lequel Cipla LTD s'engage à livrer à Cipla Maroc les produits dont les AMM sont détenues par cette dernière.

Montant comptabilisé en charges : Le montant des charges s'élève, au 31 mars 2024, à KMAD 44.208 HT.

Montant décaissé au cours de l'exercice : Le montant décaissé au cours de l'exercice 2023-2024 s'élève KMAD 45.817.

2.4 Convention écrite de fournitures des matières premières conclue avec CIPLA LTD

Entité concernée : La société CIPLA EU, Actionnaire à hauteur de 75,1% de la Société Cipla Maroc.

Nature et objet de la convention : Contrat de fournitures des matières premières par lequel Cipla LTD s'engage à livrer à Cipla Maroc les matières premières pour la fabrication locale.

Montant comptabilisé en charges : Le montant des charges s'élève, au 31 mars 2024, à KMAD 33.417 HT.

Casablanca, le 16 mai 2024

Le Commissaire aux Comptes

FIDAROC GRANT THORNTON

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CIPLA MAROC S.A

Rapport général du commissaire aux comptes

Exercice du 1er avril 2023 au 31 mars 2024

Fidaroc
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Aux actionnaires de la société
CIPLA MAROC S.A.
Angle Rue Ibnou Toufail Et Abdelhak Ibn Mahyou
Résidence Ben Mahyoun, immeuble B, 1er étage
Casablanca

Rapport général du commissaire aux comptes
Exercice du 1er avril 2023 au 31 mars 2024

Opinion

Conformément à la mission qui nous a été confiée par votre Assemblée Générale, nous avons effectué l'audit des états de synthèse ci-joints de la société CIPLA MAROC S.A, qui comprennent le bilan au 31 mars 2024, le compte de produits et charges, l'état des soldes de gestion, le tableau de financement pour l'exercice clos à cette date, ainsi que l'état des informations complémentaires (ETIC). Ces états de synthèse font ressortir un montant de capitaux propres et assimilés de MAD **216.867.486.76** dont un bénéfice net de MAD **10.161.016.34.**

Nous certifions que les états de synthèse cités au premier paragraphe ci-dessus sont réguliers et sincères et donnent, dans tous leurs aspects significatifs, une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société CIPLA MAROC S.A au 31 mars 2024 conformément au référentiel comptable admis au Maroc.

Fondement de l'opinion

Nous avons effectué notre audit selon les Normes de la Profession au Maroc. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités de l'auditeur à l'égard de l'audit des états de synthèse » du présent rapport. Nous sommes indépendants de la société conformément aux règles de déontologie qui s'appliquent à l'audit des états de synthèse au Maroc et nous nous sommes acquittés des autres responsabilités déontologiques qui nous incombent selon ces règles. Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

Responsabilités de la direction et des responsables de la gouvernance à l'égard des états de synthèse

La direction est responsable de la préparation et de la présentation fidèle des états de synthèse, conformément au référentiel comptable en vigueur au Maroc, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états de synthèse exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

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Lors de la préparation des états de synthèse, c'est à la direction qu'il incombe d'évaluer la capacité de la société à poursuivre son exploitation, de communiquer, le cas échéant, les questions se rapportant à la continuité de l'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si la direction a l'intention de liquider la société ou de cesser son activité ou si aucune autre solution réaliste ne s'offre à elle.

Il incombe aux responsables de la gouvernance de surveiller le processus d'information financière de la société.

Responsabilités de l'auditeur à l'égard de l'audit des états de synthèse

Nos objectifs sont d'obtenir l'assurance raisonnable que les états de synthèse pris dans leur ensemble sont exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs et de délivrer un rapport de l'auditeur contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes de la profession au Maroc permettra toujours de détecter toute anomalie significative qui pourrait exister. Les anomalies peuvent résulter de fraudes ou d'erreurs et elles sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, individuellement ou collectivement, elles puissent influer sur les décisions économiques que les utilisateurs des états de synthèse prennent en se fondant sur ceux-ci.

Dans le cadre d'un audit réalisé conformément aux normes de la profession au Maroc, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique tout au long de cet audit. En outre :

- nous identifions et évaluons les risques que les états de synthèse comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, concevons et mettons en œuvre des procédures d'audit en réponse à ces risques, et réunissons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative résultant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;

- nous acquérons une compréhension des éléments du contrôle interne pertinents pour l'audit afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de la société ;

- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, de même que des informations y afférentes fournies par cette dernière ;

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- nous tirons une conclusion quant au caractère approprié de l'utilisation par la direction du principe comptable de continuité d'exploitation et, selon les éléments probants obtenus, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité de la société à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport sur les informations fournies dans les états de synthèse au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants obtenus jusqu'à la date de notre rapport. Des événements ou situations futurs pourraient par ailleurs amener la société à cesser son exploitation ;

- nous évaluons la présentation d'ensemble, la structure et le contenu des états de synthèse, y compris les informations fournies dans l'ETIC, et apprécions si les états de synthèse représentent les opérations et événements sous-jacents d'une manière propre à donner une image fidèle.

Nous communiquons aux responsables de la gouvernance notamment l'étendue et le calendrier prévus des travaux d'audit et nos constatations importantes, y compris toute déficience importante du contrôle interne que nous aurions relevée au cours de notre audit.

Vérifications et informations spécifiques

Nous avons procédé également aux vérifications spécifiques prévues par la loi et nous nous sommes assurés notamment de la sincérité et de la concordance, des informations données dans le rapport de gestion du Conseil d'administration destiné aux actionnaires avec les états de synthèse de la société.

Casablanca, le 16 mai 2024

Le Commissaire aux Comptes

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Tableau n° 1
CIPLA MAROC SA

B I L A N (Actif)
(Modèle Normal)

Id. fiscal : 15249119
Exercice du : 01/04/2023 au 31/03/2024

ACTIF		EXERCICE			EXERCICE PRECEDENT
		Brut	Amortissements Et Provisions	Net	Net
IMMOBILISATIONS EN NON VALEURS	(A)	7 904 037.95	7 848 238.15	55 799.80	127 679.92
Frais préliminaires .		246 000.00	246 000.00		9 000.00
Charges à répartir sur plusieurs exercices		7 658 037.95	7 602 238.15	55 799.80	118 679.92
Primes de remboursement des obligations					
IMMOBILISATIONS INCORPORELLES	(B)	111 362 450.00	45 450.00	111 317 000.00	111 317 000.00
Immobilisations en recherche et développement					
Brevets, marques, droits, et valeurs similaires					
Fonds commercial		111 317 000.00		111 317 000.00	111 317 000.00
Autres Immobilisations Incorporelles		45 450.00	45 450.00		
IMMOBILISATIONS CORPORELLES	(C)	16 135 612.25	8 865 266.53	7 270 345.72	8 377 493.09
Terrains					
Constructions					
Installations techniques, matériel et outillage		14 260 302.14	7 456 710.42	6 803 591.72	7 864 726.13
Matériel de transport					
Mobilier matériel de bureau et aménagement divers		1 875 310.11	1 408 556.11	466 754.00	512 766.96
Autres immobilisations corporelles					
Immobilisations corporelles en cours					
IMMOBILISATIONS FINANCIERES (D)		233 002.57		233 002.57	233 002.57
Prêts immobilisés					
Autres créances financières		233 002.57		233 002.57	233 002.57
Titres de participation					
Autres titres immobilisés					
ECARTS DE CONVERSION - ACTIF	(E)				
Diminution des créances immobilisées					
Augmentation des dettes de financement					
TOTAL I (A+B+C+D+E)		**135 635 102.77**	**16 758 954.68**	**118 876 148.09**	**120 055 175.58**
STOCKS	(F)	28 302 675.29		28 302 675.29	21 092 889.96
Marchandises		1 229 292.39		1 229 292.39	2 247 158.60
Matières et fournitures consommables		4 225 569.21		4 225 569.21	3 153 958.54
Produits en cours		272 657.46		272 657.46	353 214.60
Produits intermédiaires et produits résiduels					
Produits finis		22 575 156.23		22 575 156.23	15 338 558.22
CREANCES DE L'ACTIF CIRCULANT	(G)	94 089 836.42		94 089 836.42	91 139 477.86
Fournis. débiteurs avances et acomptes		2 817 000.00		2 817 000.00	17 000.00
Clients et comptes rattachés		67 431 842.30		67 431 842.30	88 612 933.93
Personnel		262 000.00		262 000.00	259 000.00
Etat		23 407 869.28		23 407 869.28	1 880 345.38
Comptes d'associés					
Autres débiteurs		53 600.00		53 600.00	258 731.66
Comptes de régularisation - actif		117 524.84		117 524.84	111 466.89
TITRES ET VALEURS DE PLACEMENT	(H)				
ECARTS DE CONVERSION - ACTIF (Eléments circulants)	(I)	126 234.56		126 234.56	7 956.52
TOTAL II (F+G+H+I)		**122 518 746.27**		**122 518 746.27**	**112 240 324.34**
TRESORERIE - ACTIF					
Chéques et valeurs à encaisser					
Banques, T.G et C.C.P.		16 047 653.25		16 047 653.25	25 697 656.92
Caisses, régies d'avances et accréditifs		5 030.01		5 030.01	24 642.06
TOTAL III		**16 052 683.26**		**16 052 683.26**	**25 722 298.98**
TOTAL GENERAL I + II + III		**274 206 532.30**	**16 758 954.68**	**257 447 577.62**	**258 017 798.90**

Tableau n° 1
CIPLA MAROC SA

B I L A N (Passif)
(Modèle Normal)

Id. fiscal : 15249119
Exercice du : 01/04/2023 au 31/03/2024

	PASSIF		EXERCICE	EXERC. PRECEDENT
	CAPITAUX PROPRES			
	Capital social ou personnel (1)		136 817 000.00	136 817 000.00
	Moins: actionnaires, capital souscrit non appelé			
	Capital appelé		136 817 000.00	136 817 000.00
	dont versé	136 817 000.00		
	Prime d'émission, de fusion et d'apport			
	Ecarts de réévaluation			
	Réserves légales		6 714 050.51	4 446 157.22
	Autres réserves			
	Reports à nouveau (2)		63 162 476.58	38 072 504.16
	Résultats nets en instance d'affectation (2)			
	Résultat net de l'exercice (2)		10 161 016.34	45 357 865.71
	TOTAL des capitaux propres	**(A)**	216 854 543.43	224 693 527.09
	CAPITAUX PROPRES ASSIMILES	**(B)**	12 943.33	90 603.49
	Subventions d'investissement		12 943.33	90 603.49
	Provisions réglementées			
	DETTES DE FINANCEMENT	**(C)**		
	Emprunts obligataires			
	Autres dettes de financement			
	PROVISIONS DURABLES POUR RISQUES ET CHARGES	**(D)**		
	Provisions pour risques			
	Provisions pour charges			
	ECARTS DE CONVERSION - PASSIF	**(E)**		
	Augmentation des créances immobilisées			
	Diminution des dettes de financement			
	TOTAL I (A+B+C+D+E)		**216 867 486.76**	**224 784 130.58**
	DETTES DU PASSIF CIRCULANT	**(F)**	40 357 320.46	32 961 182.25
	Fournisseurs et comptes rattachés		24 390 523.50	12 487 505.55
	Clients créditeurs, avances et acomptes			
	Personnel		3 063 274.70	2 781 206.22
	Organismes sociaux		1 267 935.34	1 237 082.77
	Etat		10 578 757.36	9 850 666.08
	Comptes d'associés			5 407 208.20
	Autres créanciers		35 400.00	161 500.00
	Comptes de régularisation - Passif		1 021 429.56	1 036 013.43
	AUTRES PROVISIONS POUR RISQUES ET CHARGES	**(G)**	126 234.56	7 956.52
	ECARTS DE CONVERSION - PASSIF (Eléments Circulants)	**(H)**	96 535.84	264 529.55
	TOTAL II (F+G+H)		**40 580 090.86**	**33 233 668.32**
	TRESORERIE PASSIF			
	Crédits d'escompte			
	Crédits de trésorerie			
	Banques (soldes créditeurs)			
	TOTAL III			
	TOTAL GENERAL I + II + III		**257 447 577.62**	**258 017 798.90**

(1) Capital personnel débiteur.
(2) Bénéficiaire (+). Déficitaire (-)

Tableau n° 2

COMPTE DE PRODUITS ET CHARGES (hors taxes)

(Modèle Normal)

Id. fiscal : 15249119

CIPLA MAROC SA

Exercice du : 01/04/2023 au 31/03/2024

			OPERATIONS		TOTAUX DE L'EXERCICE	TOTAUX DE L'EXERCICE PRECEDENT
			Propres à l'Exercice 1	Concernant Les Exercices Précédents 2	3 = 1 + 2	4
	I	**PRODUITS D'EXPLOITATION**				
		Ventes de marchandises (en l'état)	209 840 190.12		209 840 190.12	241 073 046.59
		Ventes de biens et services produits				
		Chiffre d'affaires	209 840 190.12		209 840 190.12	241 073 046.59
		Variation de stocks de produits (+ -) (1)	-80 557.14		-80 557.14	- 313 279.88
		Immobilisations produites par l'entreprise pour elle-même				
		Subventions d'exploitation				
		Autres produits d'exploitation				
		Reprises d'exploitations : transferts de charges				
		TOTAL I	**209 759 632.98**		**209 759 632.98**	**240 759 766.71**
	II	**CHARGES D'EXPLOITATION**				
		Achats revendus de marchandises (2)	96 621 620.89	-4 120.00	96 617 500.89	97 312 095.00
		Achats consommés de matières et fournitures (2)	17 430 381.21		17 430 381.21	9 305 215.73
		Autres charges externes	32 006 456.78	4 966.66	32 011 423.44	35 280 761.51
		Impôts et taxes	454 850.68		454 850.68	436 162.50
		Charges de personnel	22 358 924.96		22 358 924.96	21 946 890.51
		Autres charges d'exploitation				
		Dotations d'exploitation	1 699 290.49		1 699 290.49	3 161 200.42
		TOTAL II	**170 571 525.01**	**846.66**	**170 572 371.67**	**167 442 325.67**
	III	**RESULTAT D'EXPLOITATION (I - II)**	**39 188 107.97**	**- 846.66**	**39 187 261.31**	**73 317 441.04**
	IV	**PRODUITS FINANCIERS**				
		Produits des titres de participation et autres titres immobilisés				
		Gains de change	65 000.47		65 000.47	581 049.55
		Intérêts et autres produits financiers				
		Reprises financières; transferts de charges				154 716.96
		TOTAL IV	**65 000.47**		**65 000.47**	**735 766.51**
	V	**CHARGES FINANCIERES**				
		Charges d'intérêts	68 509.80		68 509.80	242 631.63
		Pertes de change	1 434 443.98		1 434 443.98	3 846 954.33
		Autres charges financières				
		Dotations financières	118 278.04		118 278.04	7 956.52
		TOTAL V	**1 621 231.82**		**1 621 231.82**	**4 097 542.48**
	VI	**RESULTAT FINANCIER (IV - V)**	**-1 556 231.35**		**-1 556 231.35**	**-3 361 775.97**
	VII	**RESULTAT COURANT (III + VI)**	**37 631 876.62**	**- 846.66**	**37 631 029.96**	**69 955 665.07**

1) Variation de stocks : Stock final- Stock initial : augmentation (+) ; diminution (-)

2) Achats revendus ou achats consommés : achats - variation de stocks

Tableau n° 2

COMPTE DE PRODUITS ET CHARGES (hors taxes) (suite)

(Modèle Normal)

Id. fiscal : 15249119

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

			OPERATIONS		TOTAUX DE L'EXERCICE	TOTAUX DE L'EXERCICE PRECEDENT
			Propres à l'Exercice 1	Concernant Les Exercices précédents 2	3 = 1+ 2	4
	VII	**RESULTAT COURANT (reports)**	**37 631 876.62**	**- 846.66**	37 631 029.96	69 955 665.07
	VIII	**PRODUITS NON COURANTS**				
		Produits des cessions d'immobilisations				
		Subventions d'équilibre				
		Reprises sur subventions d'investissement	77 660.16		77 660.16	77 660.16
		Autres produits non courants	255 531.45		255 531.45	18.56
		Reprises non courantes ; transferts de charges				
		TOTAL VIII	**333 191.61**		**333 191.61**	**88 446.72**
	IX	**CHARGES NON COURANTES**				
		Valeurs nettes d'amortissements des immobilisations cédées				52 929.77
		Subventions accordées				
		Autres charges non courantes	18 397 100.23		18 397 100.23	2 659 767.31
		Dotations non courantes aux amortissements et aux provisions				
		TOTAL IX	**18 397 100.23**		**18 397 100.23**	**2 712 697.08**
	X	**RESULTAT NON COURANT (VIII - IX)**	**-18 063 908.62**		**-18 063 908.62**	**-2 624 250.36**
	XI	**RESULTAT AVANT IMPOTS (VII+/- X)**	**19 567 968.00**	**- 846.66**	**19 567 121.34**	**67 331 414.71**
	XII	**IMPOTS SUR LES RESULTATS**	**9 406 105.00**		**9 406 105.00**	**21 973 549.00**
	XIII	**RESULTAT NET (XI- XII)**	**10 161 863.00**	**- 846.66**	**10 161 016.34**	**45 357 865.71**

XIV	**TOTAL DES PRODUITS (I + IV + VIII)**	**210 157 825.06**		**210 157 825.06**	**241 583 979.94**
XV	**TOTAL DES CHARGES (II + V + IX + XII)**	**199 995 962.06**	**846.66**	**199 996 808.72**	**196 226 114.23**
XVI	**RESULTAT NET (Total des produits - total des charges)**	**10 161 863.00**	**- 846.66**	**10 161 016.34**	**45 357 865.71**

CIPLA MAROC SA

Tableau n°5

ETAT DES SOLDES DE GESTION (E.S.G.)

Id. fiscal : 15249119

I- TABLEAU DE FORMATION DES RESULTATS (T.F.R)

Exercice du : 01/04/2023 Au 31/03/2024

				EXERCICE	EXERCICE PRECEDENT
	1		Ventes de marchandises (en l'état)	209 840 190.12	241 073 046.59
	2	-	Achats revendus de marchandises	96 617 500.89	97 312 095.00
I		=	**MARGE BRUTE SUR VENTES EN L'ETAT**	113 222 689.23	143 760 951.59
II		+	**PRODUCTION DE L'EXERCICE : (3+4+5)**	-80 557.14	- 313 279.88
	3		Ventes de biens et services produits		
	4		Variation de stocks de produits	-80 557.14	- 313 279.88
	5		Immobilisations produites par l'entreprise pour elle-même		
III		-	**CONSOMMATION DE L'EXERCICE : (6+7)**	49 441 804.65	44 585 977.24
	6		Achats consommés de matières et fournitures	17 430 381.21	9 305 215.73
	7		Autres charges externes	32 011 423.44	35 280 761.51
IV		=	**VALEUR AJOUTEE (I+II+III)**	63 700 327.44	98 861 694.47
	8	+	Subventions d'exploitation		
V	9	-	Impôts et taxes	454 850.68	436 162.50
	10	-	Charges de personnel	22 358 924.96	21 946 890.51
		=	**EXCEDENT BRUT D'EXPLOITATION (EBE)**	40 886 551.80	76 478 641.46
		=	**OU INSUFFISSANCE BRUTE D'EXPLOITATION (IBE)**		
	11	+	Autres produits d'exploitation		
	12	-	Autres charges d'exploitation		
	13	+	Reprises d'exploitations ; transferts de charges		
	14	-	Dotations d'exploitation	1 699 290.49	3 161 200.42
		=	**RESULTAT D'EXPLOITATION (+ ou -)**	39 187 261.31	73 317 441.04
VII		+/-	**RESULTAT FINANCIER**	-1 556 231.35	-3 361 775.97
VIII		=	**RESULTAT COURANT (+ ou -)**	37 631 029.96	69 955 665.07
IX		+/-	**RESULTAT NON COURANT**	-18 063 908.62	-2 624 250.36
	15	-	**Impôt sur les résultats**	9 406 105.00	21 973 549.00
X		=	**RESULTAT NET DE L'EXERCICE (+ ou -)**	10 161 016.34	45 357 865.71

II - CAPACITE D' AUTOFINANCEMENT (C.A.F) - AUTOFINANCEMENT

	1		Résultat net de l'exercice		
			Bénéfice +	10 161 016.34	45 357 865.71
			Perte -		
	2	+	Dotations d'exploitation (1)	1 699 290.49	3 161 200.42
	3	+	Dotations financières (1)		
	4	+	Dotations non courantes (1)		
	5	-	Reprises d'exploitation (2)		
	6	-	Reprises financières (2)		
	7	-	Reprises non courantes (2) (3)	77 660.16	77 660.16
	8	-	Produits des cessions d'immobilisations (1)		
	9	+	Valeur nettes d'amortissement des immobilisations cédées		52 929.77
I			**CAPACITE D'AUTOFINANCEMENT (C.A.F)**	11 782 646.67	48 494 335.74
	10	-	Distributions de bénéfice	18 000 000.00	
II			**AUTOFINANCEMENT**	-6 217 353.33	48 494 335.74

(1) A l'exclusion des dotations relatives aux actifs et passifs circulants et à la trésorerie.

(2) A l'exclusion des reprises relatives aux actifs et passifs circulants et à la trésorerie.

(3) Y compris reprises sur subventions d'investissement.

TABLEAU DE FINANCEMENT DE L'EXERCICE

CIPLA MAROC SA — **Id. fiscal : 15249119**

Exercice du : 01/04/2023 au 31/03/2024

I- SYNTHESE DES MASSES DU BILAN

	MASSES	EXERCICE a	EXERCICE PRECEDENT b	VARIATION a - b	
				Emplois c	Ressources d
1	Financement permanent	216 867 486.76	224 784 130.58	7 916 643.82	
2	Moins actif immobilisé	118 876 148.09	120 055 175.58		1 179 027.49
3	=FONDS DE ROULEMENT FONCTIONNEL (1- 2) (A)	97 991 338.67	104 728 955.00	6 737 616.33	
4	Actif circulant	122 518 746.27	112 240 324.34	10 278 421.93	
5	Moins passif circulant	40 580 090.86	33 233 668.32		7 346 422.54
6	= BESOIN DE FINANCEMENT GLOBAL (4 - 5) (B)	81 938 655.41	79 006 656.02	2 931 999.39	
7	TRESORERIE nette (ACTIF- PASSIF) = A - B	16 052 683.26	25 722 298.98		9 669 615.72

II- EMPLOIS ET RESSOURCES

	EXERCICE		EXERCICE PRECEDENT	
	EMPLOIS	RESSOURCES	EMPLOIS	RESSOURCES
I- RESSOURCES STABLES DE L'EXERCICE (FLUX)				
* AUTOFINANCEMENT (A)	6 217 353.33			48 494 335.74
Capacité d'autofinancement 11 782 646.67				48 494 335.74
- Distribution de bénéfice 18 000 000.00				
* CESSIONS ET REDUCTIONS D'IMMOBILISATION (B)				
* Cessions d'immobilisations incorporelles				
* Cessions d'immobilisations corporelles				
* Cessions d'immobilisations financières				
* Récupération sur créances immobilisées				
* AUGMENT. DES CAPITAUX PROPRES ET ASSIMILES (C)				
* Augmentations de capital, apports				
* Subventions d'investissement				
* AUGMENTATION DES DETTES DE FINANCEMENT (nettes de primes de remboursement) (D)				
TOTAL I - RESSOURCES STABLES (A+B+C+D)	6 217 353.33			48 494 335.74
II - EMPLOIS STABLES DE L'EXERCICE (FLUX)				
- ACQUISITION ET AUGMENTATIONS D'IMMOB. (E)	520 263.00		234 648.00	
- Acquisition d'immobilisations incorporelles				
- Acquisition d'immobilisations corporelles	520 263.00		234 648.00	
- Acquisition d'immobilisations financières				
- Augmentation des créances immobilisées				
- REMBOURSEMENT DES CAPITAUX PROPRES (F)				
- REMBOURSEMENT DES DETTES DE FINANCEMENT (G)				
- EMPLOI EN NON-VALEURS (H)				
TOTAL II - EMPLOIS STABLES (E+F+G+H)	520 263.00		234 648.00	
III- VARIATION DU BESOIN DE FINANCEMENT GLOBAL (BFG)	2 931 999.39		33 918 142.62	
IV- VARIATION DE LA TRESORERIE		9 669 615.72	14 341 545.12	
TOTAL GENERAL	9 669 615.72	9 669 615.72	48 494 335.74	48 494 335.74

ETAT A1

PRINCIPALES METHODES D'EVALUATION APPLIQUEES PAR L'ENTREPRISE

CIPLA MAROC SA Exercice du : 01/04/2023 Au 31/03/2024

INDICATION DES METHODES D'EVALUATION APPLIQUEES PAR L'ENTREPRISE	
I . ACTIF IMMOBILISE	
A - EVALUATION A L'ENTREE	
1 . Immobilisation en non valeurs	VALEUR HISTORIQUE
2 . Immobilisation incorporelles	VALEUR HISTORIQUE
3 . Immobilisation corporelles	VALEUR HISTORIQUE
4 . Immobilisation financières	VALEUR HISTORIQUE
B - CORRECTION DE VALEUR	
1 . Méthodes d'amortissement	LINEAIRE CONSTANT
2 . Méthodes d'évaluation des provisions pour dépréciation	NEANT
3 . Méthodes de détermination des écarts de conversion - Actif	NEANT
II . ACTIF CIRCULANT	
A - EVALUATION A L'ENTREE	
1 . Stocks	VALEUR HISTORIQUE
2 . Créances	VALEUR HISTORIQUE
3 . Titres et valeurs de placement	NEANT
B - CORRECTION DE VALEUR	
1 . Méthodes d'évaluation des provisions pour dépréciation	NEANT
2 . Méthodes de détermination des écarts de conversion - Actif	NEANT
III . FINANCEMENT PERMANENT	
1 . Méthodes de réévaluation	NEAN
2 . Méthodes d'évaluation des provisions réglementées	NEANT
3 . Dettes de financement permanent	NEANT
4 . Méthodes d'évaluation des provisions durables pour risques et chages	NEANT
5 . Méthodes d'évaluation des écarts de conversion - Passif	NEANT
IV . PASSIF CIRCULANT (Hors trésorerie)	
1 . Dettes du passif circulant	VALEUR HISTORIQUE
2 . Méthodes d'évaluation des autres provisions pour risques et charges	NEANT
3 . Méthodes de détermination des écarts de conversion - Passif	NEANT
V . TRESORERIE	
1 . Trésorerie - Actif	VALEUR HISTORIQUE
2 . Trésorerie - Passif	NEANT
3 . Méthodes d'évaluation des provisions pour dépréciation	NEANT

ETAT DES DEROGATIONS

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

Indication des dérogations	Justification des dérogations	Influence des dérogations sur le patrimoine, la situation financière et les résultats
I. Dérogations aux principes comptables fondamentaux NEANT	NEANT	NEANT
II. Dérogations aux méthodes d'évaluation NEANT	NEANT	NEANT
III. Dérogations aux règles d'établissement et de présentation des états de synthèse NEANT	NEANT	NEANT

ETAT A3

ETAT DES CHANGEMENTS DE METHODES

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

Nature des changements	Justification du changement	Influence sur le patrimoine, la situation financière et les résultats
I. Changements affectant les méthodes d'évaluation		
- NEANT	NEANT	NEANT
-		
-		
-		
-		
-		
-		
-		
-		
-		
-		
-		
II. Changements affectant les régles de présentation		
- NEANT	NEANT	NEANT
-		
-		
-		
-		
-		
-		
-		
-		
-		
-		
-		
-		
-		
-		
-		

ETAT B1

DETAIL DES NON-VALEURS

CIPLA MAROC SA Exercice du : 01/04/2023 au 31/03/2024

COMPTE PRINCIPAL	INTITULE	MONTANT
2111	Frais de constitution	
2112	Frais préalables au démarrage	
2113	Frais d'augmentation du capital	246 000.00
2114	Frais sur opérations de fusions, scissions et transformations	
2116	Frais de prospection	
2117	Frais de publicité	
2118	Autres frais préliminaires	
2121	Frais d'acquisition des immobilisations	6 781 440.00
2125	Frais d'émission des emprunts	
2128	Autres charges à répartir	876 597.95
2130	Primes de remboursement des obligations	
T O T A L		7 904 037.95

Tableau n°4 **B2**

TABLEAU DES IMMOBILISATIONS AUTRES QUE FINANCIERES

Id. fiscal : 15249119

CIPLA MAROC SA Exercice du : 01/04/2023 Au 31/03/2024

NATURE	MONTANT BRUT DEBUT EXERCICE	AUGMENTATION			DIMINUTION			MONTANT BRUT FIN EXERCICE
		Acquisition	Production par l'Entreprise pour elle même	Virement	Cession	Retrait	Virement	
IMMOBILISATION EN NON - VALEURS	**7 904 037.95**							**7 904 037.95**
Frais préliminaires	246 000.00							246 000.00
Charges à répartir sur plusieurs exercices	7 658 037.95							7 658 037.95
Prime de remboursement obligations								
IMMOBILISATIONS INCORPORELLES	**111 362 450.00**							**111 362 450.00**
Immobilisations en recherche et développement								
Brevets, marques, droits et valeurs similaires								
Fonds commercial	111 317 000.00							111 317 000.00
Autres immobilisations incorporelles	45 450.00							45 450.00
IMMOBILISATIONS CORPORELLES	**15 615 349.25**	**520 263.00**						**16 135 612.25**
Terrains								
Constructions								
Installations techniques, matériel et outillage	13 920 104.14	340 198.00						14 260 302.14
Matériel de transport								
Mobilier, matériel de bureau et aménagement	1 695 245.11	180 065.00						1 875 310.11
Autres immobilisations corporelles								
Immobilisations corporelles en cours								

Tableau n°8 **B2 Bis**

TABLEAU DES AMORTISSEMENTS

Id. fiscal : 15249119

CIPLA MAROC SA Exercice du : 01/04/2023 Au 31/03/2024

NATURE	Cumul début exercice 1	Dotation de l'exercice 2	Amortissements sur immobilisations sorties 3	Cumul d'amortissement fin exercice 4 = 1 + 2 - 3
IMMOBILISATIONS EN NON - VALEURS	**7 776 357.95**	**71 880.00**		**7 848 237.95**
Frais préliminaires	237 000.00	9 000.00		246 000.00
Charges à répartir sur plusieurs exercices	7 539 357.95	62 880.00		7 602 237.95
Primes de remboursement des obligations				
IMMOBILISATIONS INCORPORELLES	**45 450.00**			**45 450.00**
Immobilisations en recherche et développement				
Brevets, marques, droits et valeurs similaires				
Fonds commercial				
Autres immobilisations incorporelles	45 450.00			45 450.00
IMMOBILISATIONS CORPORELLES	**7 230 204.69**	**1 623 808.39**		**8 854 013.08**
Terrains				
Constructions				
Installations techniques, matériel et outillage	6 047 726.54	1 401 331.85		7 449 058.39
Matériel de transport				
Mobilier, matériel de bureau et aménagement	1 182 478.15	222 476.54		1 404 954.69
Autres immobilisations corporelles				
Immobilisations corporelles en cours				

Tableau n°10

B3

TABLEAU DES PLUS OU MOINS VALUES SUR CESSIONS OU RETRAITS D'IMMOBILISATIONS

Id. fiscal : 15249119

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

Date de cession ou de retrait	Compte principal	Montant brut	Amortissement cumulés	Valeur nette d'amortissements	Produit de cession	Plus values	Moins values
TOTAL							

NEANT

Tableau n°11

TABLEAU DES TITRES DE PARTICIPATION

B4

Id. fiscal : 15249119

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

Raison sociale de la société émettrice	Secteur d'activité 1	Capital social 2	Participation au capital en % 3	Prix d'acquisition global 4	Valeur comptable nette 5	Extrait des derniers états de synthèse de la société émettrice			Produits inscrits au C. P. C de l'exercice 9
						Date de de cloture 6	Situation nette 7	Résultat net 8	
TOTAL									

Tableau n°9 **B5**

TABLEAU DES PROVISIONS

Id. fiscal : 15249119

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

N A T U R E	MONTANT DEBUT EXERCICE	DOTATIONS			REPRISES			MONTANT FIN EXERCICE
		D'exploitation	Financières	Non courantes	D'exploitation	Financières	Non courantes	
1. Provisions pour Dépréciation de l'Actif Immobilisé								
2. Provisions Réglementéés								
3. Provisions Durables pour Risques et Charges								
SOUS TOTAL (A)								
4. Provisions pour Dépréciation de l'Actif Circulant (Hors Trésorerie)								
5. Autres Provisions Pour Risques et Charges	7 956.52							126 234.56
6. Provisions pour Dépréciation des Comptes de Trésorerie								
SOUS TOTAL (B)	7 956.52							126 234.56
TOTAL (A + B)	7 956.52							126 234.56

ETAT B6

TABLEAU DES CREANCES

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

CREANCES	TOTAL	ANALYSE PAR ECHEANCE			AUTRES ANALYSES			
		Plus d'un an	Moins d'un an	Echues et non Recouvrées	Montants en devises	Montants sur l'Etat et Organismes publics	Montants sur les entreprises liées	Montants représentés par effets
DE L'ACTIF IMMOBILISE	**233 002.57**		**233 002.57**					
- Prêts immobilisés								
- Autres créances financières	233 002.57		233 002.57					
- Titres								
DE L'ACTIF CIRCULANT	**94 089 836.42**		**94 089 836.42**					
- Fournisseurs débiteurs avances et acomptes	2 817 000.00		2 817 000.00					
- Clients et comptes rattachés	67 431 842.30		67 431 842.30					
- Personnel	262 000.00		262 000.00					
- Etat	23 407 869.28		23 407 869.28					
- Compte d'associés								
- Autres débiteurs	53 600.00		53 600.00					
- Compte de régularisation - actif	117 524.84		117 524.84					

TABLEAU DES DETTES

Etat B7

CIPLA MAROC SA

Exercice du : 01/04/2023 au 31/03/2024

DETTES	TOTAL	Analyse par échéance			Montant d'autre échéance			
		Plus d'un an	Moins d'un an	Echues et non payées	Montants en devises	Montants vis-à-vis de l'état et Organismes publics	Montants vis-à-vis entreprises liées	Montants représentés par effets
DE FINANCEMENT								
- Emprunts obligatoires								
- Autres dettes de financement								
DU PASSIF CIRCULANT	**40 357 320.46**		**40 357 320.46**					
- Fournisseurs et comptes rattaches	24 390 523.50		24 390 523.50					
- Clients créditeurs, avances & acomptes								
- Personnel	3 063 274.70		3 063 274.70					
- Organismes sociaux	1 267 935.34		1 267 935.34					
- Etat	10 578 757.36		10 578 757.36					
- Compte d'associés								
- Autres créanciers	35 400.00		35 400.00					
- Compte de régularisation - Passif	1 021 429.56		1 021 429.56					

TABLEAU DES SURETES REELLES DONNEES OU RECUES

ETAT B8

CIPLA MAROC SA

Exercice du : 01/04/2023 au 31/03/2024

TIERS CREDITEURS OU TIERS DEBITEURS	Montant couvert par la sûreté	Nature (1)	Date et lieu d'inscription	Objet (2) (3)	Valeur comptable nette de la sûreté donnée à la date de clôture
- Sûretés données					
NEANT					
- Sûretés reçues					
NEANT					

(1) Gage : 1 - Hypothèque : 2 - Nantissement : 3 - Warrant : 4 - Autres : 5 - (à préciser)

(2) préciser si la sûreté est donnée au profit d'entreprises ou de personnes tierces (sûreté données)
(entreprises liées, associés, membres du personnel)

(3) préciser si la sûreté reçue par l'entreprise provient de personnes tierces autres que le débiteur (sûreté reçues)

ETAT B9

ENGAGEMENTS FINANCIERS RECUES OU DONNES HORS OPERATION DE CREDIT-BAIL

CIPLA MAROC SA Exercice du : 01/04/2023 Au 31/03/2024

ENGAGEMENT DONNES	Montants Exercice	Montants Exercice Précédent
- Avals et cautions - Engagements en matière de pensions de retraites et obligations similaires - Autres engagements donnés * * * * *	NEANT	
Total (1)		

(1) Dont engagements à l'égard d'entrprises liées

ENGAGEMENT RECUS	Montants Exercice	Montants Exercice Précédent
- Avals et cautions - Autres engagements reçus * *	NEANT	
Total		

Tableau n°7

B10

TABLEAU DES BIENS EN CREDIT - BAIL

Id. fiscal : 15249119

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

Rubriques	Date de la 1 ére échéance	Durée du contrat en mois	Valeur estimée du bien à la date du contrat	Durée théorique d'amortis--sement du bien	Cumul des exercices précédents des redevances	Montant de l'exercice des redevances	Redevances restant à payer		Prix d' achat résiduel en fin de contrat	Observations
							A moins d'un an	A plus d'un an		
1	2	3	4	5	6	7	8	9	10	11

Tableau n°6 **DETAIL DES POSTES DU C.P.C.** **B11**

Id. fiscal : 15249119

CIPLA MAROC SA Exercice du : 01/04/2023 Au 31/03/2024

POSTE	CHARGES D'EXPLOITATION	EXERCICE	EXERCICE PRECEDENT
611	ACHATS REVENDUS DE MARCHANDISES		
	Achats de marchandises	102 836 232.69	76 820 542.27
	Variation des stocks de marchandises (+/-)	-6 218 731.80	20 491 552.73
	Total	**96 617 500.89**	**97 312 095.00**
612	ACHATS CONSOMMES DE MATIERES ET FOURNITURES		
	Achats de matières premières	520 892.21	
	Variation des stocks de matières premières (+/-)	- 483 832.26	10 753.07
	Achats de matières et fournitures consommables et d'emballages	2 168 272.55	2 171 338.32
	Variation des stocks de matières. fournitures et emballages (+/-)	- 587 778.41	-1 683 015.04
	Achats non stockés de matières et de fournitures	1 900 412.56	1 786 873.29
	Achats de travaux. études et prestations de services	13 912 414.56	7 019 266.09
	Reste du poste		
	Total	**17 430 381.21**	**9 305 215.73**
613 / 614	AUTRES CHARGES EXTERNES		
	Locations et charges locatives	6 105 194.56	6 069 494.56
	Redevances de crédit-bail		
	Entretiens et réparations	447 472.04	513 905.15
	Primes d'assurances	292 532.19	297 908.34
	Rémunérations du personnel extérieur à l'entreprise		
	Rémunérations d'intermédiaires et honoraires	646 905.28	533 812.98
	Redevances pour brevets. marques. droits	967 256.35	786 766.68
	Transports	684 448.09	678 561.35
	Déplacements. missions et réceptions	8 627 423.60	9 907 580.79
	Reste du poste des autres charges externes	14 240 191.33	16 492 731.66
	Total	**32 011 423.44**	**35 280 761.51**
617	CHARGES DE PERSONNEL		
	Rémunérations du personnel	17 885 315.23	17 691 502.53
	Charges sociales	4 088 929.73	3 958 403.28
	Reste du poste des charges de personnel	384 680.00	296 984.70
	Total	**22 358 924.96**	**21 946 890.51**
618	AUTRES CHARGES D'EXPLOITATION		
	Jetons de présence		
	Perte sur créances irrécouvrables		
	Reste de poste des autres charges d'exploitation		
	Total		
	CHARGES FINANCIERES		
638	AUTRES CHARGES FINANCIERES		
	Charges nettes sur cessions de titres et valeurs de placement		
	Reste de poste des autres charges financières		
	Total		
	CHARGES NON COURANTES		
658	AUTRES CHARGES NON COURANTES		
	Pénalités sur marchés et dédits		
	Rappels d'impôts (autres qu' impôts sur les résultats)	6 045 957.00	
	Pénalités et amendes fiscales	1 293 590.00	5 450.00
	Créances devenues irrécouvrables	11 057 553.23	2 654 317.31
	Reste du poste des autres charges non courantes		
	Total	**18 397 100.23**	**2 659 767.31**

Tableau n°6 **DETAIL DES POSTES DU C.P.C.** **B11**

Id. fiscal : 15249119

CIPLA MAROC SA Exercice du : 01/04/2023 Au 31/03/2024

POSTE		EXERCICE	EXERCICE PRECEDENT
	PRODUITS D'EXPLOITATION		
711	VENTES DE MARCHANDISES		
	Ventes de marchandises au Maroc	1 456 967.03	3 882 469.84
	Ventes de marchandises à l'étranger		
	Reste du poste des ventes de marchandises	208 383 223.09	237 190 576.75
	Total	**209 840 190.12**	**241 073 046.59**
712	VENTES DES BIENS ET SERVICES PRODUITS		
	Ventes de biens au Maroc		
	Vente de biens à l'étranger		
	Vente des services au Maroc		
	Ventes des services à l'étranger		
	Redevances pour brevets, marques. droits . .		
	Reste du poste des ventes et services produits		
	Total		
713	VARIATION DES STOCKS DE PRODUITS		
	Variation des stocks des biens produits (+/-)		
	Variation des stocks des services produits (+/-)		
	Variation des stocks des produits en cours (+/-)	-80 557.14	- 313 279.88
	Total	**-80 557.14**	**- 313 279.88**
718	AUTRES PRODUITS D'EXPLOITATION		
	Jetons de présence reçus		
	Reste du poste (produits divers)		
	Total		
719	REPRISES D'EXPLOITATION TRANSFERTS DE CHARGES		
	Reprises		
	Transferts de charges		
	Total		
738	INTERETS ET AUTRES PRODUITS FINANCIERS		
	Intérêts et produits assimilés		
	Revenus des créances rattachées à des participations		
	Produits nets sur cessions de titres et valeurs de placement		
	Reste du poste intérêts et autres produits financiers		
	Total		

Tableau n°3 **B12**

PASSAGE DU RESULTAT NET COMPTABLE AU RESULTAT NET FISCAL

Id. fiscal : 15249119

CIPLA MAROC SA Exercice du : 01/04/2023 Au 31/03/2024

I N T I T U L E S	MONTANT	MONTANT
I. RESULTAT NET COMPTABLE		
Bénéfice net	**10 161 016.34**	
Perte nette		
II. REINTEGRATIONS FISCALES		
1. Courantes	9 755 508.70	
- INTERETS CCA	42 664.78	
- IS 2023	9 406 105.00	
- ECV PASSIF	96 535.84	
- CADEAUX	210 203.08	
-		
-		
2. Non courantes	16 140 075.02	
-		
- CP 2023	1 342 273.39	
- BONUS	756 202.43	
- CHARGES EXT ANTER	6 676 423.89	
- RAPPEL ET DEGREV	6 996 456.00	
- 13 EME MOIS	368 719.31	
III. DEDUCTIONS FISCALES		
1. Courantes		2 760 654.92
- REPRISE CP 2022		1 289 106.25
- REPRISE BONUS 2022		965 312.64
- ECV 2022		264 529.55
- 13EME MOIS		241 706.48
2. Non courantes		
-		
-		
-		
TOTAL	**36 056 600.06**	**2 760 654.92**

		MONTANT
IV. RESULTAT BRUT FISCAL		
Bénéfice brut si T1 > T2 (A)	**33 295 945.14**	
Déficit brut fiscal si T2 > T1 (B)		
V. REPORTS DEFICITAIRES IMPUTES (C) (1)		
Exercice n- 4		
Exercice n- 3		
Exercice n- 2		
Exercice n- 1		
VI. RESULTAT NET FISCAL		
Bénéfice net fiscal (A - C)	**33 295 945.14**	
Ou déficit net fiscal (B)		

		MONTANT
VII. CUMUL DES AMORTISSEMENTS FISCALEMENT DIFFERES		
VIII. CUMUL DES DEFICITS FISCAUX RESTANT A REPORTER		
Exercice n- 4		
Exercice n- 3		
Exercice n- 2		
Exercice n- 1		
Exercice n		

(1) Dans la limite du montant du bénéfice brut fiscal (A)

ETAT B13

DETERMINATION DU RESULTAT COURANT APRES IMPOTS

CIPLA MAROC SA Au: 31/03/2024

I- DETERMINATION DU RESULTAT		MONTANT
- Résultat courant d'après C.P.C	(+,-)	37 631 029.96
- Réintégrations fiscales sur opérations courantes	(+)	9 755 508.70
- Déductions fiscales sur opérations courantes	(-)	2 760 654.92
- Résultat courant théoriquement imposable	(=)	44 625 883.74
- Impôt théorique sur résultat courant	(-)	13 834 023.96
- Résultat courant après impôts	(=)	30 791 859.78

II- INDICATION DU REGIME FISCAL ET DES AVANTAGES OCTROYES PAR LES CODES DES INVESTISSEMENTS OU PAR DES DIPOSITIONS LEGALES SPECIFIQUES

NEANT

Tableau n°12 **B14**

DETAIL DE LA TAXE SUR LA VALEUR AJOUTEE

Id. fiscal : 15249119

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

NATURE	Solde au Début de l'Exercice 1	Opérations Comptables de l'Exercice 2	Déclarations T . V . A de l'Exercice 3	Solde Fin d'Exercice (1 + 2 - 3 = 4)
A. T . V . A. Facturée	**4 009 579.59**	**8 445 242.78**	**11 569 990.82**	**884 831.55**
B. T . V . A. Récuperable	**633 616.30**	**13 057 062.30**	**12 843 017.94**	**847 660.66**
Sur Charges	633 616.30	13 057 062.30	12 843 017.94	847 660.66
Sur Immobilisations				
C. T . V . A. Dûe ou Crédit de T . V . A = (A - B)	**3 375 963.29**	**-4 611 819.52**	**-1 273 027.12**	**37 170.89**

CIPLA MAROC SA
B15

PASSIFS EVENTUELS

Exercice du : 01/04/2023 au 31/03/2024

NEANT

Tableau n°13

ETAT DE REPARTITION DU CAPITAL SOCIAL

C1

Montant du Capital : 136 817 000.00

Id. fiscal : 15249119

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

Nom , prénom ou raison sociale des principaux associés (1)	Adresse	NOMBRE DE TITRES		Valeur nominale de chaque action ou part sociale	MONTANT DU CAPITAL		
		Exercice précédent	Exercice actuel		Souscrit	Appelé	Libéré
1	2	3	4	5	6	7	8
JANAH MOHAMED	12 RUE ABDOU MOUSSA AL JAZOULI APT 2 MAARIF	1	1	100.00	100.00	100.00	100.00
SAXENA NISHANT	102 PANCHVTI B WING SHRISHTI COMPLEX NEAR SM SHELTY SCHOOL CHANDIVAL MUNBAI	1	1	100.00	100.00	100.00	100.00
AGARWAL ANAND GIRDHARILAL	SHREEJI SPLENDOR 4/401 NEAR BRAHMAND PHASE 7 AZAD NAGAR GHODBUNDER ROAD THNAE	1	1	100.00	100.00	100.00	100.00
JAWAD CHEIKH LAHLOU	N°7 RUE AIN DIAB CASABLANCA MAROC	1	1	100.00	100.00	100.00	100.00
CIPLA EU LIMITED	DIXCART HOUSE ADLESTONE ROAD BOURNE BUSINESS PARK	820 902	1 027 493	100.00	102 749 300.00	102 749 300.00	102 749 300.00
SOCIETE MAROCAINE DE COOPERATION PHARMACEUTIQUE	41 RUE MOHAMED DIOURI 2000 CASABLANCA MAROC	216 170	340 673	100.00	34 067 300.00	34 067 300.00	34 067 300.00
		1 037 076	1 368 170		136 817 000.00	136 817 000.00	136 817 000.00

(1) Quant le nombre des associés est inférieur ou égal à 10, l'entreprise doit déclarer tous les participants au capital. Dans les autres cas, il y a lieu de ne mentionner que les 10 principaux associés par ordre d'importance décroissante.

Tableau n°14

C2

ETAT D'AFFECTATION DES RESULTATS INTERVENUE AU COURS DE L'EXERCICE

Id. fiscal : 15249119

CIPLA MAROC SA

Exercice du : 01/04/2023 Au 31/03/2024

	MONTANT	DOTATION DE L'EXERCICE	MONTANT
A. ORIGINE DES RESULTATS A AFFECTER		**B. AFFECTATION DES RESULTATS**	
(Décicion du 04/05/2023)		Réserve légale	2 267 893.29
Report à nouveau		Autres réserves	
Résultats nets en instance d'affectation	45 357 865.71	Tantièmes	
Résultat net de l'exercice		Dividendes	18 000 000.00
Prélévements sur les réserves		Autres affectations	
Autres prélévements		Report à nouveau	25 089 972.42
TOTAL A	**45 357 865.71**	**TOTAL B**	**45 357 865.71**

TOTAL A = TOTAL B

ETAT C3

RESULTATS ET AUTRES ELEMENTS CARACTERISTIQUES DE L'ENTREPRISE AU COURS DES TROIS DERNIERS EXERCICES

CIPLA MAROC SA

Au: 31/03/2024

NATURE DES INDICATIONS	EXERCICE n - 2	EXERCICE n - 1	EXERCICE n
- SITUATION NETTE DE L'ENTREPRISE			
* Capitaux propres plus capitaux propres assimilés moins immobilisation en non valeurs	179 335 661.38	224 656 450.66	216 811 686.96
- OPERATIONS ET RESULTATS DE L'EXERCICE			
1- Chiffre d'affaires hors taxes	182 303 539.19	241 073 046.59	209 840 190.12
2- Résultat avant impôts	51 643 397.17	67 331 414.71	19 567 121.34
3- Impôts sur les résultats	16 277 646.00	21 973 549.00	9 406 105.00
4- Bénéfices distribués			
5- Résultats non distribués (mis en réserves ou en instance d'affectation)	5 739 103.61	45 357 865.71	63 162 476.58
- RESULTAT PAR TITRE (Pour les sociétés par actions et S A R L)			
* Résultat net par actions ou part sociale			
* Bénéfices distribués par action ou par sociale			
- PERSONNEL			
* Montant des salaires bruts de l'exercice	24 390 215.79	17 691 502.53	17 885 315.23
* Effectif moyen des salariés employés pendant l'exercice			

ETAT C4

TABLEAU DES OPERATIONS EN DEVISES COMPTABILISEES PENDANT L'EXERCICE

CIPLA MAROC SA Exercice du : 01/04/2023 au 31/03/2024

NATURE	Entrée Contre - valeur en DH	Sortie Contre - valeur en DH
- Financement permanent - Immobilisations brutes - Rentrées sur immobilisations - Remboursemant des dettes de financement - Produits - Charges		
TOTAL DES ENTREES		
TOTAL DES SORTIES		
BALANCE DEVISES		
TOTAL		

DATATION ET EVENEMENTS POSTERIEURS

CIPLA MAROC SA **ETAT C5**

I . DATATION

Date de clôture (1) 31/03/2024

NEANT

Date d'établissement des états de synthèse (2) / /

NEANT

(1) Justification en cas de changement de la date de clôture de l'exercice

(2) Justification en cas de dépassement du délai réglementaire de trois mois prévu pour l'élaboration des états de synthèse

II . EVENEMENTS NES POSTERIEUREMENT A LA CLOTURE DE L'EXERCICE NON RATTACHABLES A CET EXERCICE ET CONNUS AVANT LA 1ère COMMUNICATION EXTERNE DES ETATS DE SYNTHESE

Dates	Indication des événements
	- Favorables
/ /	
/ /	
/ /	
/ /	
/ /	
/ /	
/ /	
	- Défavorables
/ /	
/ /	
/ /	
/ /	
/ /	
/ /	
/ /	

Fidaroc
Grant Thornton

CIPLA MAROC S.A

Statutory Auditors' Special Report

Period from April 1st 2023 to March 31st, 2024

Fidaroc
Grant Thornton

To the Shareholders of
CIPLA MAROC S.A.
Angle Rue Ibnou Toufail Et Abdelhak Ibn Mahyou
Res IBN MAHYOU imm B Etg 1
Casablanca

Statutory Auditors' Special Report
Period from April 1st 2023 to March 31st, 2024

In our capacity as statutory auditor of your company, we hereby present our report on regulated agreements in accordance with the provisions of articles 56 to 59 of law 17-95 as amended and completed.

It is our responsibility to present to you the characteristics and essential terms and conditions of the agreements of which we have been advised by the Chairman of the Board of Directors or which we may have discovered during the course of our assignment, without having to express an opinion on their usefulness and appropriateness, or to seek the existence of other agreements. It is your responsibility, in accordance with the above law, to decide whether or not to approve them.

We have performed the procedures we considered necessary in accordance with professional standards in Morocco. These procedures consisted in verifying the consistency of the information provided to us with the source documents from which it was extracted.

1. AGREEMENTS CONCLUDED DURING THE YEAR

The Chairman of your Board of Directors has not informed us of any new agreements entered into during the year ended March 31, 2024

2. AGREEMENTS CONCLUDED DURING PREVIOUS FINANCIAL YEARS AND WHICH CONTINUED TO BE EXECUTED DURING THE FINANCIAL YEAR

2.1 Written distribution agreement with Cooper Pharma

Entity concerned : Cooper PHARMA, which holds 24.9% of the capital of Cipla Maroc.

Nature and purpose of the agreement : Distribution agreement by which Cooper Pharma assumes exclusive distribution of products marketed by Cipla Maroc

Amount recognised as revenue : The amount of revenue at March 31st, 2024 was KMAD199,992 excluding VAT.

Amount received during the year : The amount received during the 2023-2024 financial year amounts to KMAD 234,067.

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2.2 Written agreement for commercial services with Cooper Pharma

Entity concerned : Cooper PHARMA, which holds 24.9% of the capital of Cipla Maroc.

Nature and purpose of the agreement : Promotion contract through which Cipla Morocco commercializes products whose AMM are held by Cooper Pharma (Isperid, Synnax, Allergin, Efloxin).

Amount recognised as revenue : The amount of revenue at March 31st, 2024 was KMAD 18,336 excluding VAT.

Amount recognised as an expense: The amount of the expenses amounts, at March 31st, 2024, to KMAD 12,336 excluding VAT.

2.3 Written agreement of license and supply of finished products concluded with CIPLA EU LTD

Entity concerned : CIPLA EU LTD, 75,1% shareholder of Cipla Maroc.

Nature and purpose of the agreement : License and supply agreement for finished products by which Cipla LTD undertakes to deliver to Cipla Maroc the products for which the MAs are held by the latter.

Amount recognised as an expense: The amount of the expenses amounts, at March 31st, 2024, to KMAD 44,208 excluding VAT.

Amount disbursed during the year : The amount disbursed during the 2023-2024 financial year amounts to KMAD 45,817.

2.4 Written agreement for the supply of raw materials concluded with CIPLA EU LTD

Entity concerned : CIPLA EU LTD, 75,1% shareholder of Cipla Maroc.

Nature and purpose of the agreement : Contract for the supply of raw materials by which Cipla EU LTD undertakes to deliver to Cipla Maroc the raw materials for local manufacturing.

Amount recognised as an expense: The amount of the expenses amounts, at March 31st, 2024, to KMAD 33,417 excluding VAT.

Casablanca, May 16, 2024.

The statutory auditors

FIDAROC GRANT THORNTON

FIDAROC GRANT THORNTON
Membre Réseau Grant Thornton
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Faïçal MEKOUAR

Partner

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CIPLA MAROC S.A

Statutory Auditors' General Report

Period from April 1st 2023 to March 31st, 2024

Fidaroc
Grant Thornton

To the Shareholders of
CIPLA MAROC S.A.
Angle Rue Ibnou Toufail Et Abdelhak Ibn Mahyou
Res IBN MAHYOU imm B Etg 1
Casablanca

Statutory Auditors' General Report
Period from April 1st 2023 to March 31st, 2024

This is a translation into English of the statutory auditors' general report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, moroccan law and professional auditing standards applicable in Morocco.

Audit of financial statements

Opinion

In compliance with the engagement entrusted to us by your Shareholders' MeetingS, we have audited the accompanying financial statements of CIPLA MAROC S.A, which comprise the balance sheet as at March 31, 2024, the income statement, the management accounts statement, the cash-flow statement for the year then ended, and the additional disclosures statement (ETIC). These financial statements, show an equity and quasi-equity of MAD 216.867.486.76, including a net profit of MAD 10.161.016.34.

We certify that the financial statements referred to in the paragraph above, give a true and fair view of the assets and liabilities and of the financial position of the Company CIPLA MAROC S.A as at March 31, 2024, and of the results of its operations for the year then ended in accordance with Moroccan accounting principles.

Basis for opinion

We conducted our audit in accordance with professional standards applicable in Morocco. Our responsibilities under those standards are further described in the « Auditors' Responsibilities for the Audit of the Financial Statements » section of our report. We are independent of the Company in accordance with applicable ethical requirements for the audit of financial statements in Morocco, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Moroccan accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 professional standards applicable in Morocco will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with professional standards applicable in Morocco, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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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.

Specific vérifications and information

We have also performed the specific verifications required by the law, and we have verified, among other matters, the fair presentation and the consistency with the financial statements, of the information given in the management report of the Board of Directors.

Casablanca, May 16, 2024.

The statutory auditors

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6600 - Cipla Maroc SA

Balance sheet as at 31st March 2024

Particulars	Notes	For the period ended 31st March 2024	For the period ended 31st March 2023
Assets			
(1) Non-Current Assets			
(a) Property, plant and equipment	2	7.645.703	8.675.190
(b) Right of Use Assets	2	-	-
(b) Capital work-in-progress	2	-	52.930
(c) Investment properties	3	-	-
(d) Goodwill	4	-	-
(e) Other intangible assets	5	-	7.863.429
(ii) Loans	8	-	-0
(iii) Other financial assets	9	233.003	233.003
(i) Advance tax assets (net)	10	10.618.179	-
(j) Deferred tax assets	11	-	-
(k) Other non-current assets	12	-	-
		18.496.885	**16.824.552**
(2) Current Assets			
(a) Inventories	13	28.256.678	20.036.431
(b) Financial assets			
(i) Investments	14	-	-
(ii) Trade receivables	15	66.966.718	88.037.341
(iii) Cash and cash equivalents	16	16.052.683	25.722.299
(c) Other current assets	20	6.633.710	733.089
		117.909.790	**134.529.161**
Assets Held for Sale		-	-
Total Assets		**136.406.675**	**151.353.713**
Equity and liabilities			
(1) Equity			
(a) Share Capital	21	136.817.000	136.817.000
(b) Other Equity	22	-38.893.439	-32.959.222
Equity attributable to owner		**97.923.561**	**103.857.778**
(c) Non-Controlling Interest	23	-	-
Total Equity		**97.923.561**	**103.857.778**
(2) Share application money pending allotment		-	-
(3) Non-current liabilities		-	-
(4) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	-	5.407.308
(iii) Trade payables	29	24.613.294	12.913.435
(iv) Other financial liabilities	30	2.387.846	3.612.088
(b) Other current liabilities	31	2.346.825	3.839.334
(c) Provisions	27	7.969.790	12.623.747
(d) Current tax liabilities (net)	32	1.165.358	9.100.022
		38.483.114	**47.495.935**
Liabilities associated with Assets held for Sale		-	-
Total equity and liabilities		**136.406.675**	**151.353.713**

Partner

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For and On Behalf of Board of Directors

CIPLA MAROC S.A
1er Etg Imm "B" Rés Ben Mahyou
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6600 - Cipla Maroc SA

Statement of Profit and Loss for the period ended 31st March 2024

Particulars	Note	For the period ended 31st March 2024	For the period ended 31st March 2023
(1) Revenue from operations			
(a) Revenue from sale of products	31	208.383.223	237.190.577
(b) Other operating income	32	-	-
		208.383.223	**237.190.577**
(c) Other income	33	320.532	746.553
		208.703.755	**237.937.130**
(2) Expenditure			
(a) Cost of materials consumed	34	104.606.367	78.298.969
(b) Purchases of stock-in-trade	35	-	-
(c) Changes in inventories of finished goods , work-in-progress	36	-7.229.194	21.454.271
(d) Employee benefits expense	37	29.964.940	28.697.347
(e) Finance costs	38	68.510	242.632
(f) Depreciation, impairment and amortisation expense	39	9.413.180	25.219.060
(g) Other expenses	40	56.748.452	40.918.569
		193.572.254	**194.830.848**
(3) Profit before exceptional items and tax		**15.131.501**	**43.106.281**
(4) Exceptional items		-	-
(5) Profit before tax		**15.131.501**	**43.106.281**
(6) Tax expenses	41		
(a) Current tax (net)		9.406.105	21.973.549
(b) Deferred tax credit		-	-
(7) Profit for the Year		**5.725.396**	**21.132.732**
(8) Other comprehensive income/(loss)			
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to Items that will not be reclassified to profit or loss		-	-
		-	-
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to these items		-	-
		-	-
Other comprehensive income/ (loss) for the year	42	-	-
(9)Total comprehensive income/ (loss) for the year		**5.725.396**	**21.132.732**
(10)Earning per Equity Share of Face Value of Rs 2/ each			
Basic (in INR)			
Diluted (in INR)			
Significant accounting Policies and key accounting estimates and judgements			
The accompanying notes form an integral part of these standalone financial statements			

Partner

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For and On Behalf of Board of Directors

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Ang Bd Mahyou Toufail et Abdelhak
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6600 - Cipla Maroc SA

Notes to the Financial statements

Note 2 to 5: Property Plant & Equipments and Intangibles

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Property, plant and equipment	7.645.703	8.675.190
(b) Right of Use Assets	-	-
(c) Capital work-in-progress	-	52.930
(d) Investment properties	-	-
(e) Goodwill	-	-
(f) Other intangible assets	-	7.863.429
(g) Intangible assets under development	-	-
	7.645.703	**16.591.549**

Note 6: Investments In Associates

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Investments In Associates	-	-
	-	-

Note 7: Investments

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Other Investments		
Investments in Equity Instruments - Subsidiaries	-	-
Investments at fair value through OCI (fully paid)		
Investments carried at fair value through Profit and loss	-	-
Investment in government securities carried at cost	-	-
	-	-

Note 8: Loans

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Unsecured, Considered Goods (Carried at Amortised Cost)		
Deposits with body corporates and others	-	-0
Considered good	-	-
Considered doubtful	-	-
Loans to Subsidiaries	-	-
Other loans and advances	-	-0

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Note 9: Other Financial Assets - Non-current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deposits with Body Corporate	233.003	233.003
Recoverable from Suppliers	-	-
Share Application money pending allotment	-	-
	233.003	**233.003**

Note 10: Advance tax assets (net)

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advance tax assets (net)	10.618.179	-
	10.618.179	-

Note 11: Deferred tax assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred tax assets	-	-
	-	-

Note 11: Deferred tax Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred tax Liabilities	-	-
	-	-

Note 13: Inventories

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Lower of cost and net realisable value)		
Raw materials and packing materials	3.825.888	2.660.645
Work in progress	-	-
Finished goods	-	-1.010.462
Stock-in-trade	23.758.452	17.539.720
Stores, spares and consumables	672.339	846.528
	28.256.678	**20.036.431**

Note 15: Trade receivables

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Considered Good (Carried at Amortised Cost, Except otherwise stated)		
Unsecured	67.522.677	88.612.934
Considered Doubtful	-	-
Unsecured	-555.959	-575.593
Less: Allowance for doubtful debts	**66.966.718**	**88.037.341**

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SPLA MAROC S.A

Note 16: Cash and Cash Equivalents

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Balances with Banks		
In current accounts	16.047.653	25.697.657
In EEFC accounts	-	-
In deposit accounts (original maturity less than 3 months)	-	-
Remittance in transit	-	-
Cash on hand	5.030	24.642
	16.052.683	**25.722.299**

Note 20: Other Current Assets

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advance to Suppliers		
Considered good	2.870.600	474.089
Considered doubtful	-	-
Prepaid Expenses	117.525	-
GST Balance with Revenue Authority	3.383.585	-
Others	262.000	259.000
	6.633.710	**733.089**

Note 21: Share Capital

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Equity Share Capital	136.817.000	136.817.000
	136.817.000	**136.817.000**

Note 22: Other Equity

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Equity Component	-	-
	-	-
Retained Earnings		
Opening Retained earnings	-32.959.222	-46.976.237
Profit for the year	5.725.396	21.132.732
Other Comprehensive income	-	-
Dividend paid during the year	-11.659.613	-7.115.717
Dividend Distribution Tax during the year	-	-
	-38.893.439	**-32.959.222**
Reserves	-	-
Total	**-38.893.439**	**-32.959.222**

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International
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Ben Mahyou Casablanca R C 326297
ICE:001625187000035

Note 24: Financial Liabilities - Borrowings

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Non current		
(Carried at amortised cost, except otherwise stated)		
Term loan from Banks		
Secured	-	-
Unsecured	-	-
Deferred sales tax loan	-	-
	-	-
(b) Current		
Loans repayable on demand		
Secured loans		
Cash Credit	-	-
Buyers' credit	-	-
Unsecured loans:		
Packing credit	-	-
Working Capital Loan	-	-
Current Maturities of Long term debt	-	-
Buyers' credit	-	-
Bank overdraft	-	-
Others borrowings	-	5.407.308
Current maturities of non-current borrowings	-	-
	-	**5.407.308**

Note 25: Financial Liabilities - Lease liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(a) Non current		
Lease liabilities	-	-
(b) Current		
Lease liabilities	-	-
	-	-

Note 26: Other Financial Liabilities - Non-current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Forward Contracts	-	-
Security Deposits	-	-
Deferred consideration	-	-
Put option liability - Fair value through profit or loss	-	-
Derivatiave not designated as Hedge Carried at FVTPL	-	-
Derivatiave designated as Hedge Carried at FVOCI	-	-
	-	-

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Note 27: Provisions

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Non-current		
Provision for Employee Benefits		
Gratuity	-	-
Leave Encashment	-	-
Cash settled share liability	-	-
	-	-
Current		
Provision for Employee Benefits		
Gratuity	-	-
Leave Encashment	1.082.825	-
Employee Health Insurance Payable	93.762	104.190
Performance bonus	-	-
Sales incentive	614.033	-
Cash settled share liability	-	-
Provision for Chargeback and Others Accruals		
Provision for litigation	-	-
Provision for anticipated claims on pricing	-	-
Provision for proposed dividend	6.179.170	12.519.556
Provision for Right of Return/expiry return/discounts and	-	-
Others	-	-
	7.969.790	**12.623.747**

Note 28: Other Non Current Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Deferred government grant	-	-
Deferred revenue	-	-
Deferred lease income	-	-
Others	-	-
	-	-

Note 29: Trade Payables

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Due to micro and small enterprises	-	-
Others	24.613.294	12.913.435
	24.613.294	**12.913.435**

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Note 30: Other Financial Liabilities - Current

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
(Carried at amortised cost, except otherwise stated)		
Deferred sales tax loans	-	-
Unclaimed dividends	-	-
Security deposits	-	-
Capital creditors	-	-
Employee Dues	1.366.417	2.781.206
Derivative not designated as hedge carried at FVTPL		
Forward	-	-
Options	-	-
Derivative designated as hedge carried at FVOCI	-	-
Book overdraft	-	-
Import advance licences	-	-
Deferred consideration	-	-
Other Payable	1.021.430	830.882
	2.387.846	**3.612.088**

Note 31: Other Current Liabilities

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Advances from Customers	-	-
Amount refundable to customers	-	-
Income received in advance	-	-
Other Payables:		
Statutory Dues	2.346.825	3.839.334
Deferred Government Grant	-	-
Deferred Revenue	-	-
Deferred lease income	-	-
Others	-	-
	2.346.825	**3.839.334**

Note 32: Current tax liabilities (net)

Particulars	For the period ended 31st March 2024	For the period ended 31st March 2023
Liabilities for Current Tax (Net)	1.165.358	9.100.022
	1.165.358	**9.100.022**

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Ben Mahyou Casablanca R C 32629
ICE:001625187000035

Cipla Philippines Inc.

Financial Statements for Financial Year 2023-24

CIPLA PHILIPPINES INC

[A Wholly Owned Subsidiary of Cipla (EU) Limited]
(A Company Under the Liquidation Basis of Accounting)

FINANCIAL STATEMENTS

March 31, 2024

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Cipla Philippines Inc

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The Management of **CIPLA PHILIPPINES INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the fiscal years ended March 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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 responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders.

L. Gomez Partners and Co. CPAs, the independent auditor, appointed by the stockholders for the fiscal years ended March 31, 2024, and 2023, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

DocuSigned by:
Naveen Bansal
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NAVEEN BANSAL
Chairman of the Board/President

CECILE MAGLUNOB
Treasurer

April 26, 2024

Level 40, PBCom Tower, 6795 Ayala Avenue Corner V. A., Rufino Street, Makati City, Metro Manila, 1226, Philippines

L. Gomez Partners & Co., CPAs

SUPPLEMENTAL WRITTEN STATEMENTS OF AUDITORS

The Board of Directors and Stockholders
CIPLA Philippines Inc.
[A Wholly Owned Subsidiary of Cipla EU Limited]
Level 40, PBCom Tower
6795 Ayala Avenue corner V.A Rufino Street
Makati City

We have audited the accompanying financial statement of **CIPLA Philippines Inc.** (the "Company") as of and for the year ended March 31, 2024, on which we have rendered our report dated April 26, 2024.

In compliance with the Revised Securities Regulation Code 68, we are stating that the said Company has a total number of one (1) stockholder owning one hundred (100) or more shares each.

L. GOMEZ PARTNERS AND CO., CPAS
Board of Accountancy Accreditation No. 7677
March 03, 2023 valid until January 30, 2026
BIR Accreditation No. 09-007010-000-2023
December 27,2023 valid until December 26, 2026
Tax Identification No. 009-543-865-000

By:

LORENZ SAMUEL D. GOMEZ
CPA Certificate No. 146111
Tax Identification No. 313-007-496-000
BIR Accreditation Number 09-007010-001-2023
Valid until December 26, 2026
PTR #8377101, January 03, 2024, Calamba City, Laguna

April 26, 2024
Calamba City, Laguna

L. Gomez Partners & Co., CPAs

INDEPENDENT AUDITORS' REPORT

The Stockholders and Board of Directors
CIPLA Philippines Inc.
[A Wholly Owned Subsidiary of Cipla EU Limited]
Level 40, PBCom Tower 6795 Ayala Avenue
corner V.A Rufino Street
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **CIPLA Philippines Inc.** (the "Company"), which comprise the statements of financial position as at March 31, 2024 and 2023, and the statements of loss, statements of changes in shareholder's in equity and statements of cash flows for the years then ended, and notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small Entities (PFRS for SEs) on the basis described in Note 2 to the financial statements.

Basis of Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). 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 for the Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1.1 to the financial statements which indicates that on January 22, 2024, the Company's Board of Directors (BOD) and stockholders approved the shortening of corporate term of the Company from 50 years from and after the date of incorporation to March 31, 2024. The Company has filed its application for shortening of business life with the SEC on February 22, 2024 pending review and approval. These conditions indicate that the going concern basis of accounting for the Company is no longer appropriate. Accordingly, the Company's financial statements have been prepared and presented on the liquidation basis of accounting to appropriately reflect the status of the Company's operations as of March 31, 2024.

Management believes that the amounts realizable from the disposition of the Company's remaining assets and the amounts to be used in the settlement of its liabilities will not differ materially from the amounts shown in the financial statements as at and for the year ended March 31, 2024. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standard for Small Entities (PFRS for SEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are 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 misstatements, 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatements 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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.

Report on the Supplementary Information Required Under Revenue Regulations No. 34-2020 and 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 34-2020 and 15-2010 in Note 12 to the financial statements is presented for purposes of filing with Bureau Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

L. GOMEZ PARTNERS AND CO., CPAS
Board of Accountancy Accreditation No. 7677
March 03, 2023 valid until January 30, 2026
BIR Accreditation No. 09-007010-000-2023
December 27,2023 valid until December 26, 2026
Tax Identification No. 009-543-865-000

By:

LORENZ SAMUEL D. GOMEZ
CPA Certificate No. 146111
Tax Identification No. 313-007-496-000
BIR Accreditation Number 09-007010-001-2023
Valid until December 26, 2026
PTR #8377101, January 03, 2024, Calamba City, Laguna

April 26, 2024
Calamba City, Laguna

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CIPLA PHILIPPINES INC
[A Wholly Owned Subsidiary of Cipla (EU) Limited]
(A Company Under the Liquidation Basis of Accounting)
STATEMENTS OF FINANCIAL POSITION
As of March 31, 2024 and 2023
In Philippine Peso

	Note	2024	2023
ASSETS			
Current Assets			
Cash	3	**2,252,903**	2,820,769
Other current asset	4	**15,000**	–
Total Current Assets		**2,267,903**	2,820,769
TOTAL ASSETS		**2,267,903**	2,820,769
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accrued expenses	5	**222,683**	139,024
Total Liabilities		**222,683**	139,024
Shareholders' Equity			
Share capital	6	**9,500,000**	9,500,000
Deficit		**(7,454,780)**	(6,818,255)
Total Shareholders' Equity		**2,045,220**	2,681,745
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,267,903**	2,820,769

See Notes to Financial Statements.

Naveen Bansal

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Naveen Bansal
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Chairman of the
Board/President

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CIPLA PHILIPPINES INC
[A Wholly Owned Subsidiary of Cipla (EU) Limited]
(A Company Under the Liquidation Basis of Accounting)

STATEMENTS OF LOSS
For the Year Ended March 31, 2024 and 2023
In Philippine Peso

	Note	2024	2023
ADMINISTRATIVE EXPENSES	7	**(636,525)**	(819,035)
OTHER EXPENSES	7.1	–	(9,924)
LOSS BEFORE TAX		**(636,525)**	(828,959)
INCOME TAX BENEFIT – DEFERRED		–	11,611
NET LOSS		**(636,525)**	(817,348)

See Notes to Financial Statements.

Naveen Bansal

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Chairman of the
Board/President

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CIPLA PHILIPPINES INC
[A Wholly Owned Subsidiary of Cipla (EU) Limited]
(A Company Under the Liquidation Basis of Accounting)
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
For the Years Ended March 31, 2024 and 2023
In Philippine Peso

	Share Capital	Deficit	Total
Balance at March 31, 2022	9,500,000	(6,000,907)	3,499,093
Net loss	–	(817,348)	(817,348)
Balance at March 31, 2023	9,500,000	(6,818,255)	2,681,745
Net loss	**–**	**(636,525)**	**(636,525)**
Balance at March 31, 2024	**9,500,000**	**(7,454,780)**	**2,045,220**

See Notes to Financial Statements.

Naveen Bansal

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Chairman of the
Board/President

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CIPLA PHILIPPINES INC
[A Wholly Owned Subsidiary of Cipla (EU) Limited]
(A Company Under the Liquidation Basis of Accounting)

STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2024 and 2023
In Philippine Peso

	Note	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax		**(636,525)**	(828,959)
Operating cash flows before working capital change		**(636,525)**	(828,959)
Increase in other current asset	4	**(15,000)**	142,937
Increase in accrued expenses	5	**83,659**	(146,814)
Net cash used in operating activities		**(567,866)**	(832,836)
CASH FLOW FROM FINANCING ACTIVITY			
Due to parent company		–	(526,858)
NET DECREASE IN CASH		**(567,866)**	(1,359,696)
CASH AT BEGINNING OF PERIOD		**2,820,769**	4,180,465
CASH AT END OF PERIOD		**2,252,903**	2,820,769

See Notes to Financial Statements.

Naveen Bansal

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Chairman of the
Board/President

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1. GENERAL BUSINESS INFORMATION

CIPLA PHILIPPINES INC (the "Company") was incorporated and registered with the Security and Exchange Commission on January 6, 2016, with SEC Company registration no. CS201600083. Its primary purpose is to engage in conduct and carry on the general business of manufacturing, processing, producing, packaging/repacking, trading, buying, importing/exporting, storage, transport, marketing, distributing and selling at wholesale pharmaceutical, phytopharmaceutical, veterinary, biological, chemical and ancillary products, raw materials, active ingredients, bulk drug, drug intermediates, patented drugs, over the counter (OTC) products, chemicals, medicines, intermediates, vaccines, tonics, enzymes, steroids, vitamins, hormones, antibiotics, antiseptics, disinfectants, veterinary medicines, poultry medicines, herbal products, their by-products, residues, mixtures, compounds, preparations, pesticides, medicinal components, injections, dye wares, cordials, liquors, restoratives, acid, surgical preparations, cosmetics, toiletries, perfumes, salts, oils, dyes, paints, pigments, varnishes, industrial and other preparations; medical, surgical, veterinary. Hospital and laboratory supplies, devices, apparatus, equipment, and other related equipment, used in all therapies of medical treatment and other life saving equipment; and otherwise dealing in all kinds of goods, commodities, wares and merchandise of every kind and description; and for this purpose, to enter into and execute contracts of every kind of export , import, purchase, acquisition, sale and wholesale, and other disposition for its own account as principal or on representative capacity as manufacturer's representative, merchandise, broker, indenter, commission merchant, factors or agents upon consignment/concession of all kinds of goods, wares, merchandise or products whether natural or artificial, as may be necessary or conductive to the accomplished of any.

The Company is a wholly owned subsidiary of Cipla (EU) Limited (the parent company), is a foreign company registered under the laws of England and Wales. The parent company's business activities are to hold marketing registrations for various pharmaceutical products and to trade in pharmaceuticals products.

The principal office of the Company is located at Level 40 PBCom Tower, 6795 Ayala Avenue VA Rufino Street, Makati City, National Capital Region (NCR). The parent company's registered office address is located at Dixcart House Addlestone Road, Bourne Business Park, Addlestone, Surrey.

These financial statements were authorized for issue by the Board of Directors on April 26, 2024.

1.1 Status of Operation

On January 22, 2024, the Company's Board of Directors (BOD) and stockholders approved the shortening of corporate term of the Company from 50 years from and after the date of incorporation to March 31, 2024. The Company has filed its application for shortening of business life with the SEC on February 22, 2024 pending review and approval. These conditions indicate that the going concern basis of accounting for the Company is no longer appropriate. Accordingly, the Company's financial statements have

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been prepared and presented on the liquidation basis of accounting to appropriately reflect the status of the Company's operations as of March 31, 2024 [see Note 2.1(a)].

Management believes that the amounts realizable from the disposition of the Company's remaining assets and the amounts to be used in the settlement of its liabilities will not differ materially from the amounts shown in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the PFRS for Small Entities (the 'Framework') as approved by the Financial Reporting Standards Council, Board of Accountancy, and Securities and Exchange Commission (SEC). The financial statements have been prepared on a historical cost basis, except for investment property that has been measured at fair value.

As a result of the matters described in Note 2, the Company's financial statements are prepared using liquidation basis of accounting as of and for the year ended March 31, 2024. Under the liquidation basis of accounting, assets are presented at their estimated net realizable values and recorded liabilities at their estimated settlement amounts.

In adopting the liquidation basis or preparation, the management has continued to prepare the financial statements using the measurement bases specified by PFRS for SEs for each type of assets, liabilities, income, and expense, to the extent they are relevant to the liquidation basis and have modified them where this is considered appropriate. The measurement bases are further detailed in the accounting policies that follows.

2.2 Presentation and Functional Currency

These financial statements are prepared in the Philippine Peso, which is also the entity's functional and presentation currency. All financial information presented in peso has been rounded to the nearest peso.

2.3 Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions. The Company classifies its financial instruments into the following categories: (a) basic financial instruments; and (b) complex financial instruments.
The Company's basic financial instruments consist of cash trade and other receivables, borrowings, trade, and other payables. The Company does not have complex financial instruments.

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2.4 Basic Financial Instruments

Initial measurement

On initial recognition, a debt financial instrument is measured at transaction price (including transaction costs), unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument.

Subsequent measurement

The Company's debt financial instruments are subsequently measured at amortized cost using the effective interest method.

Impairment of financial instruments measured at amortized cost at each reporting date, the Company reassesses whether there is objective evidence of impairment on any financial assets that are measured at amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized immediately in profit or loss.

The impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Derecognition of financial assets

An entity only derecognizes a financial asset when the contractual rights to the cash flows from the assets have expired or are settled, or the entity has transferred to another party substantially all the risks and rewards of ownership relating to the financial asset.

Derecognition of financial liabilities

Financial liabilities are derecognized only when these are extinguished – that is, when the obligation is discharged, cancelled, or has expired.

2.5 Cash

Cash includes cash on hand and cash in banks that are unrestricted and readily available for use in the operations of the Company and is subject to insignificant risk of changes in value. Cash in banks generally earn interest at rates based on daily bank deposit rates.

2.6 Other Assets

Other current assets, which are generally non-financial assets, pertain to other resources controlled by the Company because of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably. These are subsequently charged to profit, or loss as utilized or reclassified to another asset account, if capitalizable. Other recognized assets of similar nature, where future economic benefits are expected to flow to the Company beyond one year after the end of the reporting period (or in the normal operating cycle of the business, if longer), are classified as non-current assets.

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An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.7 Due to Parent Company and Accrued Expenses

Due to parent company and accrued expenses are recognized initially at the transaction price and subsequently measured at amortized cost amortized cost, using the effective interest method for maturities beyond one year, less settlement payments.

Due to parent company and accrued expenses are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Due to parent company and accrued expenses are derecognized from the statement of assets, liabilities, and equity only when the obligations are extinguished either through discharge, cancellation, or expiration. The difference between the carrying amount of accounts payable and other liabilities derecognized and the consideration paid or payable is recognized in profit or loss.

2.8 Impairment of Assets Other than Inventories

Assets such as property and equipment, investment property, intangible assets and investment in associate are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When an impairment indicator is identified, the carrying value of the asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If the recoverable amount cannot be estimated for an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are independent of the cash flows from other assets within the Company.

If an impairment indicator no longer exists or the recoverable amount has increased subsequently, the Company will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the asset that is higher had no impairment loss was recognized in the prior years.

2.9 Leases – Company as Lessee

The Company is a lessee under non-cancellable operating lease agreements covering its office premises. Rentals payable or paid under leases are charged to profit or loss when incurred.

2.10 Trade and Other Payables

Trade and other payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

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2.12 Provisions

Provisions are recognized when: the Company has an obligation because of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

When the effect of time value is material, provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate(s) that reflect(s) current market assessments of the time value of money and the risks specific to the obligation. Changes in the provision due to passage of time are recognized in profit or loss.

2.13 Equity

(a) Share capital and additional paid-in capital

Share capital is measured at par value for all shares issued. Any amount received by the Company in excess of par value of its shares is credited to additional paid-in capital. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

(b) Retained earnings (deficit)

Retained earnings consist of accumulated profits less any amounts distributed to the shareholders.

2.14 Revenue Recognition

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, returns and value-added tax. The Company recognizes revenue to the extent that it is probable that future economic benefits will flow to the entity and that the amount of revenue can be reliably measured.

Revenues are recognized as income in the year these are earned and billed.

2.15 Income Tax Expense

The Company uses the taxes payable method to account for income taxes. Under this method, the Company recognizes income tax expense and liability based on the taxable income for the year using tax rates that have been enacted or substantively enacted at the reporting date.

2.16 Foreign Currency Transactions and Translation

The accounting records of the Company are maintained in Philippine pesos. Foreign currency transactions during the period are translated into Philippine pesos at exchange rates which approximate those prevailing on transaction dates.

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Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

2.17 Events After the Reporting Date

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. CASH

As of March 31, 2024 and 2023, the Company's cash amounted to ₱2,252,903 and ₱2,820,769, respectively. The Company did not recognize interest income as it believes to be insignificant.

4. OTHER CURRENT ASSETS

Prepaid expenses pertain to prepayments made for closure expenses amounting to ₱15,000 and nil as of March 31, 2024 and 2023. Based on management's assessment, there were no impairment losses needed to be recognized in 2024 and 2023 relative to the Company's other current assets.

5. ACCRUED EXPENSES

Accrued expenses amounting to ₱222,685 and ₱139,024 as of March 31, 2024 and 2023, respectively, pertains to professional fees payable to third parties who provided services to the Company in its normal course of business. This also includes accrual of rent and other related expenses.

Due to their short duration, the carrying amounts of accrued expenses recognized in the statements of financial position are considered by management to be a reasonable approximation of their fair values.

6. SHARE CAPITAL

Components of share capital are as follows:

Authorized Capital Stock (19,000,000 shares at ₱1 par value)	₱	**19,000,000**
Subscribed Capital Stock		**9,500,000**
Paid-up Capital	₱	**9,500,000**

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7. ADMINISTRATIVE EXPENSES

This account consists of the following:

		2024		2023
Professional fees	₱	**301,050**	₱	335,366
Directors fees		**167,243**		174,028
Penalties		**80,000**		64,000
Rentals		**72,442**		72,442
Sundry expenses		**15,790**		78,057
Taxes and licenses		**–**		500
Miscellaneous		**–**		94,643
	₱	**636,525**	₱	819,036

7.1 Other Expenses

This account consists of the following:

		2024		2023
Foreign exchange fluctuation gain	₱	**–**	₱	9,924

8. INCOME TAXES

In relation to the Company's dissolution, the Company filed a short-period income tax return covering the period April and May 2023 and issued with a Certificate of No Outstanding Tax Liability dated January 25, 2024.

9. RELATED PARTY TRANSACTIONS

The Company's related parties include its parent company and key management personnel. Transactions with related parties are as follows:

9.1 Director's Fee

The Company incurred directors' sitting fee for the nominated directors of the Company amounting to ₱167,243 and ₱174,028 in 2024 and 2023, respectively, and as part of Administrative Expenses in the statements of loss (see Note 7).

9.2 Others

The Company's management and administrative functions are being handled by the parent company at no cost to the Company.

10. COMMITMENTS AND CONTINGENCIES

10.1 Operating Lease Commitment – Company as a Lessee

The Company is a lessee under an operating lease with a third party covering its office for period of one year, renewable upon mutual agreement of both parties. Under the lease agreement of the office space, the Company is required to pay fixed monthly rentals.

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Minimum lease payments under this operating lease recognized as expense amount to ₱72,442 and ₱72,442 in 2024 and 2023, respectively (see Note 7). No prepaid rental is recognized as March 31, 2024.

10.2 Others

There are no other commitments and contingent liabilities that may arise in the normal course of the Company's operations, which are not reflected in the financial statements. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Company's financial statements, taken as a whole.

11. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objective is to provide adequate return on its shareholders upon liquidation. The Company monitor capital on the basis of the Company's assets, liabilities and equity account as presented on the statements of financial position.

12. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS NOS. 34-2020 AND 15-2010

Supplementary Information Required Under the Revenue Regulations No. 34-2020
The Company is not covered by the requirements and procedures for related party transactions specifically on the submission of Information Return on Transactions with Related Party (BIR Form No. 1709) provided under the Revenue Regulations No. 19-2020, as amended by Revenue Regulations No. 34-2020.

Supplementary Information Required Under the Revenue Regulations No. 15-2010
The following information are the required disclosures set by Revenue Regulations No. 15-2010 as of and for the years ended March 31, 2024 and 2023.

12.1 Taxes, Duties and Licenses Paid or Accrued

The details of the Company's taxes and licenses fees paid or accrued for the years ended March 31, 2024 and 2023 are as follows:

12.1.1 Value Added Tax
The Company filed a short-period income tax return covering the period April and May 2023.

12.1.2 Other Taxes and Licenses
An analysis on the Company's other taxes and licenses and permit fees paid during 2024 and 2023:

	2024	2023
Annual registration fees	₱ –	₱ 500

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12.1.3 Withholding taxes

An analysis on the Company's withholding taxes paid during 2024 and 2023:

		2024		2023
Expanded withholding tax	₱	**4,083**	₱	17,403

12.1.4 Tax assessments

The Company has no outstanding tax assessments as of March 31, 2024 and 2023.

12.1.5 Tax cases

The Company has no outstanding tax cases in any other court or bodies outside of the BIR as of March 31, 2024 and 2023.

Breathe Free Lanka (Private) Limited Financial Statements for Financial Year 2023-24

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BREATHE FREE LANKA (PVT) LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Breathe Free Lanka (Pvt) Ltd (the Company), which comprise the Statement of financial position as at March 31, 2024, and the Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31 , 2024 and the financial statements give a true and fair view of the Company's state of affairs as at March 31, 2024 and its and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). 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 ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with SLFRS for SMEs and for such internal control as management determines is necessary to enable the preparation of financial statements that 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.

EDIRISINGHE & CO. Chartered Accountants BAKER TILLY

Partners: P.P. Edirisinghe FCA ACIM MBA Ms. M.K.K. Karunaratne FCA ACMA P.K.A.M. Alahakoon ACA MAAT
R.S. Godevithanage FCA, ACMA, MBA (UK), Bsc. in Finance (sp)
Consultants: A.T.P. Edirisinghe FCA FCMA (UK) A.D. Jayasena FCA

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INDEPENDENT AUDITOR'S REPORT (CONTINUED.)

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 misstatements, 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 SLAuSs 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing website at: http://slaasc.com/auditing/auditorsresponsibility.php. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

Edirisinghe & Co.
Chartered Accountants
Colombo
26-Apr-2024

EDIRISINGHE & CO. Chartered Accountants BAKER TILLY

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BREATHE FREE LANKA (PVT) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 Rs.	2023 Rs.
Income			
Revenue from Operations	03	7,442,843,471	9,134,959,143
Other income	04	145,976,088	17,318,865
Total Income		**7,588,819,559**	**9,152,278,008**
Expenditure			
Purchase of Stock-in-Trade	05	(6,954,866,476)	(7,613,157,117)
Changes in Inventories	06	734,585,046	8,350,823
Employee Benefit Expenses		(335,386,806)	(343,995,953)
Other Operating Expenses		(863,301,978)	(944,697,326)
Total Expenses		**(7,418,970,214)**	**(8,893,499,573)**
Profit Before Income Tax		**169,849,345**	**258,778,435**
Income tax expense /(reversal)	07	69,329,998	(94,166,732)
Profit for the year		**239,179,343**	**164,611,703**
Other comprehensive income		-	-
Total comprehensive income for the year		**239,179,343**	**164,611,703**

Figures in brackets indicate deductions.

The accounting policies and notes to the accounts form an integral part of these financial statements.

EDIRISINGHE & CO. Chartered Accountants BAKER TILLY

BREATHE FREE LANKA (PVT) LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

Assets	Note	2024 Rs.	2023 Rs.
Non - current assets			
Property , Plant & Equipment	08	7,129,551	3,297,383
Intangible Asset	09	23,115	69,602
Deferred Tax Assets	10	284,833,582	8,231,114
		291,986,248	**11,598,099**
Current Assets			
Inventories	11	1,014,887,050	280,302,004
Trade and Other Receivables	12	3,040,787,559	3,349,829,438
Income Tax Refund	19	1,076,216	-
Cash and Cash Equivalents	13	2,688,588	526,747,973
		4,059,439,413	**4,156,879,415**
Total assets		4,351,425,661	**4,168,477,514**
Equity and liabilities			
Equity			
Stated Capital	14	130,100,000	130,100,000
Retained Earnings		598,599,894	359,420,551
Total Equity		**728,699,894**	**489,520,551**
Non - Current Liabilities			
Retirement Benefit Obligations	15	28,275,717	26,699,217
		28,275,717	**26,699,217**
Current Liabilities			
Borrowings	16	504,495,634	-
Bank Overdraft	17	32,041,285	-
Trade and Other Payables	18	3,057,913,131	3,601,863,253
Income Tax Liabilities	19	-	50,394,493
		3,594,450,050	**3,652,257,746**
TOTAL EQUITY & LIABILITIES		4,351,425,661	**4,168,477,514**

These financial statements are in compliance with the requirements of the Companies Act No: 07 of 2007.

.....
Head of Finance

The directors are responsible for the preparation and presentation of these financial statements. Signed for on behalf of the board of directors.

.....
Director

.....
Director

The accounting policies and notes to the accounts form an integral part of these financial statements.

EDIRISINGHE & CO. Chartered Accountants BAKER TILLY

BREATHE FREE LANKA (PVT) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 31 March 2022	**130,100,000**	**194,808,848**	**324,908,848**
Profit for the Year	-	164,611,703	164,611,703
Balance as at 31 March 2023	**130,100,000**	**359,420,551**	**489,520,551**
Profit for the Year	-	239,179,343	239,179,343
Balance as at 31 March 2024	**130,100,000**	**598,599,894**	**728,699,893**

The accounting policies and notes to the accounts form an integral part of these financial statements.

All values are presented in Sri Lanka Rupees unless otherwise stated. Figures in bracket indicates deductions.

E.R.I.SINGHE & CO. Chartered Accountants BAKER TILLY

BREATHE FREE LANKA (PVT) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		**Rs.**	**Rs.**
Profit Before Taxation		169,849,345	258,778,435
Adjustment for :			
Depreciation & Amortization		3,295,785	2,744,229
Provision for Slow Moving Inventories		-	19,169,461
Provision for Bad Debts/ (Reversals)		(44,599,022)	52,421,792
Reversal of Bad Debt Provision		-	-
Gratuity Provision		15,982,967	876,138
Profits on Disposal of Property, Plant & Equipment		-	(46,800)
Interest Expense		5,943,048	-
Interest Income		(7,421,925)	(17,272,065)
Operating Profit Before Working Capital Changes		**143,050,198**	**316,671,190**
Changes in operating assets and liabilities			
(Increase) / Decrease in Inventories		(734,585,046)	(69,126,851)
(Increase) / Decrease in Trade and Other Receivables		353,640,902	(1,225,004,959)
Increase / (Decrease) in Trade and Other Payables		(543,950,122)	(46,186,789)
Cash generated from / (used in) operations		**(781,844,068)**	**(1,023,647,409)**
Gratuity Paid		(14,406,467)	(1,689,549)
Income Tax Paid		(258,743,179)	(65,983,928)
Net cash generated from / (used in) operating activities		**(1,054,993,714)**	**(1,091,320,886)**
CASH FLOW FROM INVESTING ACTIVITIES			
Interest Received		7,421,925	17,272,065
Purchase of Property, Plant and Equipment		(7,081,467)	(675,000)
Sale Proceeds of Property, Plant and Equipment		-	46,800
Net cash flow used in investing activities		**340,458**	**16,643,865**
CASH FLOW FROM FINANCING ACTIVITIES			
Loan obtained during the year		504,495,634	-
Interest on import loan		(5,943,048)	-
Net Cash (Used in)/ Generated from Financing Activities		**498,552,586**	**-**
Net Increase in Cash and Cash Equivalents		**(556,100,670)**	**(1,074,677,021)**
Cash & Cash Equivalents at the Beginning of the Year		526,747,973	1,601,424,994
Cash & Cash Equivalents at the End of the Year	**Note - A**	**(29,352,697)**	**526,747,973**
Note A - Cash & Cash Equivalents at the End of the Year			
Bank overdraft		(32,041,285)	-
Cash and Bank		2,688,588	526,747,973
		(29,352,697)	**526,747,973**

The accounting policies and notes to the accounts form an integral part of these financial statements.
Figures in brackets indicate deductions.

BREATHE FREE LANKA (PVT) LTD
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1 - CORPORATE INFORMATION

1.1 - General

The Company is a limited liability Company incorporated in domiciled Sri Lanka. The Registered office of the Company is situated at No 47, Alexandra Place, Colombo 07.

The Company was incorporated on 16th June 2014 and commenced it's operations on 08th August 2014.

The principal place of business is at No.422, 4/2, R A De Mel Mawatha, Colombo-03

1.2 - Principal Activities and Nature of Operations

During the year, the principal activities of the Company is to import and sell the pharmaceutical products.

1.3 - Parent Enterprise and Ultimate Parent Enterprise

The immediate parent enterprise of the Company is Cipla (EU) Limited and the Ultimate parent company is Cipla Limited, India.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements prepared by the Company in accordance with the Sri Lanka Financial Reporting Standard for Small and Medium Entities (hereafter referred to as the "SLFRS for SMEs") issued by the Institute of Chartered Accountants of Sri Lanka. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the year presented, unless otherwise stated. They are presented in Sri Lankan Rupees (Rs.). These SLFRS for SMEs have materially converged with the International Financial reporting standards for Small and Medium Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB).

2.1 - Basis of Preparation

These financial statements of the Company have been prepared in accordance with the SLFRS for SMEs. They have been prepared under the historical cost convention as modified by the financial instruments at fair value.

The preparation of financial statements in conformity with the SLFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company accounting policies. Areas involving a higher degree of judgment of complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in the note 2.6.

2.1.2 - Statement of Compliance

The statement of financial position, statement of comprehensive income and statement of cash flows together with summary of significant accounting policies and notes to the financial statements of the Company, as at 31st March 2024 and for the year then ended comply with the SLFRS for SMEs laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the Companies Act No. 07 of 2007.

These financial statements were authorized for issue by the Directors on 26th April 2024

2.1.3 - Going Concern

The directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

These financial statements are prepared on the assumption that the Company is a going concern .i.e., as continuing in operation for a foreseeable future. It is therefore assumed that the Company has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations.

2.2 - ASSETS AND BASIS OF THEIR VALUATION

2.2.1 - Property, Plant & Equipment

a) Cost

Property, plant & equipment is recorded at cost less accumulated depreciation and less any impairment in value.

b) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

c) Depreciation

Provision for depreciation is calculated by using straight line on the cost of all property, plant & equipment other than freehold land, in order to write off such amounts over the estimated useful lives of such assets.

The principal annual rates used are as follows.

Computer Equipment	33%
Office Equipment	25%
Furniture and Fittings	20%

Depreciation of assets begin when it is available for use.

The assets residual values, useful lives and methods of depreciation are reviewed and adjusted as appropriate at each financial year.

2.2.2 - Intangible Assets

2.2.2.1 - Software

All computer software cost incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the statement of financial position under the category of intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.2.2.2 - Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

2.2.2.3 - Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in the statement of comprehensive income on a straight line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Asset Category	Useful Life Years	Depreciation Rate (%)
Software	4 Years	25%

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

EDIRISINGHE & CO. Chartered Accountants BAKER TILLY

2.2.2.3 - Amortization (Continued)

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

2.2.2.4 - De-Recognizing

Gains or losses arising from de-recognizing of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

2.2.3 - Inventories

Inventories are measured at the lower of cost or net realizable value, after making due allowances for obsolete and slow moving items. Cost is determined using Weighted Average Cost (WAC) method. The cost of inventories, production or conversion costs and other costs incurred in bringing them to their existing location and conditions. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2.2.4 - Trade and Other Receivables

Sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is an objective evidence that the amounts are not recoverable. If so an impairment loss is recognized immediately in the statement of comprehensive income.

2.2.5 - Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash & cash equivalents consists of cash in hand and deposits in banks (Net of outstanding bank overdrafts). Investment with short term maturities i.e. three months or less from the date of acquisitions are also treated as cash equivalents.

2.3 - LIABILITIES AND PROVISIONS

2.3.1 - Liabilities

Liabilities stated under current liabilities in the balance sheet are those expected to fall due within one year from the balance sheet date. Items stated as long term liabilities are those expected to fall due at point of time after one year from the date of the financial position.

Trade and Other Payables

Most of the trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Resulting gains or losses are recognized in the statement of comprehensive income.

E.D.R. SINGHE & CO. Chartered Accountants BAKER TILLY

2.3.2 - Provisions

Provisions are recognized when the Company has a present obligation (legal and constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be estimated reliably. The expenses relating to any provision is presented in profit or loss. Provisions are not recognized for future operating losses. If the effect of the time value of money is material, provision are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.3.2.1 - Retirement Benefit Obligation

a) - Defined Contribution Plans - EPF & ETF

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The company contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

(b) Defined Benefit Plan – Gratuity

Provision has been made for retirement gratuities in conformity with Gratuity Act No. 12 of 1983 and in accordance with the Sec 28 of SLFRS for SMEs - Retirement Benefit costs by using "gratuity formula " method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on government bonds that are denominated in the currency in which the benefits will be paid.

However, according to the payment of Gratuity Act No.12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 05 years of continued service.

The liability neither externally funded nor actuarially valued, the item is grouped under non current liabilities in the statement of financial position.

2.3.2.2 - Taxation

a) - Current Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017.

b) - Deferred Taxation

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax asset is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in the profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Recognition of deferred tax asset on unused tax losses (Continued)

A deferred tax asset shall be recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

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 realized.

2.4 - STATEMENT OF COMPREHENSIVE INCOME

2.4.1 - Revenue Recognition

Sale of Goods

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes.

2.4.2 - Expenditure Recognition

a) - Expenditure Recognition & Presentation

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All the expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit or loss for the year.

For the purpose of presentation of the statement of comprehensive income the directors are of the opinion that nature of expenses method presents fairly the elements of the company's performance and hence such presentation method is adopted.

2.5 - EVENTS AFTER END OF THE REPORTING PERIOD

2.5.1 - Events Occurring after end of the Reporting Period

All material events occurring after the reporting date have been considered and where necessary adjustments to or disclosures have been made in the respective notes to the accounts.

2.5.2 - Contingencies and Unrecognized Contractual Commitments

Contingencies are possible assets or obligations that arise from past event and would be confirmed only the occurrence or non occurrence of uncertain future events, which are beyond the company's control.

2.6 - CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes

The Company is subject to income tax under the Income Tax Act in Sri Lanka. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

	2024 Rs.	2023 Rs.
NOTE 03 - REVENUE FROM OPERATIONS		
Sale of Products	7,442,843,471	9,134,959,143
	7,442,843,471	**9,134,959,143**
NOTE 04 - OTHER INCOME		
Interest Income	7,421,925	17,272,065
Profits on Disposal of Property, Plant & Equipment	-	46,800
Exchange gain / loss	138,554,163	-
	145,976,088	**17,318,865**
NOTE 05 - PURCHASE OF STOCK IN TRADE		
Purchases	6,813,817,099	6,858,887,715
Clearing Charges	112,484,549	138,693,908
Import Bill Commission Charges	10,359,090	1,534,095
Exchange losses	-	603,843,557
Impairment provision on the inventory	(1,823)	(19,703,738)
Regulatory Expenses	17,580,345	29,348,009
Tender Expenses	627,216	553,571
	6,954,866,476	**7,613,157,117**
NOTE 06 - CHANGES IN INVENTORIES		
Opening balance for the Year	280,302,004	271,951,181
Closing balance for the Year	(1,014,887,050)	(280,302,004)
	(734,585,046)	**(8,350,823)**
NOTE 07 - INCOME TAX EXPENSE		
Current Income Tax charge for the year	-	95,817,882
Income tax under provision for 2021/2022	207,272,470	-
Deferred Tax Charge /(Credit) for the year	(276,602,468)	(1,651,150)
	(69,329,998)	**94,166,732**
NOTE 07.1 - RECONCILIATION OF ACCOUNTING PROFITS WITH TAX PROFITS		
Profit Before Tax	169,849,345	258,778,435
– Total Disallowable expenses	(136,574,965)	111,871,301
– Investment Income	(7,421,925)	(17,318,865)
– Total Allowable Expenses	(183,147,255)	(23,256,776)
Taxable income from ordinary activities	**(157,294,799)**	**330,074,095**
Investment Income	7,421,925	17,272,065
Tax Loss Claimed for the year	(7,421,925)	-
Statutory income / (Loss)	**(157,294,799)**	**347,346,160**
Tax Calculated at a Tax Rate of 24%	-	33,543,868
Tax Calculated at a Tax Rate of 30%	-	62,274,014
Tax on Profit / (Loss) for the year	**-**	**95,817,882**

NOTE 08 - PROPERTY, PLANT & EQUIPMENT

	Balance as at 31.03.2023	Additions	Disposals	Balance as at 31.03.2024
	Rs.	Rs.	Rs.	Rs.
COST				
Freehold Assets				
Computer Equipment	8,890,279	610,000		9,500,279
Furniture and Fittings	2,879,685	6,303,467		9,183,152
Office Equipment	7,857,286	168,000		8,025,286
	19,627,250	7,081,467	-	**26,708,717**
DEPRECIATION				
Freehold Assets				
Computer Equipment	6,162,878	2,300,148		8,463,026
Furniture and Fittings	2,826,647	669,620		3,496,267
Office Equipment	7,340,342	279,530		7,619,872
	16,329,867	3,249,299	-	**19,579,166**
WRITTEN DOWN VALUE				
Freehold Assets				
Computer Equipment	2,727,401			1,037,253
Furniture and Fittings	53,038			5,686,885
Office Equipment	516,944			405,414
	3,297,383			**7,129,551**

NOTE 09 - INTANGIBLE ASSETS

	2024	2023
	Rs.	Rs.
Cost		
As at 1st April	263,901	518,901
Disposal for the year	-	(255,000)
As at 31st March	**263,901**	**263,901**
Amortization		
As at 1st April	194,299	402,939
Charge for the year	46,487	46,360
Disposal for the year	-	(255,000)
As at 31st March	**240,786**	**194,299**
Net Book Value	**23,115**	**69,602**

NOTE 10 - DEFERRED INCOME TAX ASSETS		2024 Rs.	2023 Rs.
Balance at the Beginning of the Year		8,231,114	6,579,964
Origination or (Reversal) of Temporary Differences -		276,602,468	1,651,150
Balance at the End of the Year	10.1	284,833,582	8,231,114

NOTE 10.01 - COMPOSITION OF DEFERRED INCOME TAX ASSETS

	31.03.2024 Temporary difference	Taxation
Deferred tax assets		
On Retirement benefit obligation	(28,275,717)	(8,482,715)
On Inventory impairment provision	(19,167,639)	(5,750,292)
On Trade receivable impairment provision	(39,409,608)	(11,822,882)
On property, plant and equipment	(759,335)	(227,800)
On Tax Loss	(337,128,663)	(101,138,599)
On Unrealized Exchange Loss	(524,704,310)	(157,411,293)
Net deferred tax assets	**(949,445,272)**	**(284,833,582)**

NOTE 11 - INVENTORY	2024 Rs.	2023 Rs.
Pharmaceutical items	986,446,425	283,035,371
Goods in Transit	47,608,264	16,436,094
	1,034,054,689	299,471,465
Less : Provision for Slow Moving Inventories	(19,167,639)	(19,169,461)
	1,014,887,050	**280,302,004**

NOTE 12 - TRADE AND OTHER RECEIVABLES

Trade Receivables	3,041,990,801	3,392,316,523
Debtors Impairment	(39,409,608)	(84,008,630)
Net Trade Receivable	**3,002,581,193**	**3,308,307,893**
Prepayments	17,831,925	15,298,924
Refundable Deposits	10,444,929	9,069,764
Advances	5,882,241	16,448,513
VAT Control	3,570,104	-
WHT Receivable	477,167	704,344
	3,040,787,559	**3,349,829,438**

NOTE 13 - CASH AND CASH EQUIVALENTS

HSBC - A/C 491-001 (Current)	-	5,226,439
HSBC - A/C 491-040 (Saving)	2,519,232	509,452,131
Petty Cash	169,356	496,409
Marginal Deposit	-	11,572,994
	2,688,588	**526,747,973**

NOTE 14 - STATED CAPITAL		
13,010,000 numbers of Ordinary Shares in issued Rs.10/-	130,100,000	130,100,000
	130,100,000	**130,100,000**

DIRISINGHE & CO. Chartered Accountants BAKER TILLY

		2024	2023
		Rs.	Rs.
NOTE 15 - RETIREMENT BENEFIT OBLIGATION			
Balance as at the Beginning of the Year		26,699,217	27,512,628
Current Service Cost		5,024,261	3,881,226
Interest Cost		2,071,713	3,805,097
Actuarial (Gain) /Loss on Obligation		8,886,993	(6,810,185)
Benefit Paid		(14,406,467)	(1,689,549)
Balance as at the end of the year		**28,275,717**	**26,699,217**
Actuarial Assumptions			
Retirement Age		60	55
Salary Incremental Rate		8.00%	8.00%
Rate of Discount		13.00%	15.00%
Staff Turn Over Rate		21.00%	13.17%

Provision has been made for retirement gratuities in conformity with sec 28 "Employee Benefits" of SLFRSs for SMEs / Gratuity Act No. 12 of 1983 as stated under note 2.3.2.1.(b).

NOTE 16- BORROWINGS			
Import Loan - HSBC		504,495,634	-
		504,495,634	-
NOTE 17 - BANK OVERDRAFT			
HSBC - A/C 491-001 (Current)		32,041,285	-
		32,041,285	-
NOTE 18 - TRADE AND OTHER PAYABLES			
Trade Payables - Related Parties	**18.1**	2,516,542,119	3,158,781,548
Trade Payables - Others		33,216,275	14,219,007
Statutory Dues		12,016,181	9,780,655
Employee Dues		19,940,339	23,711,999
Accrued Expenses		18,214,359	62,413,133
Provisions		457,983,858	332,956,911
		3,057,913,131	**3,601,863,253**
NOTE 18.1 - DUE TO RELATED PARTIES			
Cipla Limited		2,516,542,119	3,158,781,548
		2,516,542,119	**3,158,781,548**

DIRISINGHE & CO. Chartered Accountants BAKER TILLY

NOTE 19 - INCOME TAX PAYABLE / (REFUND)

	2024 Rs.	2023 Rs.
Balance payable at the beginning of the year	50,394,493	19,981,357
Tax paid for previous year	-	(16,658,714)
Year of Assessment -21/22	(176,601,839)	-
Interest / penalty on income tax due Y/A 21/22	(61,165,568)	-
Year of assessment 22/23	(46,334,774)	-
Income tax under provision for 2021/2022	207,272,470	-
Interest due on income tax for 2021/2022 -IRD	61,165,568	-
Income tax under over provision 22/23	-	-
	34,730,350	3,322,643
Income tax charge for the year	-	95,817,882
	34,730,350	99,140,525
Tax Paid for the year	(35,806,566)	(49,325,214)
Transfer of WHT Receivable	-	579,182
Balance payable at the end of the year	**(1,076,216)**	**50,394,493**

NOTE 20 - COMMITMENTS AND CONTINGENCIES

There are no contingent liabilities and capital commitments as at 31.03.2024

NOTE 21 - ASSETS PLEDGED

There were no any assets pledged as securities for liabilities as at the reporting date.

NOTE 22 - EVENTS AFTER THE END OF THE REPORTING PERIOD

No circumstances have arisen, since the statement of financial position date, which would require adjustments to, or disclosure in the financial statements.

NOTE 23 - RELATED PARTY DISCLOSURES

NOTE 23.1 - Related Party Transactions

		2024	2023
Cipla Pharma Lanka (Pvt) Ltd	Purchases	6,724,927,106	6,757,899,490
	Reimbursement of Expenses incurred by Cipla Limited	9,132,843	-
Cipla Limited	Trade Payables	2,516,542,119	3,158,781,548

There have been no related party transactions other than those disclosed in Note No. 12 and 18 to the financial statements.

NOTE 24 - CHANGE ON CLASSIFICATION

The comparative information is re-classified where ever necessary to confirm with the current year's classification in order to provide a better presentation.

	Presentation in 2023/24	Presentation in 2022/23
Goods In Transit- Trade Receivable	-	16,436,094
Goods In Transit- Inventory	16,436,094	-

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BREATHE FREE LANKA (PVT) LTD
STATEMENT OF COMPREHENSIVE INCOME (DETAILED)
FOR THE YEAR ENDED 31 MARCH 2024

	Schedule	2024 Rs.	2023 Rs.
Revenue from Operations	01	7,442,843,471	9,134,959,143
Other income	02	145,976,088	17,318,865
Total Income		**7,588,819,559**	**9,152,278,008**
Expenditure			
Purchase of Stock-in-Trade	03	(6,954,866,476)	(7,613,157,117)
Changes in Inventories	04	734,585,046	8,350,823
Employee Benefit Expenses	05	(335,386,806)	(343,995,953)
Other Operating Expenses	06	(863,301,978)	(944,697,326)
Total Expenses		**(7,418,970,214)**	**(8,893,499,573)**
Profit Before Income Tax		169,849,345	258,778,435
Income tax expense /(reversal)		69,329,998	(94,166,732)
Profit for the year		**239,179,343**	**164,611,703**
Add: profit balance brought forward		359,420,551	194,808,848
Profit balance carried forward		**598,599,893**	**359,420,551**

DIRISINGHE & CO. Chartered Accountants BAKER TILLY

BREATHE FREE LANKA (PVT) LTD
SUPPORTING SCHEDULES TO THE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	2024 Rs.	2023 Rs.
Schedule 01 - Revenue		
Sale of Products	7,442,843,471	9,134,959,143
	7,442,843,471	**9,134,959,143**
Schedule 02 - Other Income		
Interest Income	7,421,925	17,272,065
Profits on Disposal of Property, Plant & Equipment	-	46,800
Exchange gain / loss	138,554,163	-
	145,976,088	**17,318,865**
Schedule 03 - Purchase of stock- in - trade		
Purchases	6,813,817,099	6,858,887,715
Clearing Charges	112,484,549	138,693,908
Import Bill Commission Charges	10,359,090	1,534,095
Exchange losses	-	603,843,557
Impairment provision on the inventory	(1,823)	(19,703,738)
Regulatory Expenses	17,580,345	29,348,009
Tender Expenses	627,216	553,571
	6,954,866,476	**7,613,157,117**
Schedule 04 - Changes in Inventories		
Opening balance for the Year	280,302,004	271,951,181
Closing balance for the Year	(1,014,887,050)	(280,302,004)
	(734,585,046)	**(8,350,823)**
Schedule 05 - Employee Benefit Expenses		
Salaries & Allowances	191,368,914	192,494,552
Staff Bonus	5,658,312	8,187,459
E.P.F.	29,628,477	26,668,644
E.T.F.	7,407,120	6,667,162
Performance Bonus	49,622,377	87,312,339
Other Employee Benefits	845,563	4,594,273
Contract Employee Cost	50,856,043	18,071,524
	335,386,806	**343,995,953**
Schedule 06 - Other Operating Expenses		
Depreciation & Amortization	3,295,785	2,744,229
Rent Expenses	18,542,440	9,141,900
Electricity	1,260,660	726,859
Gratuity	15,982,967	876,138
Audit Fees & Expenses	540,000	498,000
Over Provision of Tax Fee & Expenses in Previous Year	-	(480,000)
Annual Subscriptions	779,028	684,960
Consultant Expenses	6,449,906	6,830,488
Balance C/F	**46,850,786**	**21,022,574**

BREATHE FREE LANKA (PVT) LTD
SUPPORTING SCHEDULES TO THE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

Schedule 06 - Other Operating Expenses		2024 Rs.	2023 Rs.
Balance B/F		**46,850,786**	**21,022,574**
Promotional Expenses		58,062,994	114,517,901
Stamp Duty		260,639	-
Printing and Stationery		2,226,959	1,822,353
Telephone Expenses		10,246,741	9,164,470
Travelling Expenses		84,085,964	71,231,028
Sampling Expenses		14,978,183	27,199,276
Seminar & Conference Expenses		359,177,800	303,500,597
Penalty & Surcharges		307,468	55,829,142
Reversal of performance bond provision		(34,171,746)	-
Postage & Courier		637,581	637,286
Employee Insurance		17,972,075	15,932,799
Marine Insurance		1,850,882	929,414
Warehouse Insurance		5,266,175	1,292,745
Bank Charges		132,814,360	112,448,261
Interest on import loan		5,943,048	-
Office Maintenance Expenses		3,702,668	11,143,759
Impairment Provision for Bad Debts/ (Reversals)		(44,599,022)	52,421,792
Inventory Write off		125,555	15,226,311
Reimbursement of IT Related Expenses		9,770,201	6,268,976
Staff Welfare		7,228,525	12,741,328
Subsistence Reimbursement		38,242,473	25,327,329
Fuel Reimbursement		81,156,101	78,085,146
Tec. Transfer cost		-	7,954,839
Penalty/Interest on Income Tax due payment		61,165,568	-
		863,301,978	**944,697,326**

Schedule 07 - Prepayment and advances			
Advances	7.1	5,882,241	16,448,513
Refundable Deposits	7.2	10,444,929	9,069,764
Prepayments	7.3	17,831,925	15,298,924
		34,159,095	**40,817,201**

Schedule 07.1 - Advances		
Marketing Advance	3,493,807	15,429,098
Other Advance	2,388,434	-
Supplier Advances	-	1,019,415
	5,882,241	**16,448,513**

Schedule 07.2 - Refundable Deposits		
Other Deposits	10,444,929	9,069,764
	10,444,929	**9,069,764**

BREATHE FREE LANKA (PVT) LTD
SUPPORTING SCHEDULES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024

		2024 Rs.	2023 Rs.
Schedule 07.3 - Prepayments			
Employee Insurance		2,015,461	2,704,669
Office Building Rent		10,133,196	7,496,091
Secretarial Fees		57,267	57,500
Prepayment for Accsoft Solutions		100,456	104,197
Bulk License		5,490,470	4,904,842
Photocopy Machine Maintenance		14,950	14,375
Fax and Telephone System Maintenance		20,125	17,250
		17,831,925	**15,298,924**
Schedule 08 - Other Payables			
Statutory Dues	8.1	12,016,181	9,780,655
Employee Dues	8.2	19,940,339	23,711,999
Accrued Expenses	8.3	18,214,359	62,413,133
Provisions	8.4	457,983,858	332,956,911
		508,154,737	**428,862,698**
Schedule 08.1 - Statutory Dues			
EPF Payable		7,767,401	3,951,384
ETF Payable		1,165,110	592,708
PAYE Payable		2,331,048	2,981,720
WHT Retained to Remit IRD		742,947	-
Stamp Duty		9,675	14,725
VAT Payable		-	2,240,118
		12,016,181	**9,780,655**
Schedule 08.2 - Employee Dues			
Salary Payable		1,127,685	442,586
Consultancy Fees Payable		25,000	25,000
Reimbursement Payable		5,022,024	3,336,905
Incentive Payable		9,591,768	11,860,949
Staff Bonus Payable		3,971,700	8,046,559
Gratuity Retention		202,162	-
		19,940,339	**23,711,999**
Schedule 08.3 - Accrued Expenses			
Audit Fees & Expenses Payable		540,000	249,000
Other Payables		12,350,688	45,242,410
Insurance Parental Cover		(38,348)	41,463
Interest on LC import loan		1,868,212	-
Warehouse Insurance Payable		-	754,102
Marine Insurance Payable		-	697,059
Provision for Marketing Expenses		3,493,807	15,429,099
		18,214,359	**62,413,133**
Schedule 08.4 - Provisions			
Provision for Expiry Inventory		457,983,858	332,956,911
		457,983,858	**332,956,911**

Cipla Gulf FZ-LLC

Financial Statements for Financial Year 2023-24

Cipla Gulf FZ-LLC
Dubai Science Park
Dubai - United Arab Emirates

Auditor's report and financial statements
For the year ended March 31, 2024

Cipla Gulf FZ-LLC
Dubai Science Park
Dubai - United Arab Emirates

Auditor's report and financial statements for the year ended March 31, 2024

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Cipla Gulf FZ-LLC
Dubai Science Park
Dubai - United Arab Emirates

Company general information

Principal office address	:	Cipla Gulf FZ-LLC Premises no. 111, First Floor, DSP Laboratory Complex Dubai Science Park Dubai - United Arab Emirates	
Financial year	:	For the year ended March 31, 2024	
License number	:	95095	
License type	:	Commercial license	
Legal status	:	Freezone - Limited Liability Company	
Date of incorporation	:	10 October, 2018	
Shareholders	:	Name M/s. Cipla (EU) Limited	Nationality U.K
Manager	:	Name Mr. Taher Mohammed Karampurwala	
Activities	:	Therapeutics * Import and Re-Export * Marketing and Sales Promotion	
The main banker	:	HSBC	
The auditors	:	Nair & Nelliyatt Chartered Accountants Dubai - United Arab Emirates P.O. Box 413318 www.nn-ca.com info@nn-ca.com	

Cipla Gulf FZ-LLC
Dubai Science Park
Dubai - United Arab Emirates

Manager's report

The managers has pleasure in submitting this report together with the audited financial statements of M/s. Cipla Gulf FZ-LLC for the year ended March 31, 2024 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year from April 01, 2023 to March 31, 2024 then ended.

Performance

For the year, the company's turnover is USD 18,545,623 as compared to the previous year revenue of USD 11,599,713. The net loss for the year is USD 1,243,770 as compared to to the previous year net loss of USD 278,625.

Principal activities of the company:

The principal activity of the company for the year ended March 31, 2024 as per commercial license no. 95095 are therapeutics, import and re-export and marketing and sales promotion.

Going concern:

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements, the management has made an assessment of the company's ability to continue as a going concern.

Events after year end:

In the opinion of the manager, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the company.

Acknowledgements

The managers wishes to place on record his sincere gratitude for the continuous support extended by various government departments, banks, customers, suppliers, employees and all well wishers.

On behalf of the management

Authorised signatory
Dubai, United Arab Emirates
Wednesday, 6 May 2024

NAIR & NELLIYATT

Independent auditor's report

To
The shareholders
Cipla Gulf FZ-LLC
Dubai Science Park
Dubai - United Arab Emirates

Our opinion

We have audited the accompanying financial statements of **M/s. Cipla Gulf FZ-LLC (the "Company"), Dubai - United Arab Emirates** which comprise the statement of financial position as at **March 31, 2024**, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year from April 01, 2023 to March 31, 2024 then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements of the Company present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and of its financial performance and cash flows for the year from April 01, 2023 to March 31, 2024 then ended in accordance with IFRS - International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA's). Our responsibilities under those standards are further described in the Auditor's responsibility for the audit of financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal controls as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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.

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Responsibilities of management for the financial statements (continued)

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement represent the underlying transactions and events in the manner that achieves fair presentation.
- 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.

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Auditor's responsibilities for the audit of financial statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or the business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company's audit. We remain solely responsible for the audit opinion.

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.

Report on other legal and regulatory requirements

Further as required by the UAE Federal Law No. (2) of 2015 , we report that:

- we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- note no. 24 to the financial statements discloses material related party transactions and the terms under which they were conducted. Terms and conditions of related party transactions are decided by the management only;
- the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015; and
- based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the company has contravened, during the financial year ended 31 March 2024, any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or in respect of the company and its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2024.

For Nair & Nelliyatt Chartered Accountants
Registration No. 868

Nair & Nelliyatt

DUBAI U.A.E. NAIR & NELLIYATT CHARTERED ACCOUNTANTS

Dubai - United Arab Emirates
Monday, 6 May 2024

Cipla Gulf FZ-LLC
Dubai Science Park
Dubai - United Arab Emirates

Statement of financial position as at March 31, 2024

	Note No.	31-03-2024 USD	31-03-2023 USD
ASSETS			
Non-current assets			
Property, plant and equipment	4	**193,397**	220,027
Intangible assets	5	**5,183,507**	5,770,152
Right-of-use asset	6	**91,996**	162,168
Total non-current assets		**5,468,900**	6,152,347
Current assets			
Inventory	7	**685,647**	267,713
Deposits and advance	8	**30,530**	11,820
Prepayments	9	**16,639**	6,960
Accounts and other receivables	10	**8,337,942**	4,942,922
Cash and cash equivalents	11	**2,544,945**	407,987
Total current assets		**11,615,703**	5,637,402
Total assets		**17,084,603**	11,789,749
EQUITY AND LIABILITIES			
Shareholders' equity			
Shareholders' capital account	12	**6,231,427**	5,231,427
Retained earnings/(accumulated deficit)	14	**(3,590,224)**	(2,346,454)
Total equity (A)		**2,641,203**	2,884,973
Share application money pending allotment	13	**1,500,000**	Nil
		1,500,000	Nil
Non-current liabilities			
Unsecured loan	15	**2,000,000**	2,000,000
Employees end of service benefits		**120,061**	108,423
ESOP		**Nil**	20,548
Lease liabilities	16	**Nil**	70,472
Total non-current liabilities		**2,120,061**	2,199,443
Current liabilities			
Lease liabilities	16	**70,481**	68,443
ESOP		**Nil**	47,256
Accounts and other payables	17	**8,555,621**	5,601,082
Provision and accrued expenses	18	**2,197,237**	988,552
Total current liabilities		**10,823,339**	6,705,333
Total liabilities		**12,943,400**	8,904,776
Total		**17,084,603**	11,789,749

The financial statements have been approved on 6th May, 2024 and signed by:

For Cipla Gulf FZ-LLC

Authorised signatory

The accompanying notes constitute an integral part of these financial statements.

Cipla Gulf FZ-LLC
Dubai Science Park
Dubai - United Arab Emirates

Statement of profit or loss and other comprehensive income
For the year ended March 31, 2024

	Note No.	Year ended 31-03-2024 USD	Year ended 31-03-2023 USD
Revenue	19	**18,545,623**	11,599,713
Cost of operation	20	**(15,374,513)**	(9,256,238)
Operating profit		**3,171,110**	2,343,475
Other income	21	**829,913**	616,635
General and administrative expenses	22	**(1,990,548)**	(1,524,259)
Selling and distribution expenses	23	**(756,393)**	(449,631)
Net profit before interest and depreciation		**1,254,082**	986,220
Depreciation and amortization charges	4&6	**(2,383,655)**	(1,148,816)
Finance charges		**(114,197)**	(116,029)
Net profit/(loss) after interest and depreciation		**(1,243,770)**	(278,625)
Other comprehensive income		**Nil**	Nil
Total comprehensive income/(loss) for the year		**(1,243,770)**	(278,625)

NAIR & NEELIYATT CHARTERED ACCOUNTANTS

For Cipla Gulf FZ-LLC

Authorised signatory

The accompanying notes constitute an integral part of these financial statements.

Cipla Gulf FZ-LLC
Dubai Science Park
Dubai - United Arab Emirates

Statement of changes in shareholders' equity
For the year ended March 31, 2024

Particulars	Shareholders' capital account USD	Retained earnings (accumulated deficit) USD	Total equity USD
Balance as at March 31, 2022	5,231,427	(2,067,829)	3,163,598
Additional paid-up capital	Nil	Nil	Nil
Total comprehensive income/(loss) for the year	Nil	(278,625)	(278,625)
Balance as at March 31, 2023	5,231,427	(2,346,454)	2,884,973
Additional paid-up capital	1,000,000	Nil	1,000,000
Total comprehensive income/(loss) for the year	Nil	(1,243,770)	(1,243,770)
Balance as at March 31, 2024	**6,231,427**	**(3,590,224)**	**2,641,203**

For Cipla Gulf FZ-LLC

Authorised signatory

The accompanying notes constitute an integral part of these financial statements.

Cipla Gulf FZ-LLC
Dubai Science Park
Dubai - United Arab Emirates

Statement of cash flows
For the year ended March 31, 2024

Particulars	Note No.	Year ended 31-03-2024 USD	Year ended 31-03-2023 USD
Cash flows from operating activities			
Total comprehensive income/(loss) for the year		**(1,243,770)**	(278,625)
Adjustments for non-cash items			
Depreciation and amortization charges	4&6	**2,383,655**	1,148,816
Interest on lease liabilities	16	**3,896**	6,029
Provision for ESOP		**Nil**	(73,249)
Provision for end of service benefits		**11,638**	39,122
Operating profit before working capital changes		**1,155,419**	842,093
Movements in working capital			
(Increase)/decrease in inventory	7	**(417,934)**	(267,713)
(Increase)/decrease in deposits and advance	8	**(18,710)**	(3,906)
(Increase)/decrease in prepayments	9	**(9,679)**	(4,820)
(Increase)/decrease in accounts and other receivables	10	**(3,395,020)**	(10,164)
Increase/(decrease) in account and other payables	17	**2,954,539**	(1,550,067)
Increase/(decrease) in provision and accrued expenses	18	**1,208,685**	282,388
Increase/(decrease) in ESOP		**(67,804)**	Nil
Employees end of service benefit paid		**Nil**	(4,876)
Net cash generated by/(used in) operating activities - (A)		**1,409,496**	(717,065)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	**Nil**	Nil
Acqusition of intangible assets	5	**(1,751,751)**	(1,136,460)
Transfer/deletion of intangible assets	5	**51,543**	Nil
Addition to right to use assets	6	**Nil**	Nil
Net cash used in investing activities - (B)		**(1,700,208)**	(1,136,460)
Cash flows from financing activities			
Capital contributed during the year	12	**1,000,000**	Nil
Share application money pending allotment	13	**1,500,000**	Nil
Principal elements of lease payments	16	**(68,434)**	(66,104)
Interest on lease liabilities paid	16	**(3,896)**	(6,029)
Net cash generated by/(used in) financing activities - (C)		**2,427,670**	(72,133)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**2,136,958**	(1,925,658)
Cash and cash equivalents at the beginning of the year	11	**407,987**	2,333,645
Cash and cash equivalents at the end of the year		**2,544,945**	407,987

The accompanying notes constitute an integral part of these financial statements.

NAIR & NELLIYATT CHARTERED ACCOUNTANTS

Notes to the financial statements for the year ended March 31, 2024

1. General information

1.1 Cipla Gulf FZ-LLC' here-in-after called 'the company' is a limited liability company, operating under a commercial license no. 95095 issued by the Dubai Development Authority, Government of Dubai, United Arab Emirates.

1.2 The address of its registered company is Premises no. 111, First Floor, DSP Laboratory Complex, Dubai Science Park, Dubai - United Arab Emirates.

1.3 Authorised, issued and paid up capital of the company is USD 6,231,427 (AED 22,879,000), divided into shares 22,879 of AED 1,000 (AED 3.671/USD), each fully paid.

1.4 The principal activity of the company for the year ended March 31, 2024 as per commercial license no. 95095 are therapeutics, import and re-export and marketing and sales promotion.

1.5 The management and control for the year are vested with Mr. Taher Mohammed Karampurwala.

1.6 The financial statements have been prepared for the year from April 01, 2023 to the year ended March 31, 2024. The comparative figures cover the year from April 01, 2022 to March 31, 2023.

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB), interpretations issued by International Financial Reporting Interpretations committee (IFRIC), and the applicable requirements of the U.A.E. laws. These financial statements are presented in United States Dollars (USD) since that is the currency of the country in which the company is domiciled. A summary of the significant accounting policies, which have been applied consistently, are set out below.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed after significant accounting policies. These financial statements relate to the activities of the company only.

2. Significant accounting policies (continued)

2.3 Application of new and revised International Financial Reporting Standards (IFRS)

2.3.1 New and revised IFRSs effective for accounting years beginning on or after 01st January 2022 :

The following new and revised IFRSs which become effective for annual years beginning on or after 01st January 2022 have been adopted in these financial statements.

New and Revised IFRSs	Effective for annual years beginning on or after
Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets -Onerous Contracts – Cost of Fulfilling a Contract.	01-Jan-22
Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle—Amendments to IFRS 1- First time Adoption of International Financial Reporting Standards, IFRS 9 – Financial Instruments, IFRS 16 - Leases and IAS 41 - Agriculture.	01-Jan-22
Amendments to IFRS 3 – Business Combinations - Reference to the Conceptual Framework.	01-Jan-22
Amendments to IAS 16 - Property, Plant and Equipment – Proceeds before Intended Use.	01-Jan-22

The above IFRSs amendments did not have any material impact on the company's financial statements for the year ended 31 March 2024.

2.3.2 New and revised IFRSs in issue but not effective

The company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and Revised IFRSs	Effective for annual years beginning on or after
IFRS 17 – Insurance Contracts	01-Jan-23
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2- Making Materiality Judgements - Disclosure of Accounting Policies.	01-Jan-23
Amendments to IAS 12 – Income Taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction.	01-Jan-23

2. Significant accounting policies (continued)

2.3 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

2.3.2 New and revised IFRSs in issue but not effective (continued)

New and Revised IFRSs	Effective for annual years beginning on or after
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates.	01-Jan-23
Amendments to IAS 1 – Presentation of Financial Statements Non-current Liabilities with Covenants.	01-Jan-24
Amendments to IAS 1 – Presentation of Financial Statements Classification of Liabilities as Current or Non-current.	01-Jan-24
Amendments to IFRS 16 – Leases-Lease Liability in a Sale and Leaseback.	01-Jan-24

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the year of initial application.

2.4 Foreign currency

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the year in which they arise except for:

i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

ii) exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

NAIR & SHAH CHARTERED ACCOUNTANTS

2. Significant accounting policies (continued)

2.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial year in which they are incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate, accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

Depreciation is calculated to write-off the cost of property, plant & equipment on straight line basis over their estimated useful lives as follows:

Assets	Useful life
Office equipment	3 -15 years
Lab equipment	10 years
Plant and machinery	10 years

2.6 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

NAIR & NELLIYATT CHARTERED ACCOUNTANTS

2. Significant accounting policies (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, bank balances in current accounts, demand deposits and other short-term highly liquid investments with a maturity year of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.8 Lease and right-of-use asset

The company assesses whether a contract is or contains a lease at inception of the contract, that is, if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration.

The company recognises lease liability to make lease payments and right-of-use asset representing the right to use the underlying assets. Lease payments for short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease terms.

i) Right-of-use asset:

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Depreciation of right-of-use asset is calculated for a year of 4 to 5 years on a straight-line basis to allocate their cost over their remaining lease terms.

ii) Lease liability:

The lease liability is initially measured at the present value of the lease payments to be made over the remaining lease term and that are not paid at the commencement date, discounted by using its incremental borrowing rate as the interest rate implicit in the lease is not readily determinable.

After the initial measurement date, the amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liability is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use asset and lease liability are presented as separate line items in the statement of financial position. Depreciation related to right-of-use assets and interest costs on lease liability are charged to general and administrative expenses and finance costs respectively.

NAIR & NELLIYATT CHARTERED ACCOUNTANTS

2. Significant accounting policies (continued)

2.9 Investments in associates

In the statement of financial position of the company, investments in associate undertakings are stated at cost, unless their value has been impaired in which case they are valued at their realisable value or value in use as appropriate. An associate is a company over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

2.10 Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting year. These are classified as non-current assets. Loans and advances are measured at amortised cost using the effective interest method, less any impairment.

2.11 Impairment of assets

2.11.1 Financial assets

At each date of statement of financial position, the company assesses if there is any objective evidence indicating impairment of financial assets or non-collectability of receivables.

An impairment loss, if any, arrived at as a difference between the carrying amount and the recoverable amount, is recognized in the statement of income. The recoverable amount represents the present value of expected future cash flows discounted at original effective interest rate. Cash flows relating to short-term receivables are not discounted.

2.11.2 Non-financial assets

At each date of statement of financial position, the company assesses if there is any indication of impairment of non-financial assets. If an indication exists, the company estimates the recoverable amount of the asset and recognizes an impairment loss in the income statement. The company also assesses if there is any indication that an impairment loss recognized in prior year no longer exists or has reduced. The resultant impairment loss or reversals are recognized immediately in the statement of income.

2.12 Trade receivables

Trade receivables are measured at amortised cost reduced by appropriate allowance for estimated doubtful debts. Management determines the adequacy of the allowance based upon reviews of individual customers, current economic conditions, past experience and other related factors. An allowance for credit losses of trade receivables are established when there is objective evidence that the company will not be able to collect the amounts due. Indicators that the trade receivables are impaired include consistent default in the payments when due, financial difficulties of the customer and other indicators.

2. Significant accounting policies (continued)

2.12 Trade receivables (continued)

When a trade receivable is considered uncollectible, it is written off against the allowance account for credit losses. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income. The carrying value of trade receivables approximate to their fair value due to the short term nature of those receivables.

2.13 Accounts and other payables

Accounts and payables are stated at their nominal values, which are the fair values of the consideration to be paid in the future for goods and services received.

2.14 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

a) the company has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) the amount of revenue can be measured reliably;

d) it is probable that the economic benefit associated with the transactions will flow to the company; and

e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract, when the outcome of the transaction and related revenue and cost can be measured reliably, and that economic benefit flows to the company. The stage of completion of the contract is determined as follows:

a) service fees are recognised by reference to the stage of completion of the service, determined as the proportion of the total time expected to provide services that has elapsed at the end of the reporting year;

b) servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold; and

c) revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

NAIR & NELLIYATT CHARTERED ACCOUNTANTS

2. Significant accounting policies (continued)

2.15 Financial instruments

Financial instruments comprise of financial assets and financial liabilities. A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument, excluding investments in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that is directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.16 Employees' terminal benefits

Provision is made for end-of-service gratuity payable to the staff as on the date of statement of financial position, in accordance with U.A.E. Labour Laws. The terminal benefits are paid to employees on termination or completion of their term of employment.

2.17 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some/all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. Critical accounting estimates and judgements

In the application of the company's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NAIR & NELLIYATT CHARTERED ACCOUNTANTS

3. Critical accounting estimates and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

3.1 Critical judgements in applying accounting policies

In the process of applying the company's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

3.1.1 Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from sale of goods as set out in IFRS 15 Revenue from Contracts with customers and in particular whether the company had transferred risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold, management is satisfied that the significant risks and rewards have been transferred and the recognition of revenue is appropriate.

3.1.2 Related parties

The Management have disclosed the related parties and the related due to and from related parties as per the requirements of IAS 24 "Related Parties Disclosures". In view of due to and from related parties being receivable and payable on demand and the Management's intention to realise or pay the related parties as and when necessarily required, the disclosed balances are classified as current assets and current liabilities.

3.2 Key assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.2.1 Depreciation of property, plant and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Notes to the financial statements for the year ended March 31, 2024

3. Critical accounting estimates and judgements (continued)

3.2 Key assumptions (continued)

3.2.2 Employees' terminal benefits

The company computes the liability to staff terminal benefits assuming that all employees were to leave as on the date of statement of financial position. The company is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation & discount rates are likely to have approximately equal & opposite effects.

3.2.3 Doubtful debts

Allowances for doubtful debts are determined using a combination of factors to ensure that trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers are based on a variety of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the company becomes aware of the customer's inability to meet its financial obligations.

4. Property, plant and equipment

The gross carrying amounts and their accumulated depreciation and impairment if any are shown below:

	Office equipment USD	Lab equipment USD	Plant and Machinery USD	Capital work in progress USD	Total USD
Cost or valuation					
Balance as at March 31, 2023	9,741	75,740	183,197	Nil	268,678
Transfer from capital work in progress	Nil	Nil	Nil	Nil	Nil
Work in progress capitalised during the year	Nil	Nil	Nil	Nil	Nil
Balance as at March 31, 2024	9,741	75,740	183,197	Nil	268,678
Accumulated depreciation					
Balance as at March 31, 2023	8,459	26,440	13,752	Nil	48,651
Charges for the year	735	7,575	18,320	Nil	26,630
Balance as at March 31, 2024	9,194	34,015	32,072	Nil	75,281
Net book value					
Balance as at March 31, 2024	**547**	**41,725**	**151,125**	**Nil**	**193,397**
Balance as at March 31, 2023	1,282	49,300	169,445	Nil	220,027

The company assessed whether there is an indication that an asset may be impaired as required by IAS and concluded that there was no indication of impairment.

NAIR & NELLIYATT CHARTERED ACCOUNTANTS

4. **Property, plant and equipment (continued)**

The gross carrying amounts and their accumulated depreciation and impairment if any are shown below:

	Office equipment USD	Lab equipment USD	Plant and Machinery USD	Capital work in progress USD	Total USD
Cost or valuation					
Balance as at March 31, 2022	9,205	75,740	Nil	183,733	268,678
Transfer from capital work in progress	Nil	Nil	Nil	(183,733)	(183,733)
Work in progress capitalised during the year	536	Nil	183,197	Nil	183,733
Balance as at March 31, 2023	9,741	75,740	183,197	Nil	268,678
Accumulated depreciation					
Balance as at March 31, 2022	7,094	18,991	Nil	Nil	26,085
Charges for the year	1,365	7,449	13,752	Nil	22,566
Balance as at March 31, 2023	8,459	26,440	13,752	Nil	48,651
Net book value					
Balance as at March 31, 2023	**1,282**	**49,300**	**169,445**	**Nil**	**220,027**
Balance as at March 31, 2022	2,111	56,749	Nil	183,733	242,593

		31-03-2024 USD	31-03-2023 USD
5.	**Intangible assets**		
5.1	Intangible assets under development		
	Opening balance	**5,770,152**	5,707,141
	Add: additions during the year	**1,751,751**	1,136,460
	Less:Transferred to M/s.Cipla (EU) Limited	**(13,786)**	Nil
	Less: Capitalised during the year	**(3,650,000)**	Nil
	Less: Amortisation	**(174,610)**	(1,073,449)
		3,683,507	5,770,152
5.2	Marketing intangible assets		
	Cost or valuation		
	Balance as at April 01, 2023	**Nil**	Nil
	Acquired during the year	**3,650,000**	Nil
	Less:Impairment*	**(2,119,085)**	Nil
	Balance as at March 31, 2024	**1,530,915**	Nil
	Accumulated depreciation		
	Balance as at April 01, 2023	**Nil**	Nil
	Charges for the year	**30,915**	Nil
	Balance as at March 31, 2024	**30,915**	Nil
	Net book value		
	Balance as at March 31, 2024	**1,500,000**	**Nil**
	Balance as at March 31, 2023	**Nil**	**Nil**

Note: *During the current reporting period, the company conducted an impairment assessment of its Adalimumab asset in accordance with the International Financial Reporting Standards. As a result of the impairment test, it was determined that the recoverable amount of the Adalimumab asset was lower than its carrying amount, leading to the recognition of an impairment loss amounting to USD 2,119,085.

		31-03-2024 USD	31-03-2023 USD
6.	**Right-of-use asset**		
		Leasehold building USD	Total USD
	Cost or valuation		
	Balance as at April 01, 2023	276,389	276,389
	Acquired during the year	Nil	Nil
	Balance as at March 31, 2024	276,389	276,389
	Accumulated depreciation		
	Balance as at April 01, 2023	114,221	114,221
	Charges for the year	70,172	70,172
	Balance as at March 31, 2024	184,393	184,393
	Net book value		
	Balance as at March 31, 2024	**91,996**	**91,996**
	Balance as at March 31, 2023	162,168	162,168

		Leasehold building USD	Total USD
	Cost or valuation		
	Balance as at April 01, 2022	276,389	276,389
	Acquired during the year	Nil	Nil
	Balance as at March 31, 2023	276,389	276,389
	Accumulated depreciation		
	Balance as at April 01, 2022	61,420	61,420
	Charges for the year	52,801	52,801
	Balance as at March 31, 2023	114,221	114,221
	Net book value		
	Balance as at March 31, 2023	**162,168**	**162,168**
	Balance as at March 31, 2022	Nil	Nil

7.	**Inventory**		
	Inventory	**685,647**	267,713
		685,647	267,713

NAIR & NELLIYATT CHARTERED ACCOUNTANTS

		31-03-2024 USD	31-03-2023 USD
8.	**Deposits and advance**		
	Deposit	**6,127**	6,127
	VAT receivable	**24,403**	5,693
		30,530	11,820
9.	**Prepayments**		
	Prepayments	**16,639**	6,960
		16,639	6,960
10.	**Accounts and other receivables**		
	Due from related parties (refer note no. 24)	**369,955**	174,091
	Accounts receivable	**7,967,987**	4,764,287
	Other receivables	**Nil**	4,544
		8,337,942	4,942,922

11. **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial positions as follows;

Cash in hand	**Nil**	Nil
Cash at bank	**2,544,945**	407,987
	2,544,945	407,987

12. **Share capital**

Authorised, issued and paid up capital of the company is USD 6,231,427 (AED 22,879,000) divided into shares 22,879 of AED 1,000 (AED 3.671/USD), each fully paid.

The details of the shareholding as at reporting date are as follows:

Name of shareholders	No. of shares	Value of shares(AED)	Value of shares(USD)
M/s.Cipla (EU) Limited	22,879	22,879,000	6,231,427
	22,879	**22,879,000**	**6,231,427**

NAIR & NELLIYATT CHARTERED ACCOUNTANTS

Notes to the financial statements for the year ended March 31, 2024

13. **Share application money pending allotment**

As on 21st December 2023, the Company has received a lumpsum of USD 1,500,000 (United States Dollars One Million Five Hundred Thousand Only) as application money from M/s.Cipla (EU) Limited. This amount represents funds received by the Company from investors in anticipation of the allotment of shares or securities.

It should be noted that application money pending allotment represents funds that have been received but have not yet been allocated to specific shares or securities. As such, it is classified as a liability until such time that allotment is finalized.

The Company is in compliance with relevant regulations governing the treatment and disclosure of application money pending allotment, and the management is actively engaged in the allotment process to ensure timely and accurate allocation of shares or securities.

	31-03-2024 USD	31-03-2023 USD
Share application money pending allotment during the year end	**1,500,000**	Nil
	1,500,000	Nil

14. **Retained earnings / (accumulated deficit)**

Balance at the beginning of the year	**(2,346,454)**	(2,067,829)
Add: total comprehensive income/(loss) for the year	**(1,243,770)**	(278,625)
Balance at the end of the year	**(3,590,224)**	(2,346,454)

15. **Unsecured loan**

Opening balance	**2,000,000**	2,000,000
Add: received during the year	**Nil**	Nil
Less: paid during the yaer	**Nil**	Nil
	2,000,000	2,000,000

16. **Lease liability**

Lease liability (Current portion)	**70,481**	68,443
Lease liability (Non current portion)	**Nil**	70,472
	70,481	138,915

16.1 The movemet in lease liability during the year was as follows:

Opening balance	**138,915**	205,019
Accretion of interest	**3,896**	6,029
Payments during the year	**(72,330)**	(72,133)
Balance at the end of the year	**70,481**	138,915

NAIR & NELLIYATT CHARTERED ACCOUNTANTS

		31-03-2024	31-03-2023
		USD	USD

16. **Lease liability (continued)**

16.2 The interest rate used for discounting the lease liability is 3.5% per annum which is based on the estimates of incremental borrowing rates.

16.3 The matuirty analysis of the lease liabilities were as follows:

2023-24	***Gross*** ***USD***	***Interest*** ***USD***	***Net*** ***USD***
Within one year	*71,937*	*1,456*	*70,481*
After one year but not more than 5 years	Nil	Nil	Nil
	71,937	***1,456***	***70,481***

2022-23	***Gross*** ***USD***	***Interest*** ***USD***	***Net*** ***USD***
Within one year	*72,330*	*3,887*	*68,443*
After one year but not more than 5 years	*72,133*	*1,456*	*70,472*
	144,463	***5,343***	***138,915***

17.	**Accounts and other payables**		
	Due to related parties (refer note no. 24)	**6,628,176**	5,080,234
	Trade payables	**777,445**	520,848
	Other financial liabilities	**1,150,000**	Nil
		8,555,621	5,601,082
18.	**Provision and accrued expenses**		
	Provision	**1,363,154**	310,154
	Accrued expenses	**834,083**	678,398
		2,197,237	988,552
19.	**Revenue**		
	Revenue	**18,545,623**	11,599,713
		18,545,623	11,599,713
20.	**Cost of operation**		
	Purchases (including direct expenses)	**15,374,513**	9,256,238
		15,374,513	9,256,238
21.	**Other income**		
	Miscellaneous income	**829,913**	616,635
		829,913	616,635

		31-03-2024 USD	31-03-2023 USD
22.	**General and administrative expenses**		
	Salaries and other related benefits	**1,271,675**	1,139,965
	Professional charges	**178,996**	222,115
	Bank charges	**47,289**	61,086
	Communication & utilities	**26,986**	35,418
	Foreign exchange loss	**14,822**	19,584
	Legal,license,visa and taxes	**205,612**	17,882
	Miscellaneous expenses	**18,108**	18,519
	Insurance	**52,534**	5,782
	Travel expenses	**11,702**	3,908
	Research and development expenses	**147,263**	Nil
	Sample cost expenses	**15,561**	Nil
		1,990,548	1,524,259
23.	**Selling and distribution expenses**		
	Marketing expenses	**11,788**	115,085
	Commission	**744,605**	334,546
		756,393	449,631

24. **Related party transactions and balances**

The company enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel. The company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

The following are the related party balances as at the year end :-

(i) Due from related parties (refer note no. 9):-		
M/s. Cipla Brazil	**60,539**	Nil
M/s. Cipla Australia	**120,531**	Nil
M/s. Cipla USA	**101,233**	25,847
M/s. Cipla Limited, India	**87,652**	148,244
	369,955	174,091
(ii) Due to related parties (refer note no. 15):-		
M/s. Cipla Limited, India	**6,628,176**	5,080,234
	6,628,176	5,080,234

NAIR & NELLIYATT CHARTERED ACCOUNTANTS

24. **Related party transactions and balances (comtinued)**

	31-03-2024 USD	31-03-2023 USD
(iii) Unsecured loan (refer note no. 13):-		
M/s. Cipla (EU) Limited - UK	**2,000,000**	2,000,000
	2,000,000	2,000,000
Following are the related party transactions summary as on 31-3-2024:		
Expense met onbehalf of M/s. Cipla USA	**71,796**	24,616
Expense met onbehalf of M/s. Cipla Limited, India	**672,706**	666,954
Expense met onbehalf of M/s. Saba Investment Limited, Ras Al Khaimah	**Nil**	12,721
Expense met by M/s. Cipla Limited, India	**34,375**	145,468
Purchase from M/s. Cipla Limited, India	**14,449,035**	4,934,766
Interest accrude to M/s. Cipla (EU) Limited - UK	**110,301**	210,055
Asset transfered to M/s. Cipla (EU) Limited - UK	**13,786**	Nil
Sale of goods to M/s. Cipla Brazil	**120,539**	Nil
Sale of goods to M/s. Cipla Australia	**301,013**	Nil
Expenses by M/s.Cipla Australia on behalf of M/s. Cipla Gulf	**180,483**	Nil

25. **Capital management**

The company's objective when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholder by pricing products and services commensurately with the level of risk.

The company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The company manages the equity and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the equity, the company may adjust the amount of dividend paid to shareholder, return funds to shareholder, issue new share, or sell assets to reduce its exposure to debt.

26. **Commitments**

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on company's financial statements as of reporting date.

27. **Financial risk management objectives and policies**

The company's management has set out the company's overall business strategies and its risk management philosophy. The company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the company. The company policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. yearic reviews are undertaken to ensure that the company's policy guidelines are complied with. There has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risk.

a) Foreign currency risk management

The company is exposed to foreign currency risk as most of the transactions are in USD. Since the AED to USD exchange rate is pegged, this risk is not significant.

b) Interest rate risk management

The company is exposed to interest rate risk as the company has borrowings from related party in the current year.

c) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The company uses its own trading records to rate its existing customers and increase their credits limits. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly and the company maintains an allowance for doubtful debts based on expected collectability of all trade receivables.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risks.

d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

28. **Contingent liabilities**

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on company's financial statements as of reporting date.

29. **Comparative figures**

The previous year figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current year, which does not affect the financial result of the previous year.

30. **Events after the reporting date**

There were no significant events occurring after the reporting date that would have any material effect on the financial statements of the company.

31. **Corporate tax law**

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime will become effective for accounting years beginning on or after 1 June 2023.

As the Company's accounting year ends on 31 March, accordingly the effective implementation date for the Company will start from 1 April 2024 to 31 March 2025, with the first return to be filed on or before 31 December 2025. The CT Law confirms the rate of 9% to be applied to taxable income exceeding the threshold set by cabinet decision. The Company is currently assessing the impact of these laws and regulations and will apply the requirements as they come into effect.

On 16 January 2023 the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made the Corporate Income Tax substantively enacted and enacted within the meaning of IAS 12. Enactment of the legislation requires the recognition of deferred taxes where relevant. The impact of any future changes in enacted law will be accounted for when such changes are substantively enacted or enacted.

For Cipla Gulf FZ-LLC

Authorised signatory

Mexicip S.A. de C.V

Financial Statements for Financial Year 2023-24

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL INFORMATION

Cipla Limited ("Cipla Group")
Period-End: 31 March 2024

Component Name: **Mexicip S.A. de C.V.**

To,
Mr. Gautam Wadhera
Walker Chandiok & Co LLP
16th Floor, Tower II, One International Center,
Senapati Bapat Marg, Elphinstone West
Mumbai, Maharashtra 400013

Opinion

We have audited the accompanying Special Purpose Financial Information of **Mexicip S.A. de C.V.**

1. In our opinion, the accompanying reporting package of the Component for the period ended 31 March 2024 is prepared, in all material respects, in accordance with the basis of accounting specified in note 3 to the reporting package.

Basis for Opinion

2. We conducted our audit in accordance with International Standards on Auditing (ISAs) subject to the materiality specified in the audit instructions as described further in paragraph 10 below. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Reporting Package' section of our report. We are independent of the Component / Cipla Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ('IESBA Code of Ethics), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution or Use

3. The reporting package has been prepared by the management solely to enable the Cipla Ltd ('Cipla Group'), to prepare its consolidated financial statements for the period ended 31 March 2024. Accordingly, the reporting package may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose and for the use by Walker Chandiok & Co LLP, in conjunction with the consolidated financial statements of Cipla Group, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

SHAHADE & ASSOCIATES
M.No. 35227
MUMBAI
CHARTERED ACCOUNTANTS

Corporate :
Ground Floor, Gautam, Plot No. 29,
Road No. 2, Sion (East), Mumbai – 400022
Main: +91-22-24072801, 24022918

Branch Office:
Office No. 401, Centre Point, Plot No. 491,
Mitramandal Chowk, Parvati, Pune – 411009
Main: +91-20-29801746

Email:
atul@shahade.net
shubhada@shahade.net
ankita@shahade.net

Responsibilities of Management for the reporting package

4. Management is responsible for the preparation and fair presentation of the reporting package in accordance with the basis of accounting specified in the reporting package and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.
   In preparing the reporting package, management is responsible for assessing the Component'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 Component or to cease operations, or has no realistic alternative but to do so.

   Management is also responsible for overseeing the Component's financial reporting process.

Auditor's Responsibility

5. Our objectives are to obtain reasonable assurance about whether the reporting package as a whole is 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 ISAs 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 the reporting package.

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

   - Identify and assess the risks of material misstatement of the reporting package, 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.

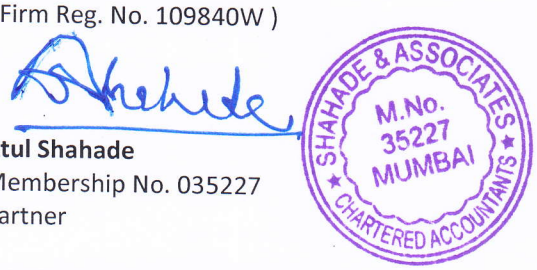
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

   - 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 reporting package 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.

7. As requested by you in your audit instructions of the Company dated 23rd March, 2024, we have planned and performed our audit using the materiality level specified in your audit instructions, which is different from the materiality level that we would have used, had we been designing the audit to express an opinion on the group reporting package alone. We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

Shahade & Associates
Chartered Accountants
(Firm Reg. No. 109840W)



Atul Shahade
Membership No. 035227
Partner

UDIN : 24035227BKCJQJ5796

Place : *Mumbai*
Date : 26th April, 2024

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Mexicip S.A. de C.V.

Balance sheet as at 31st March 2024

Particulars	Notes	As at 31st March 2024
		MXN
Assets		
(1) Non-Current Assets		-
(2) Current Assets		-
Total Assets		-
Equity and liabilities		
(1) Equity		
(a) Share Capital		-
(b) Other Equity	1	(1,71,475)
Total Equity		**(1,71,475)**
(2) Current liabilities		
(a) Financial liabilities		
(i) Trade payables	2	1,71,475
		1,71,475
Total equity and liabilities		-

As per our report of even date
For Shahade & Associates
Chartered Accountants
Firm Reg No: 109840W

Atul Shahade
Partner
Membership No. 035277
UDIN: 24035227BKCJQJ5796
Mumbai, 26th April, 2024

SHAHADE & ASSOCIATES ★ M.No. 35227 MUMBAI ★ CHARTERED ACCOUNTANTS

DocuSigned by: Nakul Arora 53FCF631CBF7420...
Nakul Arora
Director
26th April, 2024

DocuSigned by: Saumil Chogle AA46F990C242432...
Saumil Chogle
Director
26th April, 2024

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Mexicip S.A. de C.V.

Statement of Profit and Loss for the period ended 31st March 2024

Particulars	Note	For the period ended 31st March 2024
		MXN
(1) Revenue from operations		
(a) Revenue from sale of products		-
(b) Other operating income		-
(c) Other income		-
		-
		-
(2) Expenditure		
(a) Other expenses	3	1,71,475
		1,71,475
(3) (Loss) before exceptional items and tax		**(1,71,475)**
(4) Exceptional items		-
(5) (Loss) before tax		**(1,71,475)**
(6) Tax expenses		
(a) Current tax (net)		-
(b) Deferred tax credit		-
(7) (Loss) for the period		**(1,71,475)**

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date
For Shahade & Associates
Chartered Accountants
Firm Reg No: 109840W

Atul Shahade
Partner
Membership No. 035277
UDIN: 24035227BKCJQJ5796
Mumbai, 26th April, 2024

SHAHADE & ASSOCIATES * M.No. 35227 MUMBAI * CHARTERED ACCOUNTANTS

DocuSigned by: Nakul Arora 53EC5631CBE7420...
Nakul Arora
Director
26th April, 2024

DocuSigned by: Saumil Chogle AA48F980C242432...
Saumil Chogle
Director
26th April, 2024

Mexicip S.A. de C.V.

Notes to the Financial statements

MXN

Note 1: Other Equity

Particulars	As at 31st March 2024
Equity Component	
	-
	-
Retained Earnings	
(Loss) for the period	(1,71,475)
	(1,71,475)

Note 2: Trade Payables

Particulars (Carried at amortised cost, except otherwise stated)	As at 31st March 2024
Due to micro and small enterprises	-
Others	1,71,475
	1,71,475

3. Other expenses

Particulars	For the period ended 31st March 2024
Professional fees	1,39,975
Payment to auditors	
Audit Fees	31,500
	1,71,475

SHAHADE & ASSOCIATES
M.No. 35227
MUMBAI
CHARTERED ACCOUNTANTS

Cipla Medpro South Africa (Pty) Limited

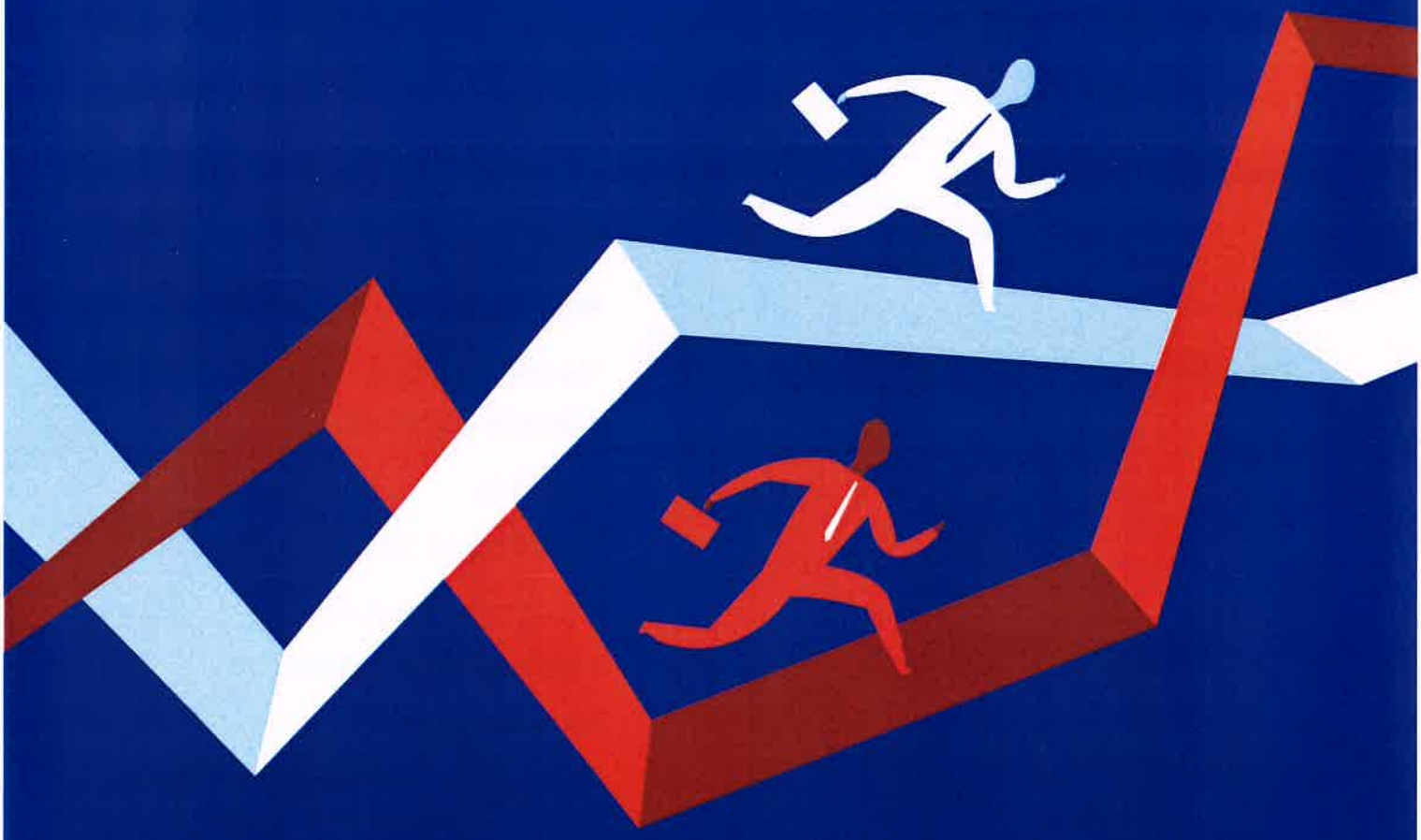
Financial Statements for Financial Year 2023-24

Cipla

FINANCIAL REPORT

Consolidated and separate annual financial statements

for the year ended 31 March 2024



SOUTH AFRICA

Cipla Medpro South Africa Proprietary Limited

Financial statements for the year ended 31 March 2024

(Registration number: 2002/018027/07)

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Manufacture, marketing and supply of pharmaceutical products
Directors	J P Miller SL Masondo G Malhotra O Manuga P Thandrind S Chirwa M Daly
Registered office	1474 South Coast Road Mobeni, Durban 4052
Preparer	The financial statements were internally compiled by: S Pretorius Chartered Accountant (SA)
Auditors	SNG Grant Thornton Inc. Chartered Accountants (SA) Registered Auditors South African member firm of Grant Thornton International
Company registration number	2002/018027/07

Cipla Medpro South Africa Proprietary Limited

Financial statements for the year ended 31 March 2024

(Registration number 2002/018027/07)

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Cipla Medpro South Africa Proprietary Limited

Financial statements for the year ended 31 March 2024

(Registration number 2002/018027/07)

Directors' responsibility statement

The directors are responsible for the integrity, preparation and fair presentation of the consolidated and separate annual financial statements of Cipla Medpro South Africa Proprietary Limited (the company), its subsidiaries, and associates (together, the group), comprising the statements of financial position at 31 March 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), and the requirements of the Companies Act of South Africa No 71 of 2008 as amended (The Companies Act). In addition, the directors are responsible for preparing the directors' report.

The preparation of financial statements in conformity with IFRS requires management to consistently apply appropriate accounting policies, supported by reasonable judgements and estimates. The directors are of the opinion that the information contained in the annual financial statements fairly presents the financial position at year end and the financial performance and cash flows of the group and the company for the year then ended. The directors have taken the responsibility for ensuring that accurate and complete accounting records are kept enabling the group and the company to satisfy their obligation with respect to the preparation of financial statements.

The directors are also responsible for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors have reviewed the group and the company budgets and cash flow forecasts for the year to 31 March 2025. In light of this review, the current financial position and existing borrowing facilities, the going concern basis has been adopted in preparing the group and the company annual financial statements. The directors have no reason to believe that the company or its subsidiaries will not be going concerns in the year ahead. These financial statements support the viability of the group and the company.

The auditor is responsible for reporting on whether the consolidated and separate financial statements are fairly presented in accordance with the applicable financial reporting framework. A copy of the auditor's qualified report is presented on pages 13 to 15. The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

Approval of consolidated and separate financial statements

The consolidated and separate annual financial statements of Cipla Medpro South Africa Proprietary Limited, as identified in the first paragraph, which appear on pages 16 to 105 were approved for issue by the board of directors on 3 May 2024 and are signed on its behalf by:

J P Miller
Authorised director
Cape Town
3 May 2024

M Daly
Authorised director
Cape Town
3 May 2024

Cipla Medpro South Africa Proprietary Limited

Financial statements for the year ended 31 March 2024
(Registration number 2002/018027/07)

Directors' report

The directors present their report for the year ended 31 March 2024. This report does not form part of the consolidated or the separate audited annual financial statements of Cipla Medpro South Africa Proprietary Limited (CMSA) for the year ended 31 March 2024.

Nature of business

The group engages in the manufacture, marketing and supply of pharmaceutical products.

Financial results and review of operations

The group recorded a profit after tax for the year ended 31 March 2024 of R 186 million (2023: R 98 million).

The financial results of the group and the company for the year ended 31 March 2024 are set out in the attached financial statements.

Capital commitments

At year end the group had purchases of plant and machinery of R 11 million (2023: R14 million) which had been contracted for.

Changes in ownership interest – Subsidiaries and Associates

During the current financial year, Cipla Medpro South Africa Proprietary Limited acquired 100% share (1000 shares of R1 each) of Actor Proprietary Limited ("Actor") effective 07 February 2024. Actor is a privately owned pharmaceutical company specialising in consumer health and generic medicine. Actor specializes in OTC and generic medicine, where they have established strong consumer brands, and identified niche prescription markets in categories of women's health, nasal, cough cold and baby children. Refer to notes 5 and 25.

Changes in ownership interest – Subsidiaries and Associates continued

During the prior financial year, Cipla Medpro Manufacturing Proprietary Limited ("CMM") issued an additional 900 shares to the Company due to transfer of business, as mentioned under "nature of business". CMM also created a new class of Notional Vendor Finance Shares, which were issued to the Cipla Empowerment Trust (refer to note 22)

There have been no other changes in ownership interest during the current financial year except for those disclosed in note 5 of the annual financial statements.

Subsidiary companies

Details of the subsidiary companies are set out in notes 5, 6 and 21 of the financial statements. All group entities (being subsidiaries and associates) have a year-end consistent to that of the company, except for Actor Proprietary Limited which has a year end of February. The year end will be amended in the subsequent financial year.

Directors

Name of director	Appointment date	Designation
Executive directors		
J P Miller	17 April 2014	Joint President – Chief Executive Officer SA & MD SAGA
SL Masondo	1 May 2014	Vice President – Government Affairs & Trade Development
O Manuga	01 July 2021	Senior Director – Regional Counsel – SAGA
P Thandrind	01 July 2021	Vice President – Head of Regulatory Affairs SAGA
S Chirwa	20 May 2022	Vice President & Head HR - SAGA
M Daly	06 October 2022	Vice President – Chief Finance Officer SAGA
Non - Executive directors		
G Malhotra	20 March 2020	

Executive and non-executive directors do not have fixed term contracts.

Refer to note 21 for disclosure of directors' and key management personnel's remuneration and benefits for the year.

The directors of the company have not had any material beneficial interest, whether direct or indirect, in transactions that were effected by the company during the current and immediately preceding financial year and which remain in any respect outstanding or unperformed.

Dividends

No dividends (2023: Nil) were declared to Cipla Limited during the 2024 financial year.

Share capital

There was no change in the authorised share capital of the company during the current year.

Further details of the authorised and issued share capital of the company are given in note 10 of the financial statements.

Going Concern

As of 31 March 2024, Cipla Medpro South Africa Proprietary Limited's has retained income of R94 005 000. At this date, the company shows a profit after tax of R994 468 000.

The directors consider that the company and its subsidiaries have adequate resources to continue operating for the foreseeable future. It is therefore appropriate to adopt the going concern basis in preparing the consolidated and separate financial statements. The directors are satisfied that the group is in a sound financial position and has access to adequate borrowing facilities to meet its foreseeable cash requirements.

Auditors

The auditor of the company and its subsidiaries is SNG Grant Thornton Inc. except for Cipla Kenya Limited who are audited by Grant Thornton Kenya.

Company Secretary

Mark Daly was appointed as company secretary effective 7 November 2016. Kilgetty Statutory Services Proprietary Limited provided secretarial services during the year under review.

Subsequent events

The directors are not aware of any matter or circumstance which is material to the financial affairs of the company and its subsidiaries, which has occurred between 31 March 2024 and the date of approval of the annual financial statements.

Social and Ethics Committee Report

Introduction

The Social and Ethics Committee (Committee) is constituted as a statutory Committee in terms of the Companies Act which assists the board in monitoring the group's corporate citizenship, sustainability and ethics. This report is prepared in compliance with the requirements of the Companies Act. The Committee operates according to a formal Terms of Reference which comprises of role, responsibilities and duties of the Committee. The Terms of Reference is reviewed and amended when necessary and has been approved by the board.

Attendance and composition

The Committee met twice during the year under review and comprised of two executive directors and one member of key management. At the time of issuing this report, the Committee comprised of Simo Masondo (Vice President – Government Affairs & Trade Development), Yolande Chirwa (Vice President & Head HR) and Paul Miller (Joint President – Chief Executive Officer SA & MD SAGA). Other executives who attend by invitation included the Group CFO, Group Legal Counsel & Risk, Group Chief Experiences Officer, Group Quality Executive and SA Manufacturing Executive. The Company Secretary of the Group served as secretary for the Committee.

Reporting Framework

The Committee and the Social and Ethics Working Group (which consists of the executives of the Group), have adopted best practice by operating in a manner which is consistent with the 10 Principles of the United Nations Global Company Principles. This globally recognised framework ensures that Cipla Medpro South Africa Group covers all social and ethics-related subjects in a comprehensive and holistic manner, in line with the requirements of section 72(4) to (10) read with Regulation 43 of the Companies Act.

Reporting Framework (continued)

At a Group level, the South African Constitution, the Companies Act, the Labour Relations Act, the Employment Equity Act and the BBBEE Act form the fundamental framework around which the Committee operates. The Committee has considered the relevant laws and regulations applicable to the Group's operations during the reporting period and its compliance with these.

There were no material areas of non-compliance reported and that require to be disclosed. The Committee is further satisfied that it has fulfilled its mandate as set out in the Companies Act, read with Regulation 43 of the Companies Regulations and in its Terms of Reference.

Activities performed by the S&C Committee

The following activities were undertaken by the S&E Co in terms of its Terms of Reference and in support of the Board for the period under review:

- Monitor and advise the Company in respect of Social and economic development, including the Company's standing in terms of the goals and purposes of human rights abuses, right to collective bargaining, labour laws, discrimination, environmental responsibility, corruption, and employment equity.
- Monitor and advise the Company in respect of Good corporate citizenship, including the Company's Promotion of equality, prevention of unfair discrimination, measures to address corruption and record of sponsorship, donations and charitable giving.
- Monitor and advise the company in respect of the environment, health and public safety, including the impact of the company's activities and of its products or services

Activities performed by the S&C Committee continued

- Monitor and advise the company in respect of consumer relationships, including the company's policies and record relating to advertising, public relations and compliance with consumer protection laws
- Monitor and advise the company in respect of labour and employment matters

Simo Masondo
S&E Co Chairman
3 May 2024

SNG
Grant Thornton

Independent Auditor's Report

To the Shareholders of Cipla Medpro South Africa Proprietary Limited

Qualified Opinion

We have audited the consolidated and separate financial statements of Cipla Medpro South Africa Proprietary Limited (the group and company) set out on pages 16 to 105, which comprise the consolidated and separate statements of financial position as at 31 March 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated and separate financial statements present fairly, in all material aspects, the consolidated and separate financial position of Cipla Medpro South Africa Proprietary Limited as at 31 March 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for qualified opinion

Related parties

Section 30(4) to (6) of the Companies Act requires the company to disclose certain information in respect of the remuneration of each director and each individual holding a prescribed office in the company. The disclosures have not been provided for each director or prescribed officer, for the reason provided in note 21. While this is a breach of the requirements of the Companies Act, it does not affect our opinion in accordance with the International Financial Reporting Standards.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cipla Medpro South Africa Proprietary Limited Annual Financial Statements for the year ended 31 March 2024", which includes the Directors' Report and Social and Ethics Committee Report as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and 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 the directors either intend to liquidate the group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 ISAs 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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.

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Grant Thornton

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 group's and 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 consolidated and separate 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 group and company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

SizweNtsalubaGobodo Grant Thornton Inc.
PIDP de Villiers
Director

Registered Auditor
IRBA registration number: 492493

3 May 2024

2 Edam Avenue
Waterval East Ext. 37
Rustenburg
North-West

Cipla Medpro South Africa Proprietary Limited

Financial statements for the year ended 31 March 2024

(Registration number 2002/018027/07)

Statements of financial position

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		Note	**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
		ASSETS			
		Non-current assets			
-	-	Property, plant and equipment	2	**522 903**	526 645
-	-	Intangible assets	4	**2 319 442**	1 350 962
919 401	**1 819 401**	Investment in subsidiaries	5	**-**	-
15 742	**1 774 354**	Amounts due from group companies	6	**38 863**	15 742
65 000	**65 000**	Investment in associate	5	**45 389**	47 850
59	**146**	Deferred tax assets	7	**142 159**	123 331
1 000 202	**3 658 901**	Non-current assets		**3 068 756**	2 064 530
		Current assets			
-	-	Inventory	8	**1 507 467**	1 230 042
969	-	Current tax assets		**11 375**	26 970
6	-	Derivatives	11	**2 478**	2 673
359 736	**335 628**	Trade and other receivables	9	**1 856 956**	1 415 584
4 300	**4 300**	Amount due from group companies	6	**-**	81
58 293	**151 546**	Restricted cash	23.3	**151 546**	58 293
7 578	**54 177**	Cash and cash equivalents	23.2	**230 901**	106 084
430 882	**545 651**	Current assets		**3 760 723**	2 839 727
1 431 084	**4 204 552**	**Total assets**		**6 829 479**	4 904 257
		EQUITY			
450	**450**	Share capital	10	**450**	450
1 042 099	**1 042 099**	Share premium	10	**1 042 099**	1 042 099
-	-	Foreign Currency Translation Reserve		**(95)**	(480)
-	-	Hedge Reserve		**1 724**	1 074
-	-	Common control reserve		**2 775**	2 775
(900 463)	**94 005**	(Accumulated loss) Retained income		**1 564 859**	1 384 408
142 086	**1 136 554**	**Total equity**		**2 611 812**	2 430 326
		LIABILITIES			
		Non-current liabilities			
-	**2 100 000**	Amounts due to group companies	6	**2 100 000**	-
-	-	Lease liability	3	**168 499**	179 043
-	-	Deferred tax liabilities	7	**197 963**	45 335
-	**2 100 000**	Non-current liabilities		**2 466 462**	224 378
		Current liabilities			
-	-	Derivatives	11	**-**	480
123 318	**265 409**	Trade and other payables	14	**1 303 417**	1 138 482
745 680	**692 954**	Amounts due to group companies	6	**66 537**	48 527
-	-	Provisions	13	**82 076**	99 472
420 000	-	Loans and borrowings	12	**210 000**	930 000
-	-	Lease liability	3	**26 927**	22 024
-	-	Other liabilities	22	**27 920**	9 619
-	-	Contract liabilities	15	**20 739**	-
-	**9 635**	Current tax liabilities		**13 589**	949
1 288 998	**967 998**	Current liabilities		**1 751 205**	2 249 553
1 288 998	**3 067 998**	**Total liabilities**		**4 217 667**	2 473 931
1 431 084	**4 204 552**	**Total equity and liabilities**		**6 829 479**	4 904 257

Cipla Medpro South Africa Proprietary Limited

Financial statements for the year ended 31 March 2024

(Registration number: 2002/018027/07)

Statements of profit or loss and other comprehensive income

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		Note	GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
1 121 178	688 281	**Revenue**	16	5 619 913	5 052 049
(989 298)	(606 153)	Cost of sales		(3 079 336)	(2 941 980)
131 880	82 128	**Gross profit**		2 540 577	2 110 069
14 892	79 476	Other income	16	105 454	36 412
1 309	(15 859)	Selling and distribution expenses		(1 842 139)	(1 610 462)
1 338	(3 414)	Administrative expenses		(216 758)	(206 352)
(4 695)	3 448	Other expenses		(134 203)	(71 674)
-	-	Movement in expected credit loss allowance	17	(19 879)	(11 048)
144 724	145 779	**Results from operating activities**	17	433 051	246 945
-	-	Loss from equity accounted investment		(2 461)	(3 764)
231 891	883 776	Net investment (costs) income	18	(170 548)	(91 203)
264 426	982 877	Investment income		34 383	13 300
(32 535)	(99 101)	Finance costs		(204 931)	(104 503)
376 615	1 029 555	**Profit before tax**		260 042	151 978
4 721	(35 087)	Tax expense	19	(79 591)	(53 265)
381 336	994 468	**Profit for the year**		180 451	98 713
		Other comprehensive income - items that may be or have been reclassified to profit or loss			
-	-	Current year losses		2 025	15 814
-	-	Reclassification to Inventory		(1 331)	(70)
-	-	Tax relating to OCI		(187)	(4 393)
-	-	**Other comprehensive income for the year (net of income tax)**		507	11 351
381 336	994 468	**Total comprehensive income for the year**		180 958	110 064

Cipla Medpro South Africa Proprietary Limited

Financial statements for the year ended 31 March 2024

(Registration number: 2002/018027/07)

Statements of changes in equity

	Attributable to equity holders of the parent						
	Share capital R'000	Share premium R'000	Foreign currency translation reserve R'000	Hedging reserve R'000	Common control reserve	Retained income (accumulated profit) R'000	Total R'000
GROUP							
Balance at 31 March 2022	**450**	**1 042 099**	**(925)**	**(10 276)**	**2 775**	**1 285 695**	**2 319 819**
Total comprehensive income for the year	-	-	-	-	-	**98 713**	**98 713**
Movement for the period	-	-	445	11 350	-	-	11 795
Balance at 31 March 2023	450	1 042 099	(480)	1 074	2 775	1 384 408	2 430 327
Total comprehensive income for the year	-	-	-	-	-	180 451	180 451
Movement for the period	-	-	385	649	-	-	1 036
Balance at 31 March 2024	450	1 042 099	(95)	1 723	2 775	1 564 859	2 611 814

Statements of changes in equity Continued

	Attributable to equity holders of the parent						
	Share capital R'000	Share premium R'000	Foreign currency translation reserve R'000	Hedging reserve R'000	Common control reserve	Retained income (accumulated loss) R'000	Total R'000
COMPANY							
Balance at 31 March 2022	**450**	**1 042 099**	**-**	**-**	**-**	**(1 281 798)**	**(239 248)**
Total comprehensive profit for the year	-	-	-	-	-	381 336	381 336
Balance at 31 March 2023	**450**	**1 042 099**	**-**	**-**	**-**	**(900 462)**	**142 088**
Total comprehensive profit for the year	-	-	-	-	-	994 468	994 468
Balance at 31 March 2024	**450**	**1 042 099**	**-**	**-**	**-**	**94 006**	**1 136 556**

Cipla Medpro South Africa Proprietary Limited

Financial statements for the year ended 31 March 2024

(Registration number: 2002/018027/07)

Statements of cash flows

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		Note	GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Cash flows from operating activities			
376 615	**1 029 555**	Profit before income tax		**260 042**	151 978
		Adjustments for:			
-	-	Depreciation	2	**103 688**	99 475
-	-	Amortisation	4	**68 690**	70 172
-	-	Impairment of intangible assets	4	-	2 900
-	-	Write-off of intangible assets		-	694
32 535	**99 101**	Finance costs		**204 931**	104 503
(264 426)	**(982 877)**	Investment income		**(34 383)**	(13 300)
-	-	Loss on disposals of plant and equipment & intangibles		**3 852**	1 351
-	-	Cash flow hedge reclassified from equity		**(2 428)**	281
-	-	Loss from equity accounted investment		**2 461**	3 764
-	-	Foreign currency translation reserve		**385**	445
(3 739)	**6**	Fair value adjustment of derivatives		**(101)**	(13 752)
-	-	Interest on lease liability	23.4	**(15 230)**	(9 149)
-	-	Straight-lining of leases		-	597
-	-	Notional interest on purchases		**(49 056)**	(31 654)
(1 438)	-	Movement in provision for stock losses		**37 528**	(32 130)
(321 098)	**(1 055 929)**	Non-cash intercompany charges and transfers	23.4	**(2 519)**	(54 104)
(9 144)	-	Non-cash recognition/ derecogntion of leases (IFRS 16)		-	(3 549)
-	-	Non-cash foreign currency translation of leases	23.4	**176**	165
-	-	Non-cash foreign currency translation of intercompany loans	23.4	**2 645**	20 750
280	-	Non-cash movement - unrealised foreign exchange gains or losses creditors		-	281
-	-	Non-cash movement on share based payment		**30 942**	6 018
-	**900 000**	Non-cash dividends received		-	-
(8 045)	-	Movement in provisions		**3 344**	(11 273)
(198 460)	**(10 144)**	**Operating (loss) profit before working capital changes**		**614 966**	294 465
135 046	-	Decrease (increase) in inventory		**(261 853)**	(247 597)
(67 860)	**24 108**	(Increase) decrease in trade and other receivables		**(383 630)**	(66 871)
(21 341)	**(151 162)**	(Decrease) increase in trade and other payables		**(160 296)**	112 868
(152 615)	**(137 198)**	**Cash generated from operations**		**(190 813)**	92 866
823	**24 266**	Finance income received		**31 263**	12 594
(32 535)	**(99 101)**	Finance costs paid		**(140 645)**	(55 612)
-	-	Settling of share-based payment		**(12 642)**	(11 097)
-	-	Settling of derivative financial instruments		**1 985**	944
(14 875)	**(24 570)**	Income tax paid	23.1	**(100 632)**	(73 161)
(199 202)	**(236 603)**	**Net cash flows used in operating activities**		**(411 485)**	(33 467)
		Cash flows from investing activities			
-	-	Acquisitions of property, plant and equipment	2	**(80 659)**	(55 465)
-	-	Acquisitions of intangible assets	4	**(55 869)**	(11 727)
-	-	Proceeds on disposals of property, plant and equipment		**597**	1 290
-	**(700 000)**	Acquisitions of subsidiaries	25	**(688 544)**	-
(10 000)	**(1 700 000)**	Group loans receivable settled	23.4	**17 964**	-
-	-	Group loans advanced	23.4	**(20 000)**	(10 000)
-	-	Increase/ (decrease) in security deposits/ loans receivable		**9 907**	(168)
(10 000)	**(2 400 000)**	**Net cash flows used in investing activities**		**(816 604)**	(76 070)
		Cash flows from financing activities			
214 610	**3 103 202**	Group loans received	23.4	**2 100 000**	(167 047)
-	-	Repayment of lease liability	23.4	**(27 094)**	(32 755)
-	**(420 000)**	Repayment of Group Loans	23.4	**(720 000)**	210 000
214 610	**2 683 202**	**Net cash flows from financing activities**		**1 352 906**	10 198
5 408	**46 600**	Net increase (decrease) in cash and cash equivalents		**124 818**	(99 339)
2 170	**7 578**	Cash and cash equivalents at beginning of the year		**106 084**	205 423
7 578	**54 177**	**Cash and cash equivalents at end of the year**	23.2	**230 901**	106 084

1. Significant and material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. Where applicable, the principal accounting policies applied in the Group financial statements are consistent with those applied in the Group and Company financial statements unless otherwise stated. The principal accounting policies applied are consistent with those adopted in the prior year.

1.1 Basis of preparation

The Group financial statements of Cipla Medpro South Africa (Proprietary) Limited (the Company) comprise the Group and its subsidiaries and the Group's interest in associates (together referred to as the Group and individually as Group entities).

The Company financial statements and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), and the requirements of the South African Companies Act, No 71 of 2008 (the Companies Act).

The financial statements have been prepared on the historical cost basis and for certain financial instruments that have been measured at fair value, where applicable.

The Company and Group's functional and presentation currency is South African rands.

Amounts are rounded to the nearest thousand with the exception of number of ordinary shares (note 10),

1.1 Basis of preparation continued

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in notes 3, 4, 8, 9, 13 and 14.

Going concern

The Company and the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company and the Group should be able to operate within their current funding levels into the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. The financial statements therefore have been prepared on a going concern basis.

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all subsidiaries. Subsidiaries are entities which are controlled by the Group. The group entities have a year-end consistent to that of the company, except for newly acquired Actor Proprietary Limited which has a year end of February. As the entity was acquired during the last month of its financial year, it was considered to be more administratively efficient to close the year end as at February end. The year end will be amended in the subsequent financial year.

The Company has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to effect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

1.2 Consolidation continued

Basis of consolidation continued

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date as a result of past events and its fair

1.2 Consolidation continued

Business combinations continued

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Common control transactions

For transactions in which combining entities are controlled by the same party or parties before and after the transaction and where that control is not transitory are referred to as common control transactions. The Group's accounting policy for the acquiring entity would be to account for the transaction at book values as reflected in the consolidated financial statements of the selling entity.

The excess of the cost of the transaction over the acquirer's proportionate share of the net assets value acquired in common control transactions, is allocated to the common control reserve in equity.

1.2 Consolidation continued

Investments in associates

Investments in associates are accounted for using the equity method.

The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The Company's investments in associates are accounted for at cost.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

1.3 Significant judgements and sources of estimation uncertainty continued

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group makes use of various assumptions in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Provision for obsolete stock is calculated based on stock with a remaining shelf life of 6 months or less, and any products experiencing regulatory issues.

Included in provisions is provision for expired stock, this relates to an amount of inventory that has already been sold but if the stock expires it will be returned to the seller. The provision includes judgements is raised against revenue. Refer to note 25.

Impairment testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs. The recoverable amount is sensitive to the discount rate used when measuring the value in use, refer to Note 4 for further information.

1.3 Significant judgements and sources of estimation uncertainty continued

Key sources of estimation uncertainty continued

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture, buildings and computer equipment are determined based on Group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Useful lives and impairment of intangible assets

Management assesses the appropriateness of the useful lives of intangible assets at the end of each reporting period. Refer to Note 4 for useful life considerations.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the amortisation charge.

1.3 Significant judgements and sources of estimation uncertainty continued

Key sources of estimation uncertainty continued

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Refer to note 13 for the nature of provisions and estimation uncertainty.

Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets.

Inventories obsolescence

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory obsolescence to reflect its actual experience on a periodic basis.

1.3 Significant judgements and sources of estimation uncertainty continued

Key sources of estimation uncertainty continued

Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Management has determined the incremental borrowing rate used to calculate the lease liability and the right-of-use asset, to be the borrowing rate offered to the Group for its current borrowings.

This borrowing rate is a rate which is considered to be relevant to the Group should they decide to purchase an asset of the similar nature to the right of use asset recognised.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. As a result, significant judgement is required in determining the Group's provision for income taxes. There are numerous calculations and transactions for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be payable. In determining whether an interpretation and/or application of the various tax rules may result in a dispute of which the outcome may not be favourable to the Group, the Group seeks, where relevant, expert advice to determine whether an unfavourable outcome is probable or possible.

Where payment is determined to be possible but not probable the tax exposure is disclosed as a contingent liability, refer to note 24. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax in the period in which such determination is made.

1.3 Significant judgements and sources of estimation uncertainty continued

Key sources of estimation uncertainty continued

Deferred tax assets – source of estimation uncertainty

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The Group is required to make significant estimates in assessing whether future taxable profits will be available. Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the probable reversal of taxable temporary differences in 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 realized. Such reductions are reversed when the probability of future taxable profits improves. Refer to note 7.

Fair value measurement of carrying amounts of assets and liabilities

All loans, receivables and financial liabilities not at fair value through profit or loss are carried at amortised cost. The carrying value of trade and other receivables, trade and other payables and finance lease liabilities approximate fair value as the effective interest method is used to determine the carrying values. Refer to Note 20 which discloses the fair value hierarchy of financial instruments at fair value through profit or loss.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the Group holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

1.4 Property, plant and equipment continued

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	2 - 25 years
Buildings	Straight line	30 years
Right of use asset	Straight line	Lease term
Land	Not depreciated	Not depreciated
Motor vehicles	Straight line	5 years
Furniture and equipment	Straight line	3 - 10 years
Leasehold improvements	Straight line	Lease term

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.4 Property, plant and equipment continued

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

1.5 Intangible asset continued

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
Dossiers and registrations	2 - 10 years
Trademarks	2 - 10 years
Brands	2 - 10 years
Computer software	2 - 3 years
Non-compete	6 years
Distributor relationship	4 years

1.6 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost.
- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Derivatives which are part of a hedging relationship:

- Initially through other comprehensive income (Equity), subsequently through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

1.6 Financial instruments continued

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

1.6 Financial instruments continued

Trade and other receivables continued

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

1.6 Financial instruments continued

Trade and other receivables continued

Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is specific to tender and private customers which show significantly different loss patterns. The loss allowance is calculated separately for tender and private customers. Details of the provision matrix is presented in note 9.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in selling and distribution expenses in profit or loss as a movement in credit loss allowance (note 9).

Write off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

1.6 Financial instruments continued

Non-hedging derivatives

Classification

Non-hedging derivatives are classified as mandatorily at fair value through profit or loss.

The Group enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk. Derivatives held by the Group which are not in designated hedging relationships, include forward exchange contracts (note 11).

Recognition and measurement

Derivatives are recognised when the Group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value estimation

Derivatives are measured at fair value.

Observable market data is used as inputs to the extent that it is available.

Hedging derivatives and hedge accounting

Classification

The Group adopted hedge accounting during the 2020 financial year which was performed in accordance with the requirement of IFRS 9. Individual companies within the Group do not apply hedge accounting, however, at a Group level hedge accounting is applied.

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. At inception of designated hedging relationships, the Group documents the economic relationship between the hedged item and the hedging instrument, including the hedge ratio, along with its risk management objective and strategy for undertaking the hedge.

1.6 Financial instruments continued

Hedging derivatives and hedge accounting continued

Classification continued

The Group also documents at inception and on an ongoing basis whether the hedging instrument is effective. To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the reporting periods under review, the Group has designated certain forward currency contracts as hedging instruments in cash flow hedge relationships. These arrangements have been entered into to mitigate foreign currency exchange risk arising from certain highly probable sales transactions denominated in foreign currency.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss. Sources of hedge ineffectiveness arise as a result of timing differences. It is not possible to determine the exact date of forecasted purchases and thus certain variations between the forecasted date and actual date of purchase exists. The Group has taken a practical approach to purchase forward contracts as at a specific date, and ineffectiveness is not calculated for timing differences, if the purchases occur within the same month.

1.6 Financial instruments continued

Hedging derivatives and hedge accounting continued

Classification continued

In cases where a hedging relationship ceases to meet the hedge effectiveness requirement when the risk management objective remains the same, the Group rebalances the hedge so that it meets the qualifying criteria again through adjusting the hedge ratio of the hedge relationship.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial liability or non-financial asset becomes a firm commitment, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If the hedge no longer meets the qualifying criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively.

When hedge accounting for cash flow hedges is discontinued, the amount that was previously accumulated in the cash flow hedging reserve remains in equity until the forecast transactions occurs and (i) where the forecast transaction results in the recognition of a non-financial asset or liability, the amount is included in the costs of the non-financial items and (ii) in other cases the amount is reclassified to profit or loss when the expected future cash flows affect profit or loss.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss.

1.6 Financial instruments continued

Borrowings and loans from related parties

Classification

Loans from Group companies and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any. Where the Group issues a loan as a financial liability, the transaction costs will be debited against the financial liability.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 18)

1.6 Financial instruments continued

Trade and other payables

Classification

Trade and other payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value less transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 18).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 20 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

1.6 Financial instruments continued

Cash and cash equivalents

Cash and cash equivalents are accounted for at amortised cost and bank overdrafts are accounted for as financial liabilities. Cash and cash equivalents comprise cash on hand and deposits held on call, all of which are available for use by the Group. Bank overdrafts are included within current liabilities on the statement of financial position, unless the Group has a current legally enforceable right to set off the amounts and intends to settle on a net basis, or realise the asset and settle the liability simultaneously, in which case it is netted off against cash and cash equivalents on the statement of financial position.

Restricted cash

Restricted cash relates to deposits that are not highly liquid and subject to restrictions. Such financial assets are accounted for at amortised costs and separated from cash and cash equivalents.

Finance costs

Finance costs comprise interest expenses on borrowings and lease liability interest expense. All finance costs are recognised in profit or loss using the effective interest method.

Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.6 Financial instruments continued

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

1.7 Tax continued

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

1.8 Leases

For any new contracts entered into on or after 1 April 2019, the Group assesses whether a contract is, or contains a lease.

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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

1.8 Leases continued

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. The benchmark for low value assets is R80 000 (present value of the lease payments discounted at the increment borrowing rate).

For these leases, the Group recognises the lease payments as an operating expense (note 17) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

1.8 Leases continued

Lease liability continued

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 18).

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.8 Leases continued

Right-of-use assets

Right-of-use assets are presented within property, plant and equipment on the Statement of Financial Position.

Lease payments included in the measurement of the right-of-use assets comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Depreciation starts at the commencement date of a lease.

All right-of-use assets are depreciated over the lease term, the terms are presented in the following table:

Item	Depreciation method	Average lease term
Right of use asset	Straight line	2 to 11 years

1.8 Leases continued

Right-of-use assets continued

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Any contingent rents are expensed in the period they are incurred.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Inventories continued

Inventories includes a "right to returned goods asset" which represents the Group's right to recover products from customers where customers exercise their right of return under the Group's returns policy. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

1.10 Impairment of assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

1.10 Impairment of assets continued

The reversal of impairments (other than goodwill) is limited to the carrying amount of the asset that would have been determined had no impairment loss been recognized for the asset in prior periods

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.11 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the period in which they are declared.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the Group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.13 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the Group settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.14 Revenue

Recognition and measurement

Revenue, net of logistic fees paid to independent wholesalers and excluding value added tax, comprises the total invoice value of goods derived from the supply of generic pharmaceutical products to provide treatment for a broad spectrum of acute and chronic conditions.

Revenue is measured based on the transaction price which is the amount of consideration which is expected to be received and in compliance with legislated pricing in the various regulated markets and excludes amounts collected on behalf of third parties. Revenue is recognised based on the completion of performance obligations and an assessment of when control is transferred to the customer. The following indicators are used by the Group in determining when control has passed to the customer:

- the Group has a right to payment for the product or service;
- the customer has legal title to the product;
- the Group has transferred physical possession of the product to the customer;
- the customer has the significant risk and rewards of ownership of the product; and
- the customer has accepted the product.

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon delivery to the customer.

Sale of goods:

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been dispatched to the specific location, the risks of obsolescence and loss have been transferred and the customer accepted the products in accordance with the sales contract. Revenue is recorded at the transaction price which is the amount of consideration which is expected to be received and in compliance with regulated pricing in regulated markets, net of logistic fees and value added tax. Revenue and receivables are recorded when the performance obligation has been satisfied and only the passage of time is required before payment is due.

1.14 Revenue continued

A contract payable is recognized for consideration received in respect of unsatisfied performance obligations.

In terms of IFRS 15 par 63 the entity has elected to apply the practical expedient as no significant financing component exists for trade and other receivables.

1.15 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the Group's right to recover products from customers where customers exercise their right of return under the Group returns policy.

1.16 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the entity's functional currency. The Company's financial statements are presented in South African Rand, which is the functional and presentation currency of the Group

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- 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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.16 Translation of foreign currencies continued

Translation of foreign operations

The results, cash flows and financial position of Group entities that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated at rates of exchange ruling at the reporting date;
- Specific transactions in equity are translated at rates of exchange ruling at the transaction dates;
- Income and expenditure and cash flow items are translated at weighted average exchange rates for the period or translated at exchange rates at the date of the transaction, where applicable; and
- Foreign exchange translation differences are recognised as other comprehensive income and accumulated in the foreign currency translation reserve

The exchange rates relevant to the Group are disclosed in note 20.

1.17 Cash settled share-based payment transactions:

The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the profit or loss.

GROUP 2024	Cost R'000	Accumulated depreciation R'000	Accumulated impairment R'000	Carrying value R'000
Land	3 441	-	-	3 441
Buildings	333 003	(106 781)	-	226 222
Leasehold improvements	226 771	(190 681)	-	36 090
Plant and machinery	590 472	(362 522)	(22 655)	205 295
Motor vehicles	4 807	(4 122)	-	685
Furniture and equipment	128 901	(77 731)	-	51 170
	1 287 395	(741 837)	(22 655)	522 903

GROUP Movement summary 2024	Opening carrying value R'000	Acquisitions[1] R'000	Acquisition of subsidiary R'000	Adjustments[2] R'000	Disposals R'000	Depreciation R'000	Movement in exchange rates R'000	Closing carrying value R'000
Land	3 441	-	-	-	-	-	-	3 441
Buildings	238 314	21 567	-	130	-	(33 953)	164	226 222
Leasehold improvements	41 630	7 868	-	5 455	-	(18 919)	56	36 090
Plant and machinery	198 449	54 776	-	(7 854)	(1 872)	(38 204)	-	205 295
Motor vehicles	1 077	-	-	-	(189)	(203)	-	685
Furniture and equipment	43 734	17 513	175	2 222	(103)	(12 445)	74	51 170
	526 645	101 724	175	(47)	(2 164)	(103 724)	294	522 903

GROUP 2023	Cost R'000	Accumulated depreciation R'000	Accumulated impairment R'000	Carrying value R'000
Land	3 441	-	-	3 441
Buildings	311 051	(72 737)	-	238 314
Leasehold improvements	213 386	(171 756)	-	41 630
Plant and machinery	545 422	(324 318)	(22 655)	198 449
Motor vehicles	4 931	(3 854)	-	1 077
Furniture and equipment	105 723	(61 989)	-	43 734
	1 183 954	(634 654)	(22 655)	526 645

GROUP Movement summary 2023	Opening carrying value R'000	Acquisitions R'000	Acquisition of subsidiary R'000	Adjustments R'000	Disposals R'000	Depreciation R'000	Movement in exchange rates R'000	Closing carrying value R'000
Land	3 441	-	-	-	-	-	-	3 441
Buildings	155 744	112 778	-	-	-	(30 367)	159	238 314
Leasehold improvements	58 426	2 955	-	-	-	(19 785)	34	41 630
Plant and machinery	198 736	41 539	-	(2 373)	(2 498)	(36 955)	-	198 449
Motor vehicles	1 015	506	-	-	(129)	(315)	-	1 077
Furniture and equipment	43 636	9 987	-	2 373	(229)	(12 079)	46	43 734
	460 998	167 765	-	-	(2 856)	(99 501)	239	526 645

[1]Included in additions is a modification to a right-of-use asset amounting to R 21 276 703 , which is a non-cash flow item that has been adjusted for accordingly in the Cash Flow Statement.

[2]Adjustments relate to capital work in progress disclosed as plant and machinery in prior year but classified to other classes once the asset was put into use. The closing relates to amount classified as software during current year.

COMPANY Movement summary 2023	Opening carrying value	Acquisitions R'000	Assets held for sale[3] R'000	Adjustments R'000	Disposals R'000	Depreciation R'000	Closing carrying value R'000
Leasehold improvements	-	-	-	-	-	-	-
Buildings	19 321	-		(19 321)	-	-	-
Plant and machinery	-	-	-	-	-	-	-
Motor vehicles	-	-		-	-	-	-
Furniture and equipment	-	-	-	-	-	-	-
	19 321	-	-	16 036	-	-	-

Impairment tests for plant and equipment

The group reviews the carrying values of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Insurance
Comprehensive insurance cover is taken out over plant and equipment.

[3]Right of use asset derecognised as lease transferred to Cipla Medpro Manufacturing Proprietary Limited

General Notarial Bond by Cipla Medpro South Africa Group in favour of FirstRand Bank Ltd for R1 300 000 000,00 over all movable assets.

The Group has leases for the main warehouse, production and office building. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Leases of property generally have a lease term ranging from 5 years to 10 years. Lease payments are linked to annual changes in an index (either RPI or CPI).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

Net carrying amount of the right-of-use asset

The carrying amounts of right-of-use assets included in property plant and equipment relates to the following underlying asset:

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
-	-	Buildings	**163 955**	174 071

Additions to right-of-use assets

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
-	-	Buildings- modifications	**21 277**	112 298
-	-		**21 277**	112 298

During the current financial year, the lease for the Cape Town premises occupied by Medpro Pharmaceutica Proprietary Limited ended on 31 July 2023. The lease was extended for a further 2 year period ending 31 July 2025, resulting in a new right of use asset being recognised to the value of R19 809 644.

In addition, the lease for the Bloemfontein premises occupied by Medpro Pharmaceutica Proprietary Limited, ended on 30 September 2023. The lease was extended for a further 3 year period ending 30 September 2026, resulting in a new right of use asset being recognised to the value of R1 467 038.

The Group has a pre-emptive right to purchase the manufacturing premises currently occupied by Cipla Medpro Manufacturing (Pty) Ltd should the owners of the premises decide to sell, transfer, dispose or alienate the property.

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 2).

COMPANY 2023 R'000	**COMPANY 2024 R'000**		**GROUP 2024 R'000**	GROUP 2023 R'000
-	-	Right-of-use asset	**31 538**	28 251

Other disclosures

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
-	-	Interest expense on lease liabilities	**15 075**	9 149
-	-	Expenses on short term leases included in profit and loss	**813**	1 123
-	-	Leases of low value assets included in profit and loss	**3 702**	6 923

Leases on low value assets and short term periods consists of the leasing of printers, containers, storage units, equipment mostly on a month to month or short term basis.

Lease liabilities

The maturity analysis of lease liabilities is as follows:

COMPANY 2023 R'000	**COMPANY 2024 R'000**		**GROUP 2024 R'000**	GROUP 2023 R'000
-	-	Within one year	**40 789**	35 902
-	-	Two to five years	**103 730**	104 706
-	-	More than five years	**122 638**	144 752
-	-		**267 157**	285 360
-	-	Less finance charges component	**(71 731)**	(84 293)
-	-		**195 426**	201 067
-	-	Non-current liabilities	**168 499**	179 043
-	-	Current liabilities	**26 927**	22 024
-	-		**195 426**	201 067

4. Intangible assets

GROUP 2024	Cost R'000	Accumulated amortisation R'000	Accumulated impairment R'000	Carrying value R'000
Finite	**1 993 234**	**(740 865)**	**(261 045)**	**991 324**
Trademarks, registrations and dossiers	**1 774 101**	**(657 652)**	**(261 045)**	**855 404**
Non compete	**38 684**	**(12 166)**	**-**	**26 519**
Distributor relationship	**108 487**	**(12 499)**	**-**	**95 988**
Computer software	**71 962**	**(58 549)**	**-**	**13 413**
Indefinite	**1 337 918**	**-**	**(9 800)**	**1 328 118**
Trademarks, registrations and dossiers	**1 833**	**-**	**-**	**1 833**
Goodwill	**1 334 658**	**-**	**(8 373)**	**1 326 285**
Brands	**1 427**	**-**	**(1 427)**	**-**
	3 331 153	**(740 865)**	**(270 846)**	**2 319 442**

GROUP Movement summary 2024	Opening carrying value R'000	Acquistion of subsidiary[1]	Scrapping R'000	Acquisitions R'000	Amortisation R'000	Impairment R'000	Closing carrying value R'000
Finite	**360 068**	**646 360**	**(2 285)**	**55 871**	**(68 690)**	**-**	**991 324**
Trademarks, registrations and dossiers	**350 640**	**521 178**	**(777)**	**43 149**	**(58 785)**	**-**	**855 404**
Non compete	**3 217**	**26 323**	**-**	**-**	**(3 021)**	**-**	**26 519**
Distributor relationship	**-**	**98 859**	**-**	**-**	**(2 871)**	**-**	**95 988**
Computer software	**6 211**	**-**	**(1 508)**	**12 722**	**(4 013)**	**-**	**13 413**
Indefinite	**990 894**	**337 225**	**-**	**-**	**-**	**-**	**1 328 118**
Trademarks, registrations and dossiers	**1 833**	**-**	**-**	**-**	**-**	**-**	**1 833**
Goodwill	**989 060**	**337 225**	**-**	**-**	**-**	**-**	**1 326 285**
	1 350 962	**983 585**	**(2 285)**	**55 871**	**(68 690)**	**-**	**2 319 442**

GROUP 2023	Cost R'000	Accumulated amortisation R'000	Accumulated impairment R'000	Carrying value R'000
Finite	1 294 372	(672 983)	(261 321)	360 068
Trademarks, registrations and dossiers	1 211 218	(599 257)	(261 321)	350 640
Non compete	12 361	(9 144)	-	3 217
Distributor relationship	9 628	(9 628)	-	-
Computer software	61 165	(54 954)	-	6 211
Indefinite	1 000 694	-	(9 800)	990 894
Trademarks, registrations and dossiers	1 833	-	-	1 833
Goodwill	997 433	-	(8 373)	989 060
Brands	1 427	-	(1 427)	-
	2 295 066	(672 983)	(271 121)	1 350 962

GROUP Movement summary 2023	Opening carrying value	Scrapping R'000	Acquisitions R'000	Amortisation R'000	Impairment R'000	Closing carrying value R'000
Finite	422 107	(694)	11 917	(70 362)	(2 900)	360 068
Trademarks, registrations and dossiers	393 727	(694)	8 567	(48 060)	(2 900)	350 640
Non compete	5 278	-	-	(2 060)	-	3 218
Distributor relationship	1 352	-	-	(1 352)	-	0
Computer software	21 750	-	3 350	(18 890)	-	6 210
Indefinite	990 894	-	-	-	-	990 894
Trademarks, registrations and dossiers	1 833	-	-	-	-	1 833
Goodwill	989 060	-	-	-	-	989 060
	1 413 001	(694)	11 917	(70 362)	(2 900)	1 350 962

[1]During the current financial year the company acquired 100% share holding in Actor Proprieraty Limited , refer note 25 for further details.

As part of the acquisition, a non compete clause has been included and accounted for, the asset does meet the criteria of being separable therefore Non-compete has been recognized as a separate intangible asset and valued using incremental cash flow method under the Income approach.

Assessment of the group's intangible assets
Predicting the useful life of an intangible asset requires significant judgement. The diverse categories of intangible assets will have different useful lives, while a number of intangible assets may even be considered to have indefinite useful lives. For example, the useful life of the right associated with an exclusive patent will be finite and will result in an amortisation charge being recognised in profit or loss over a fixed period of time. However, the useful life associated with an asset that has no patent protection but that retains, and is expected to retain, a distinct market identity could be considered to be indefinite and the asset would not be amortised.

Impairment tests for intangible assets

Detailed impairment testing is performed for goodwill and indefinite-life intangible assets annually at the end of the reporting period and for all other intangible assets whenever impairment indicators are present. An impairment loss is recognised if the carrying amount of the asset or its cash-generating-unit exceeds its recoverable amount. The recoverable amount is the greater of the value in use, and fair value less cost of disposal.

Goodwill:

Our impairment review process is as follows:
Goodwill was assessed for impairment with reference to a valuation performed by management for each cash generating unit of the CMSA group. Each subsidiary is considered to be a cash generating unit. Management calculates the recoverable amount of the cash generating unit as the value in use and record an impairment loss if the resulting net recoverable amount is less than the carrying value of the intangible asset. If the resulting recoverable amount exceeds the carrying value of the intangible asset, the intangible asset is not impaired. Based on the value in use of the cash generating units, there was no indication of impairment of goodwill.

Key assumptions applied in goodwill impairment assessment

Growth in revenue	Determined from financial budgets and forecasts covering a five-year period. The growth rates used range between 7% and 15%, with a terminal growth ranging from 3% to 5%. The values determined are consistent with past experience.
Discount rate	A range between 13% and 15%. The discount rate reflects the current market assessments of the time value of money and the risks specific to the Group and exclude risks that are not relevant to projected cash flows.
Tax rate	A tax rate of 27% is assumed

Indefinite-life intangible assets

For indefinite-life intangible assets, such as brands, each year and whenever impairment indicators are present, we calculate the recoverable amount of the asset as the value in use and record an impairment loss if the resulting net recoverable amount is less than the carrying value of the intangible asset. If the resulting recoverable amount exceeds the carrying value of the intangible asset, the intangible asset is not impaired.

The value in use is generally measured as the net present value of projected cash flows. This amount approximates the fair value. The value of indefinite-life intangible assets is not material.

Finite-life intangible assets[1]

Growth in revenue	Determined from financial budgets and forecasts covering a five-year period. The growth rates used range between 7% and 15%, with a terminal growth ranging from 3% to 5%. The values determined are consistent with past experience.
Discount rate	A range between 13% and 15%. The discount rate reflects the current market assessments of the time value of money and the risks specific to the Group and exclude risks that are not relevant to projected cash flows.
Tax rate	A tax rate of 27% is assumed

For finite-life intangible assets, such as computer software, whenever impairment indicators are present, we perform detailed impairment testing.

Due to the significant headroom in the CMSA valuation, any changes to the inputs will not have a material impact on the assessment of the carrying value of intangible assets.

Interests in subsidiary companies

COMPANY	Year end	Date acquired	Issued share capital R	Effective group holding 2024 %	Effective group holding 2023 %	Investment 2024 R'000	Investment 2023 R'000
Direct holdings							
Mirren Proprietary Limited	31-Mar	22/10/19	1 500	**100**	100	**458 730**	458 730
Cipla Select Proprietary Limited (former Cipla OLTP Proprietary Limited)	31-Mar	31/01/19	80	**100**	100	**2 000**	2 000
Actor Proprietary Limited[1]	31-Mar	07/02/24	1 000	**100**	100	**900 000**	-
Cipla-Medpro Proprietary Limited	31-Mar	11/03/19	1 000	**100**	100	**1**	1
Cipla-Medpro Distribution Centre Proprietary Limited	31-Mar	11/03/19	100	**100**	100	**0**	0
Cipla Medpro Botswana Proprietary Limited	31-Mar	11/03/19	100	**100**	100	**-**	-
Medpro Pharmaceutica Proprietary Limited	31-Mar	11/03/19	1 000	**100**	100	**1**	1
Cipla Medpro Manufacturing Proprietary Limited (former Cipla Life Sciences Proprietary Limited)	31-Mar	18/03/21	1 000	**100**	100	**458 654**	458 654
Cipla Dibcare Proprietary Limited[2]	31-Mar	27/11/20	666	**100**	100	**1**	1
Cipla Kenya Limited	31-Mar	01/04/19	14 535	**100**	100	**15**	15
Total direct holdings						**1 819 401**	919 401

[1] *During the current financial year, the company acquired 100% holding in Actor Proprietary Limited, refer note 25 for further details*

[2] *This subsidiary is in the process of being liquidated*

All places of business of subsidiaries are in South Africa, except for Cipla Kenya Limited and Cipla Medpro Botswana Proprietary Limited which are in Kenya and Botswana respectively.

Interests in associate companies

COMPANY	Year end	Date acquired	Issued share capital R	Effective group holding 2024 %	Effective group holding 2023 %	Investment 2024 R'000	Investment 2023 R'000
Direct holdings							
Brandmed Proprietary Limited	31-Mar	24/04/19	-	**30**	30	**65 000**	65 000
Total direct holdings						**65 000**	65 000

Brandmed is a connected healthcare firm which develops software to seamlessly integrate a combination of connected solutions across the health continuum for patients, healthcare professionals, practices and institutions.

The group has elected to apply the exemption in terms of IAS 28.17 which allows for the exemption of applying the equity method for the investment in associate on company level.

Impairment considerations:
The continued losses incurred by the associate, although expected by management for the initial years of the venture, has been identified as a possible impairment trigger. Management has performed a fair value estimation based on future cash flows and are satisfied that no impairment needs to be recognised.
The projection is that the associate will be in profit- making position in the 2025 financial year.

GROUP	Investment 2024 R'000	Investment 2023 R'000
Direct holdings		
Brandmed Proprietary Limited		
Opening investment value	**47 850**	51 614
Share of loss of associate	**(2 461)**	(3 764)
Closing investment value	**45 389**	47 850

6. Amounts due (to) from group companies

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000			GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
			Amounts due to group companies		
			Classified as current liabilities:		
			Holding company		
-	-	(a)	Cipla Limited	**(19 228)**	(4 071)
			Fellow Subsidiary		
-	-	(b)	*Meditab Holdings Limited (USD)*	**(47 309)**	(44 456)
			Subsidiaries		
(739 194)	**(691 764)**	(a)	Medpro Pharmaceutica Proprietary Limited (current)	-	-
(6 486)	**(1 190)**	(a)	Cipla Medpro Manufacturing Proprietary Limited	-	-
(745 680)	**(692 954)**		**Total current liabilities**	**(66 537)**	(48 527)
			Classified as non-current liabilities:		
-	-		*Holding company*		
-	**(2 100 000)**	(c)	Cipla Limited	**(2 100 000)**	-
-	**(2 100 000)**		**Total non-current liabilities**	**(2 100 000)**	-
			Amounts due from group companies		
			Classified as current assets:		
			Fellow Subsidiaries		
-	-	(a)	Cipla Quality Chemical Industries Limited	-	81
			Subsidiaries		
4 300	**4 300**	(a)	Cipla Medpro Proprietary Limited	-	-
4 300	**4 300**		**Total current assets**	-	81
			Classified as non-current assets:		
			Associate		
15 742	**38 863**	(d)	Brandmed Proprietary Limited	**38 863**	15 742
			Subsidiaries		
-	**1 735 491**	(e)	Medpro Pharmaceutica Proprietary Limited	-	-
15 742	**1 774 354**		**Total non-current assets**	**38 863**	15 742
20 042	**1 778 654**		Loans and receivables	**38 863**	15 824
(745 680)	**(2 792 954)**		Financial liabilities measured at amortised cost	**(2 166 537)**	(48 527)

Current group loans are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

Non- Current group loans are carried at amortised cost, with the fair value being approximated by such carrying values due to the discount rate being linked to market rates (refer terms below).

(a) These loans are unsecured, interest free and are repayable on demand. Medpro Pharmaceutica Proprietary Limited ("Medpro") provided a letter of support in which they confirms and undertake that they will continue to provide financial support and assistance to maintain capital and liquidity levels. Medpro further confirmed that they will not demand repayment of this loan from the company for as long as its fairly valued assets are exceeded by its fairly valued liabilities.

Cipla Quality Chemical Industries Limited is no longer a fellow subsidiary at reporting date.

(b) This loan is unsecured, interest free and repayable on demand. This loan is denominated in USD and amounts to $ 2 500 000.

(c) This loan is unsecured and is repayable in tranches beginning 31 March 2026, with the full value to be repaid by 31 October 2029. The loan bears interest at 250 basis points higher than 3 months JIBAR rate capped at the prime lending rate in South Africa. Interest is payable is quarterly.

(d) R15 000 000 of this loan is unsecured and interest is charged at a rate of prime less 1.75% . Loan repayments start after 31 March 2025 (previously 31 March 2024) and the loan term ends on 31 March 2028. If Brandmed Proprietary Limited cannot repay the loan for 3 consecutive months after 31 March 2025, then the company has the option of converting the loan to equity.

During the current financial year a further R20 000 000 was borrowed to Brandmed Proprietary Limited. This portion of the loan is unsecured and interest is charged at a rate of prime less 1.75%. The loan matures in 24 months. At maturity date , the company has the option to convert the principal plus accrued and unpaid interest into a number of the most senior class of shares.

As at reporting date the company has not exercised any of the above options or has the intention of exercising it:

(e)This loan is unsecured and is repayable in tranches beginning 31 March 2026, with the full value to be repaid by 31 October 2029. The loan bears interest at 275 basis points higher than 3 months JIBAR rate.

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate. As at reporting date no significant credit risk has been identified.

The carrying amount of financial assets represents the maximum credit exposure.

Internal Credit grade	*Description*	*Basis for recognising excepted credit losses*
Performing	*Low risk of default*	*Other*
Impair	*There is evidence indicating that the counterparty is in financial difficulty and there is no current prospect of recovery.*	*Amount Written off*

Credit Loss Allowances
The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans

2023 - Group

Instrument	*Internal Credit Rating (Where Applicable)*	*Basis of loss allowance*	*Gross Carrying amount R'000*	*Amortised Cost R'000*
Loans to fellow subsidiaries				
Cipla Quality Chemical Industries Limited	*Performing*	*Other*	*81*	*81*

2024 - Company

Instrument	*Internal Credit Rating (Where Applicable)*	*Basis of loss allowance*	*Gross Carrying amount R'000*	*Amortised Cost R'000*
Loans to subsidiaries				
Cipla Medpro Proprietary Limited	*Performing*	*Other*	*4 300*	*4 300*
Medpro Pharmaceutica Proprietary Limited	*Performing*	*Other*	*1 735 491*	*1 735 491*

2023 - Company

Instrument	*Internal Credit Rating (Where Applicable)*	*Basis of loss allowance*	*Gross Carrying amount R'000*	*Amortised Cost R'000*
Loans to subsidiaries				
Cipla Medpro Proprietary Limited	*Performing*	*Other*	*4300*	*4300*

The impairment of Loans to group companies has been assessed as immaterial by management, additionally the Brandmed Proprietary Limited Loan has the option of converting into equity should Brandmed not be able to satisfy commitments , therefore the exposure to default risk is none.

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Deferred tax balance comprises:		
-	-	Plant and equipment	**(523)**	(5 421)
-	-	Intangible assets	**(10 813)**	(26 215)
-	-	Inventory	**47 935**	55 146
-	-	Operating leases	**60**	90
-	-	Employee benefit provisions	**30 851**	24 164
-	-	Impairment of trade and other receivables	**5 813**	3 525
-	-	IFRS 16 Right-of-use asset and lease liability	**7 927**	6 746
-	-	IFRIC 23 Provision	**2 513**	2 513
-	-	Acquisition of subsidiary[1]	**(174 517)**	-
59	**146**	Other	**9 350**	(1 427)
-	-	Tax losses carried forward	**25 600**	18 876
59	**146**	**Deferred tax (liability) asset**	**(55 804)**	77 997
		Disclosed as follows in the statement of financial position:		
59	**146**	Deferred tax asset	**142 159**	123 331
-	-	Deferred tax liability	**(197 963)**	(45 335)
59	**146**	**Balance at end of the year**	**(55 804)**	77 997
		Reconciliation of deferred tax balance		
(25 922)	**59**	**Balance at beginning of the year**	**77 997**	59 915
33 764	-	Plant and equipment	**17 552**	15 403
(257)	-	Intangible assets	**2 749**	863
-	-	Inventory	**(8 233)**	18 595
-	-	Operating leases	**(31)**	251
(4 515)	-	Employee benefit provisions	**6 541**	(12 511)
-	-	Impairment of trade and other receivables	**1 835**	1 788
(2 469)	-	IFRS 16 Right-of-use asset and lease liability	**1 172**	(2 726)
-	-	Change in tax rate	**-**	266
(542)	**87**	Other	**12 158**	2 887
-	-	Tax losses carried forward	**5 243**	(6 882)
-	-	Foreign currency translation difference	**184**	147
-	-	Acquisition of subsidiary[1]	**(172 970)**	-
59	**146**	**Balance at end of the year**	**(55 804)**	77 997

[1] *During the current financial year, the company acquired 100% holding in Actor Proprietary Limited, refer note 25 for further details. The deferred tax recognised relates to the take on balance.*

Deferred tax assets and liabilities are recognised on the assumption that the assets and liabilities will either be recovered through use in the future or will be realised through sale. A capital gains tax rate of 21.4% (2023: 21.4%) was used to compute deferred tax for assets and liabilities which will be realised through sale, and a rate of 27% (2023: 27%) was used for deferred tax balances to be recovered through use.

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
-	-	Raw materials	169 846	259 528
-	-	Finished goods	1 273 813	904 312
-	-	Work-in-progress	44 762	51 192
-	-	Consumables[1]	19 046	15 010
-	-	Total net inventory[2]	1 507 467	1 230 042
-	-	Provision for the impairment of inventory	(115 295)	(74 224)
-	-	Raw materials	(13 654)	(21 223)
-	-	Finished goods	(101 641)	(53 001)

[1]Consumables consists of spare parts, packaging materials and other consumables used in the manufacturing and testing's processes

[2] Net inventory includes the effect of provision for impairment of inventory

Secured assets

General notarial bond by Cipla Medpro South Africa Group in favour of FirstRand bank Ltd for R 1 300 000 000.00 over all movable assets

Inventory write offs

Inventory to the value as shown below was written off and included as an expense in cost of sales during the financial year.

2023	2024		2024	2023
-	-		108 451	102 239

Notes to the financial statements 9. **Trade and other receivables**

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Financial instruments		
87 511	**65 996**	Trade receivables due from related parties	**5 568**	6 241
266 897	**217 497**	Trade receivables due from external parties	**1 692 553**	1 291 005
-	-	Loss allowance	**(41 760)**	(20 203)
354 408	**283 493**	Trade receivables at amortised cost	**1 656 361**	1 277 043
1 414	**52 135**	Other receivables[1]	**52 523**	2 300
		Non-financial instruments		
2 768	-	VAT	**9 950**	3 567
1 146	-	Prepayments	**138 122**	132 674
359 736	**335 628**	**Total trade and other receivables**	**1 856 956**	1 415 584

[1]Included in other receivables is an amount of R52 134 659, being the full and final release of the business interruption insurance claim lodged under the Political Violence Insurance Risks Policy in respect of losses the company sustained as a result of activities which occurred in parts of Kwa-Zulu Natal in South Africa commencing on 11 July 2021.

Categorisation of trade and other receivables
Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

355 822	**335 628**	At amortised cost	**1 708 884**	1 279 343
3 914	-	Non-financial instruments	**148 072**	136 241
359 736	**335 628**		**1 856 956**	1 415 584

As indicated in notes 12 (a) to 12 (c), trade receivables of R1 692 552 724 (2023: R1,272,534,535) have been ceded to the bank as security for banking, loan facilities granted and future lines of credit.

Trade and other receivables are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities. Payment terms range from 60 to 90 days with reasonable expectation that payment will be received within 12 months.

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer balances are also covered by Credit Guarantee Insurance. Customer credit limits are in place and are reviewed and approved by credit management. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.
For purposes of internal credit risk management purposes, the company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off may still be subject to enforcement activities under the groups recovery procedures.

The loss allowance excludes Value Added Tax.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

Management has assessed the expected credit loss for tender customers and concluded that the adjustment is immaterial due to following reasons:
- Government institutions has a history of paying later than private customers. The entity does site visits to the major debtors and during these visits the amount owed is reconciled.
- The entity has obtained acknowledgments of debt and payments commitments from some of largest tender debtors.
- A substantial amount of the long outstanding balances have also been received after year end relating to certain commitments received during site visits.

Financial assets are considered to be credit impaired when there is observable evidence that one or more events have occurred that has had a negative impact on the estimated future cash flows expected to flow from the asset such as:
- significant financial difficulty of the borrower or customer
- a breach of contract such as a default (where the counterparty is unlikely to pay its obligations) or being more than 90 days past due
- restructuring of a loan or advance on terms that the group would not otherwise consider
- it is probable that the borrower or customer will enter bankruptcy or other financial reorganisation

Expected credit loss rate:

COMPANY 31 March 2023 R'000	COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000	GROUP 31 March 2023 R'000
Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**		**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
				Private customers				
52 727	-	13 401	-	Not past due: 2.46% (2023:1.56%)	807 035	(19 758)	614 026	(9 588)
6 605	-	5 634	-	Less than 30 days past due: 3.51% (2023:2.2%)	282 243	(9 922)	229 883	(5 049)
3 940	-	3 827	-	31 - 60 days past due: 8.58% (2023:6.3%)	94 329	(8 094)	67 783	(4 269)
6 558	-	9 304	-	61 - 90 days past due: 13.49% (2023:14.75%)	67 659	(9 124)	23 092	(3 405)
17 680	-	6 177	-	91 - 120 days past due: 94.87% (2023:64.72%)	12 106	(11 517)	11 410	(7 384)
-	-	5 840	-	More than 120 days past due: 39.48% (2023:14.66%)	9 425	(3 721)	16 121	(2 364)
-	-	21 813	-	More than 150 days past due: 89.25% (2023:84.08%)	81 225	(72 490)	61 350	(51 584)
-	-	-	-	Insured portion- collateral value	-	99 670	-	70 017
87 510	-	65 996	-		1 354 022	(34 956)	1 023 665	(13 626)
				Tender customers				
57 485	-	45 524	-	Not past due: 0%	57 535	-	57 485	-
70 723	-	45 506	-	Less than 30 days past due: 0%	90 122	-	70 723	-
6 052	-	24 752	-	31 - 60 days past due: 0%	61 592	-	6 052	-
5 605	-	15 442	-	61 - 90 days past due: 0%	23 135	-	5 605	-
9 310	-	13 844	-	91 - 120 days past due: 0%	25 017	-	9 310	-
117 723	-	72 429	-	More than 120 days past due: 0%	86 698	-	118 165	(442)
266 898	-	217 497	-		344 099	-	267 340	(442)
-	-	-	-	Once off provision for bad debt on private debtors	-	(6 103)	-	(5 945)
-	-	-	-	Once off provision for bad debt on tender debtors	-	(701)	-	(190)
354 408	-	283 493	-	**Total**	1 698 121	(41 760)	1 291 005	(20 203)

10. Share capital and premium

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Authorised share capital		
500	500	500 000 000 ordinary shares of 0,1 cent each	500	500
		Issued share capital		
450	450	Opening balance - 450 740 684 (2023: 450 740 684) ordinary shares of 0,1 cents each	450	450
450	450	Closing balance - 450 740 684 (2023: 450 740 684) ordinary shares of 0,1 cents each	450	450

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Share premium		
1 042 099	1 042 099	Opening balance	1 042 099	1 042 099
1 042 099	1 042 099	Closing balance	1 042 099	1 042 099

The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

The Group uses derivative financial instruments, such as forward currency contracts, to hedge against the foreign currency risk of highly probable USD and EUR purchases. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedges:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under hedging reserve. The Group classifies its forward contract that hedge foreign currency risk associated as cash flow hedges and measures them at fair value. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion (as described above) are reclassified to the profit or loss in the periods when the hedged item affects Statement of Profit and Loss, in the same line as the recognised hedged item. When the hedging instrument expires or is sold or terminated or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain/loss at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain/ loss that was reported in equity are immediately reclassified to profit or loss within other income.

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
		Derivatives		
6	-	Forward exchange contracts (liability)/ asset	**2 478**	2 193
6	-		**2 478**	2 193

Financial assets at fair value through profit or loss on initial recognition:
Forward exchange contracts

The table below sets out the revaluation of open FECs at 31 March 2024 and 31 March 2023:

COMPANY 31 March 2023	**COMPANY 31 March 2024**			**GROUP 31 March 2024**	GROUP 31 March 2023
177	-	**United States Dollar**	(USD '000)	**12 000**	10 047
19	-	Average forward exchange rate	(ZAR/USD)	**18.9099**	17.9487
3 293	-	Forward ZAR value	(ZAR '000)	**226 928**	180 330
3 147	-	Mark to market valuation	(ZAR '000)	**229 485**	179 120
(146)	-	Fair value (loss)/ gain	(ZAR '000)	**2 557**	(1 210)
594	-	**Euro**	(EUR '000)	**2 654**	4 851
19	-	Average forward exchange rate	(ZAR/EUR)	**20.8211**	18.8235
11 361	-	Forward ZAR value	(ZAR '000)	**55 269**	91 310
11 513	-	Mark to market valuation	(ZAR '000)	**55 189**	94 602
152	-	Fair value (loss)/ gain	(ZAR '000)	**(79)**	3 291
		British Pound	(GBP '000)	-	367
-	-	Average forward exchange rate	(ZAR/GBP)	-	21.8496
-	-	Forward ZAR value	(ZAR '000)	-	8 011
-	-	Mark to market valuation	(ZAR '000)	-	8 123
-	-	Fair value (loss)/ gain	(ZAR '000)	-	112
6	-	Total Present Value of fair value losses	(ZAR '000)	**2 478**	2 193

Effects of hedge accounting in the Group's profit or loss and other comprehensive income

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**	**Type of hedge** **Cash flow hedge** (i) Foreign exchange risk	**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
-	-	Change in the value of the hedging instrument recognised in other comprehensive income	-	(15 814)
-	-	Amount reclassified from cash flow hedging	-	(70)
-	-	Amount reclassified from inventory to profit or loss	**2 428**	(281)

Hedge effectiveness is determined at the inception of hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationships exists between the hedged item and hedging instruments. It is calculated by comparing changes in fair value of the hedged item, with the changes in fair value of the hedging instrument. Such derivative financial instruments are governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established

The foreign currency forward contracts are denominated in the same currency as the highly probable forecast transactions therefore hedge ratio of 1:1.

For the forward contracts designated as cash flow hedge, the effective portion of the fair value of forward contracts are recognised in hedge reserve under equity.

Movement in cash flow hedging reserve and costs of hedging reserve

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**	**Hedge Reserve**	**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
-	-	**Opening balance**	**1 074**	(10 276)
-	-	Changes in fair value of foreign exchange forward contracts	**2 025**	15 814
-	-	Amount reclassified to inventory	**1 097**	(352)
-	-	Amount reclassified to cost of sales	**(2 428)**	281
-	-	Deferred tax relating to above	**(45)**	(4 393)
-	-	**Closing balance**	**1 724**	1 074

Contractual maturity dates of FEC's taken out

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
6	-	0 - 3 months	**2 754**	2 408
-	-	3 - 6 months	**(276)**	(214)
6	-		**2 478**	2 193

Exposure to currency risk
Sensitivity analysis

The sensitivity analysis assumes that all other variables, in particular interest rates, remain constant. A 10% strengthening of the ZAR against these foreign currencies would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.
The group's exposure to foreign currency risk, including a sensitivity of a 10% weakening of the ZAR against these foreign currencies are as follows:

The following ZAR spot rates applied at reporting date for the group:	2024	2023
USD	18.93	17.81
EUR	20.49	19.32
GBP	23.91	21.92

Company 2024	**Amount in Foreign currency**	**ZAR**	**(Increase) / Decrease in profit before taxation/equity**
FEC - United states Dollar	-	-	-
FEC- Euro	-	-	-

Company 2023	**Amount in Foreign currency**	**ZAR**	**(Increase) / Decrease in profit before taxation/equity**
FEC - United states Dollar	177	3 152	- 315
FEC- Euro	849	11 477	- 1 148

Group 2024	**Amount in Foreign currency**	**ZAR**	**(Increase) / Decrease in profit before taxation/equity**
FEC - United states Dollar	12 000	227 180	- 22 718
FEC- Euro	2 654	54 392	- 5 439

Group 2023	**Amount in Foreign currency**	**ZAR**	**(Increase) / Decrease in profit before taxation/equity**
FEC - United states Dollar	10 047	178 888	- 17 889
FEC- Euro	4 851	93 717	- 9 372
FEC- GBP	366.63	8 035	- 804

Classified as current liability:

(a) This loan bears interest at rates linked to the SA Moneymarket. The loan is repayable on demand, with interest payable monthly. The loan is secured through guarantees by Cipla Medpro South Africa Group. Cipla Medpro South Africa Proprietary Limited, Cipla Medpro Manufacturing Proprietary Limited and Cipla-Medpro Proprietary Limited subordinated their claims against Medpro Pharmaceutica Proprietary Limited. There is a cession of trade receivables, receivables insurances and claims of Cipla Medpro South Africa Proprietary Limited and Medpro Pharmaceutica Proprietary Limited.

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Facility of R 480 million (2023:R 280 million)		
-	-	Opening balance	**210 000**	-
-	-	Interest capitalised	**18 218**	(4 559)
-	-	Repayment of interest	**(18 218)**	(438)
-	-	Receipt of interest		4 998
-	-	Capital repayment	**(2 920 000)**	-
-	-	Draw down	**2 920 000**	210 000
-	-	Closing balance excluding accrued interest	**210 000**	210 000

(b) This loan bears interest at rates linked to the JIBAR rate. The loan is repayable on 30 June 2023, with interest payable monthly. The loan is secured through guarantees by Medpro Pharmaceutica Proprietary Limited. Medpro Pharmaceutica Proprietary Limited, Cipla Medpro Manufacturing Proprietary Limited and Cipla-Medpro Proprietary Limited subordinated their claims against Cipla Medpro South Africa Proprietary Limited. There is a cession of trade receivables, receivables insurances and claims of Cipla Medpro South Africa Proprietary Limited and Medpro Pharmaceutica Proprietary Limited. The loan was settled in full during the current financial year.

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Facility of R 420 million (2023:R 420 million)		
420 000	**420 000**	Opening balance	**420 000**	420 000
31 560	**29 750**	Interest capitalised	**29 750**	31 560
(31 560)	**(29 750)**	Repayment of interest	**(29 750)**	(31 560)
-	**(420 000)**	Capital repayment	**(420 000)**	-
420 000	-	Closing balance excluding accrued interest	-	420 000

(c) This loan bears interest at rates linked to the JIBAR rate. The loan is repayable on 07 May 2023, with interest payable monthly. The loan is secured through guarantees by Cipla Medpro South Africa Group. Cipla Medpro South Africa Proprietary Limited, Cipla Medpro Manufacturing Proprietary Limited and Cipla-Medpro Proprietary Limited subordinated their claims against Medpro Pharmaceutica Proprietary Limited. There is a cession of trade receivables, receivables insurances and claims of Cipla Medpro South Africa Proprietary Limited and Medpro Pharmaceutica Proprietary Limited. The loan was settled in full during the current financial year.

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
		Facility of R 300 million (2023:R 300 million)		
-	-	Opening balance	**300 000**	300 000
-	-	Interest capitalised	**21 096**	22 331
-	-	Repayment of interest	**(21 096)**	(22 331)
-	-	Capital repayment	**(300 000)**	-
-	-	Closing balance excluding accrued interest	**-**	300 000

(d) RMB Gaurantee supported GBF "B" Facility. This loan bears interest at rates linked to the JIBAR rate. The loan is repayable on 07 May 2023, with interest payable monthly. The loan aws secured through guarantees by Cipla Ltd and Cipla Medpro South Africa Group. Cipla Medpro South Africa Proprietary Limited, Cipla Medpro Manufacturing Proprietary Limited and Cipla-Medpro Proprietary Limited subordinated their claims against Medpro Pharmaceutica Proprietary Limited. There is a cession of trade receivables, receivables insurances and claims of Cipla Medpro South Africa Proprietary Limited and Medpro Pharmaceutica Proprietary Limited. The loan was settled in full during the current financial year. Guarantee issued by Cipla Ltd was cancelled during the current financial year.

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
		Facility of R 900 million (2023:R nil)		
-	-	Opening balance	**-**	-
-	-	Interest capitalised	**2 229**	-
-	-	Repayment of interest	**(2 229)**	-
-	-	Capital repayment	**(900 000)**	-
-	-	Draw down	**900 000**	-
-	-	Closing balance excluding accrued interest	**-**	-
420 000	-	Total current loans	**210 000**	930 000

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		The provisions balance as at 31 March 2024 comprises:		
-	-	Provision for annual bonus	**66 100**	58 923
-	-	Provision for leave pay	**15 976**	13 904
-	-	Provision for expired stock[1]	**-**	26 645
-	-	Closing balance	**82 076**	99 472

1Provision for expired stock has not been disclosed seperately in the current year, it is included in Note 15 Contractual Liabilities

The table below summarises the reconciliation of each class of provision:

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Employee benefit provisions		
7 721	-	Opening balance	**72 827**	76 485
-	-	Utilised during the year	**(72 541)**	(83 528)
(1)	-	Additional provision raised	**81 288**	79 632
-	-	Foreign currency translation	**311**	237
7 720	-	Closing balance	**82 076**	72 827

Employee benefit provisions comprise of provision for annual bonus and provision for leave pay.

The leave and bonus provision relates to short-term employee benefits which is payable within 12 months after services is rendered. The expected cost of compensated absences is recognized as an expense as the employees render services which increases their entitlement when the absence occurs.
The leave and bonus provision represents management's best estimate of the company's liability based on factual information. Uncertainty relating to leave provision relates to the timing that the employee will make use of their leave.

Uncertainty relating to bonus provision is that the employee needs to be in employment of the entity on the day of their employment anniversary in order to qualify for the bonus and bonuses are linked to company performance and therefore future performance of the entity is projected and not yet final.

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
		Expired stock returns provision		
-	-	Opening balance	-	32 310
-	-	Acquisition of Subsidiary	-	-
-	-	Utilised during the year	-	(5 856)
-	-	Additional provision raised	-	181
		Foreign currency translation	-	10
-	-	Closing balance	-	26 644

Expired stock returns provision relates to stock in the channel which we expect to be returned due to being close to expiry.

This is now disclosed as a contractual liability, refer Note 15.

14. Trade and other payables

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
49 557	47 512	Trade payables due to related parties	600 942	605 010
5 967	-	Trade payables due to external parties	239 990	255 683
816	1 427	Accruals	199 508	181 032
57 367	200 981	Other payables[1]	218 320	63 039
		Non-financial instruments		
-	568	VAT	26 940	23 746
9 611	14 921	Withholding taxation payable	17 716	9 972
123 318	265 409		1 303 417	1 138 482

[1]Included in other payables:
- During the current financial year the amount payable to Actor Pharma Proprietary Limited , R58 291 813 which arose through the acquisition of Mirren Proprietary Limited, was settled in full. The parties agreed to split the capital and interest accrued on a 50/50 basis.

- Included in current year balance is an amount of R200 000 000, payable to Actor Holdings Proprietary Limited which arose through the acquisition of Actor Propriety Limited. Refer note 25 for further details.

Information about the group's exposure to currency and liquidity risk is included in note 20.

The fair value of trade and other payables approximate the carrying amounts.

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Expired stock returns provision		
-	-	Opening balance	26 644	-
-	-	Utilised during the year	(7 687)	-
-	-	Additional provision raised	1 756	-
		Foreign currency translation	26	-
-	-	Closing balance	20 739	-

Expired stock returns provision relates to stock in the channel which we expect to be returned due to being close to expiry.

Provision is made for right of return in respect of products sold as per the contractual terms and conditions. These claims are expected to be settled in the next financial year. Management estimates the provision quarterly based on historical information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior year.

16. Operating income

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Revenue comprises the following:		
1 121 178	688 281	Sale of goods[1]	5 619 913	5 052 049
-	-	Private	4 647 157	3 972 793
1 121 178	688 281	Tender	972 756	1 079 256
1 121 178	688 281	Total Revenue	5 619 913	5 052 049
		Other income comprises the following:		
5 730	56 976	Insurance claims	57 006	5 730
18	-	Discount received	-	189
-	-	Rental income[2]	2 988	3 437
9 144	22 500	Other[3]	45 461	27 056
14 892	79 476	Total other income	105 454	36 412
1 136 070	767 757	Total operating income	5 725 367	5 088 461

[1]Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon delivery to the customer.

There were no unsatisfied performance obligations as at 31 March 2024.

Revenue is primarilty split between private and tender market due to the distinct nature between the two. Private relates to sales generated from wholesalers, pharmacies, mass market etc, whereas tender relates to sales only made to the government in terms of contracts awarded to the entity.

[2]Rental income relates to shelf space rental to third parties at Cipla Medpro Distribution Center Proprietary Limited

[3]Company other income includes:
- Derecognition of Right of Use asset due to the business transfer to Cipla Medpro Manufacturing Proprietary Limited Rnil (2023: R9 144 000)
- Settlement of amount payable to Actor Pharma Proprietary Limited which arose through the acquisition of Mirren Proprietary Limited, R22 500 000. The parties agreed to split the capital and interest accrued on a 50/50 basis. (2023: Rnil)

Group other income includes:
- Commission charged by Cipla Kenya Limited to Cipla Limited R19 887 002 (2023: R17 679 469)
- Lease modification for Cipla Medpro Distribution Centre amounting to Rnil (2023: R5 589 948)

17. Results from operating activities

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Results from operating activities is stated after:		
		Income		
5 730	56 976	Insurance settlement income	57 006	5 730
		Expenditure and Cost of sales		
-	-	(Profit) Loss on disposals of property, plant and equipment and intangible assets	3 852	1 351
-	-	Depreciation of property, plant and equipment	103 688	99 475
-	-	Amortisation of intangible assets	68 690	70 172
-	-	Impairment losses on intangible assets	-	2 900
(3 739)	-	(Profit) Loss on derivatives	(101)	(13 752)
(8 782)	(4 528)	(Profit) Loss on foreign exchange	(6 819)	(45 790)
(3 398)	3 415	Staff costs	814 897	705 117
-	-	- Defined contribution costs	66 423	61 909
-	-	- Directors' remuneration and benefits	12 642	71 123
(3 398)	3 415	- Other staff costs	735 832	572 085
300	1 246	Auditor's remuneration	5 922	4 441
300	540	- Audit fees (internal and external)	4 459	4 118
-	707	- Other	1 463	323
10 738	6 928	Royalties and commissions	2 769	3 036
-	-	Lease rentals	4 515	8 047
-	-	- Premises	2 228	418
-	-	- Equipment	2 286	7 629
-	-	Credit loss allowance	19 879	11 048
1 133	852	Research costs	852	1 133

18. Net finance (costs) / income

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000			GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Cash movement of finance cost:			
(31 560)	(29 750)	Interest on bank loans		(70 948)	(54 329)
-	(69 351)	Interest on corporate loans		(69 351)	(7 743)
(489)	-	Interest paid under provision of income tax		(345)	(1 081)
(486)	-	Interest on customs duties		-	(547)
		Non-cash movement of finance cost:			
-	-	Interest on leased assets		(15 231)	(9 149)
-	-	Notional interest on extended terms	(a)	(49 056)	(31 654)
(32 535)	(99 101)	Finance costs		(204 931)	(104 503)
-	16 496	Interest on bank balances		23 133	11 754
-	58 611	Interest on related party loans		-	-
262 896	900 000	Dividends received		-	-
1 530	7 770	Other interest received	(b)	11 249	1 546
264 426	982 877	Finance Income		34 383	13 300
231 891	883 776	Net finance costs and income		(170 548)	(91 203)

(a) Where an entity purchases on deferred settlement terms, i.e. the arrangement effectively contains a financing element, that portion constituting the financing element is recognised as a finance expense over the period of financing. This has the effect of decreasing cost of sales and increasing finance costs by R 49 055 871 (2023: R 31 653 966).

(b) Included in other interest received is an amount of R 7 742 254 which relates to the settlement of Mirren deferred consideration. This was settled during the financial year and it was agreed for the parties to share 50% of the interest accrued on the Escrow account.

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		Current tax expense		
25 356	35 174	Current year	112 523	78 462
(4 095)	-	Prior year under provision	1 956	(3 942)
21 261	35 174		114 479	74 520
		Deferred tax expense (income)		
(27 948)	(87)	Origination and reversal of temporary differences	(30 644)	(30 610)
1 966	-	Prior year under (over) provision	(8 401)	8 283
(25 982)	(87)		(39 045)	(22 327)
		Dividends tax		
-	-	Current year[2]	2 368	-
-	-		2 368	-
		Withholding tax		
-	-	Current year	1 789	1 072
-	-		1 789	1 072
(4 721)	35 087	Total income tax expense	79 591	53 265

Reconciliation of effective tax rate GROUP	2024 31 March %	2024 31 March R'000	2023 31 March %	2023 31 March R'000
Profit for the year		180 451		98 713
Tax expense		79 591		53 265
Profit before income tax		260 042		151 978
Income tax using the company's domestic tax rate	27.00	70 211	27.00	41 034
Non-deductible expenses net of tax-exempt income[1]	4.10	10 654	4.66	7 077
Research & development allowance	(0.13)	(345)	(0.30)	(459)
Current year losses for which no deferred tax asset was recognised	0.43	1 126	-	-
Dividends tax	0.91	2 368	-	-
Withholding tax	0.69	1 789	0.71	1 072
Kenya difference in tax rate	0.09	232	0.13	200
Current tax - prior year under provision	0.75	1 956	(2.59)	(3 943)
Deferred tax - prior year under (over) provision	(3.23)	(8 401)	5.45	8 283
	30.61	79 591	35.05	53 265

Reconciliation of effective tax rate COMPANY	2024 31 March %	2024 31 March R'000	2023 31 March %	2023 31 March R'000
Profit (Loss) for the year		994 468		381 336
Tax expense		35 087		(4 721)
Profit (Loss) before income tax		1 029 556		376 615
Income tax using the company's domestic tax rate	27.00	277 980	27.00	101 686
Non-deductible expenses net of tax-exempt income	(23.56)	(242 548)	(18.77)	(70 676)
Change in tax rate	-	-	-	-
Research & development allowance	(0.03)	(345)	(0.12)	(459)
Transfer of business	-	-	(8.80)	(33 142)
Current tax - prior year under provision	-	-	(1.09)	(4 096)
Deferred tax - prior year over provision	-	-	0.52	1 966
	3.41	35 087	(1.25)	(4 721)

[1]Included in this amount is depreciation on leasehold improvements, legal expenses of a capital nature and interest not deductible in terms of section 31 of the Income Tax Act. For the Company it also includes dividends received from group companies.

[2]Dividends tax arose on deemed dividend as a result of interest not deductible in terms of section 31 of the Income Tax Act.

The group is exposed to the following risks:
- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital.

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. Since the take-over from Cipla Limited in July 2013, the group has formed a finance committee, which feeds into the global finance committee of Cipla Limited, which in turn reports into the global Audit and Risk Committee. CMSA's finance committee's develops and monitors the group's risk management policies.

The group's risk management policies are established to identify and analyse the risk faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The Groups finance leadership team oversees and monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The team is assisted in its oversight role by a co-sourced internal audit function comprising an independent firm of internal auditors. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee on a regular basis.

Credit risk
Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables due from customers.

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment, delivery terms and conditions are offered. The group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the directors; these limits are reviewed regularly. Customers that fail to meet the group's benchmark creditworthiness may transact with the group only on a prepayment basis.

More than 80 percent of the group's customers have been transacting with the group for over five years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are a wholesale, retail or government customer, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the group's wholesale customers.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the group has a secured claim against the customer. The group does not require any other collateral in respect of trade and other receivables. Where appropriate, receivables insurance cover is purchased.

The group establishes a loss allowance that represents its estimate of the expected credit losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. This loss allowance is determined based on historical data of payment statistics for similar debtors (refer to note 9 for further details including company considerations).

The group addresses credit risk on trade and other receivables through a receivables insurance cover policy.

Investments
The group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a good credit rating. In light of this strategy, management does not expect any counterparty to fail to meet its obligations.

Guarantees
The group's policy is to provide financial guarantees only to wholly owned subsidiaries (refer to note 12 for further details).

Expected Credit risk cash and cash equivalents
The exposure at default is considered to be the outstanding balance at year end as this is the amount that is exposed. Refer to cash and cash equivalents Note 23

Bank Facilities	National Credit Rating
Nedbank Limited	P-1.za
ABSA Bank Limited	P-1.za
First Rand Bank	P-1.za
Standard Bank	P-1.za

The ratings for Nedbank ,First National Bank, Standard Bank and ABSA were from Moody's.

The ratings scores are based on the following broad investment grade definitions:

P1 Issuers(or supporting institutions) rated Prime-1 have a superior ability to repay short t-term debt obligations.

P2 Issuers(or supporting institutions) rated Prime-2 have a superior ability to repay short t-term debt obligations.

P3 Issuers(or supporting institutions) rated Prime-3 have an acceptable ability to repay short t-term debt obligations.
Based on the current ratings , the exposure to credit risk is stable , probability of default is therefor at 0% , thus indicating that the expected credit loss for cash and cash equivalents is immaterial.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure.

	GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000	COMPANY 31 March 2024 R'000	COMPANY 31 March 2023 R'000
The maximum exposure to credit risk at the reporting date was:				
Loans and receivables - trade	**1 708 885**	1 279 343	**335 628**	355 822
Loans and receivables - subsidiaries	**-**	-	**1 739 791**	4 300
Loans and receivables - fellow subsidiaries	**-**	81	**-**	-
Loans and receivables - restricted cash	**151 546**	58 293	**151 546**	58 293
Loans and receivables - cash and cash equivalents	**230 901**	106 084	**54 177**	7 578
	2 091 332	1 443 801	**2 281 142**	425 993

Liquidity risk
Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Typically the group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Refer to notes 12 and 23 for details of the lines of credit maintained by the group.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

GROUP 31 March 2024	Carrying amount R'000	Contractual cash flows R'000	Less than 12 months R'000	Between one to five years R'000	More than five years R'000
Non-derivative financial liabilities					
Secured bank loans	**210 000**	**215 208**	**215 208**	**-**	**-**
Amount due to holding company	**2 119 228**	**2 347 773**	**247 773**	**2 100 000**	**-**
Amount due to fellow subsidiary	**47 309**	**47 309**	**47 309**	**-**	**-**
Lease liabilities	**195 426**	**265 443**	**40 158**	**102 648**	**122 638**
Trade and other payables	**1 258 762**	**1 264 824**	**1 264 824**	**-**	**-**
	3 830 726	**4 140 558**	**1 815 272**	**2 202 648**	**122 638**
Derivative financial liabilities					
FECs used for hedging outflow	**-**	**282 196**	**282 196**	**-**	**-**
	-	**282 196**	**282 196**	**-**	**-**

GROUP 31 March 2023	Carrying amount R'000	Contractual cash flows R'000	Less than 12 months R'000	Between one to five years R'000	More than five years R'000
Non-derivative financial liabilities					
Secured bank loans	930 000	948 435	948 435	-	-
Amount due to holding company	4 071	4 071	4 071	-	-
Amount due to fellow subsidiary	44 456	44 456	44 456	-	-
Lease liabilities	201 067	282 938	35 277	102 909	144 752
Trade and other payables	1 104 764	1 107 096	1 107 096	-	-
	2 284 358	2 386 996	2 139 335	102 909	144 752
Derivative financial liabilities					
FECs used for hedging outflow	-	279 651	279 651	-	-
	-	279 651	279 651	-	-

COMPANY 31 March 2024	Carrying amount R'000	Contractual cash flows R'000	Less than 12 months R'000	Between one to five years R'000	More than five years R'000
Non-derivative financial liabilities					
Amount due to holding company	**2 100 000**	**2 328 545**	**228 545**	**2 100 000**	**-**
Amounts due to subsidiaries	**692 954**	**692 954**	**692 954**	**-**	**-**
Lease liabilities	**-**	**-**	**-**	**-**	**-**
Trade and other payables	**249 920**	**255 981**	**255 981**	**-**	**-**
	3 042 874	**3 277 481**	**1 177 481**	**2 100 000**	**-**

COMPANY 31 March 2023	Carrying amount R'000	Contractual cash flows R'000	Less than 12 months R'000	Between one to five years R'000	More than five years R'000
Non-derivative financial liabilities					
Secured bank loans	420 000	429 340	429 340	-	-
Amounts due to subsidiaries	745 680	745 680	745 680	-	-
Trade and other payables	113 707	116 038	116 038	-	-
	1 279 387	1 291 058	1 291 058	-	-
Derivative financial liabilities					
FECs used for hedging outflow	-	14 654	14 654	-	-
	-	14 654	14 654	-	-

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The group buys and sells derivatives as part of its approved hedging strategy in order to manage market risks. All such transactions are carried out within the guidelines set by the CMSA finance committee. Generally the group uses derivatives to economically hedge exposure to fluctuations in foreign exchange rates and interest rates and to manage volatility in profit or loss.

Currency risk
The group is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of group's entities, i.e. ZAR. The currency giving rise to this risk is primarily USD and EUR.

The group uses FECs to economically hedge its foreign currency risk, with 6 month forward cover being taken out on all foreign purchases. When necessary, FECs are rolled over at maturity.

Exposure to currency risk
The group's exposure to foreign currency risk, including a sensitivity of a 10% weakening of the ZAR against these foreign currencies are as follows:

GROUP 2024	INR '000	USD '000	EUR '000	KES '000	ZAR '000	(Increase) decrease in profit before taxation/equity ZAR '000
Trade receivables - USD	-	13 613	-	-	257 706	(25 771)
Trade receivables - EUR	-	-	114	-	2 343	(234)
Trade receivables - KES	-	-	-	231 979	33 257	(3 326)
Trade receivables - INR	36	-	-	-	159	(16)
Cash and cash equivalents - USD	-	11	-	-	209	(21)
Cash and cash equivalents - KES	-	-	-	274 878	39 407	(3 941)
Loans and borrowings - USD	-	(743)	-	-	(14 060)	1 406
Loans and borrowings - KES	-	-	-	28 389	4 070	(407)
Trade payables - USD	-	(1 046)	-	-	(19 802)	1 980
Trade payables - EUR	-	-	(65)	-	(1 327)	133
Trade payables - INR	(17)	-	-	-	(74)	7
Trade payables - KES	-	-	-	(24 773)	(3 552)	355

GROUP 2023	GBP '000	USD '000	EUR '000	KES '000	ZAR '000	(Increase) decrease in profit before taxation/equity ZAR '000
Trade receivables - USD	-	1 369	-	-	24 370	(2 437)
Trade receivables - EUR	-	-	385	-	7 438	(744)
Trade receivables - KES	-	-	-	222 443	29 827	(2 983)
Trade receivables - GBP	367				8 035	(804)
Cash and cash equivalents - USD	-	116	-	-	2 057	(206)
Cash and cash equivalents - KES	-	-	-	183 821	24 649	(2 465)
Deposits - USD	-	-	-	-	-	-
Loans and borrowings - USD	-	(3 478)	-	-	(61 918)	6 192
Loans and borrowings - KES	-	-	-	93 697	12 564	(1 256)
Trade payables - USD	-	(4 089)	-	-	(72 797)	7 280
Trade payables - EUR	-	-	(1 028)	-	(19 853)	1 985
Trade payables - KES	-	-	-	(19 428)	(2 605)	261

COMPANY 2024	USD '000	EUR '000	KES '000	ZAR '000	(Increase) decrease in profit before taxation/equity ZAR '000
Trade receivables - USD	-	-	-	-	-
Trade receivables - EUR	-	-	-	-	-
Trade payables - USD	-	-	-	-	-

COMPANY 2023	USD '000	EUR '000	KES '000	ZAR '000	(Increase) decrease in profit before taxation/equity ZAR '000
Trade receivables - USD	2	-	-	41	(4)
Trade receivables - EUR	-	6	-	107	(11)
Trade payables - USD	(87)	-	-	(1 542)	154

Exposure to currency risk continued

The sensitivity analysis assumes that all other variables, in particular interest rates, remain constant. A 10% strengthening of the ZAR against these foreign currencies would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Refer to notes 11 the group's exposure to foreign currency risk relating to USD and EUR-denominated FECs.

The following ZAR spot rates applied at reporting date for the group:	2024	2023
USD	**18.93**	17.81
EUR	**20.49**	19.32
GBP	**23.91**	21.92
INR	**4.41**	
KES	**0.14**	0.13

Profile

At the reporting date the interest rate profile of the group's interest-bearing financial instruments was:

	GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000	COMPANY 31 March 2024 R'000	COMPANY 31 March 2023 R'000
Variable rate instruments				
Financial assets	**421 310**	180 119	**1 980 077**	81 613
Loans and receivables - restricted cash	**151 546**	58 293	**151 546**	58 293
Loans and receivables - cash and cash equivalents	**230 901**	106 084	**54 177**	7 578
Loans and receivables - Amount due from group companies	**38 863**	15 742	**1 774 354**	15 742
Financial liabilities	**(2 310 000)**	(930 000)	**(2 100 000)**	(420 000)
Financial liabilities held at amortised cost - Loans and borrowings	**(210 000)**	(930 000)	**-**	(420 000)
Financial liabilities held at amortised cost - Amount due to holding company	**(2 100 000)**	-	**(2 100 000)**	-
	(1 888 690)	(749 881)	**(119 923)**	(338 387)

Interest rate sensitivity analysis

An increase of 100 basis points in interest rates at the respective reporting dates would have decreased equity and decreased profit by the amounts shown below for the financial liabilities and assets listed. A 100 basis point decrease in interest rates at the respective reporting dates would have an equal but opposite effect on the financial liabilities and assets listed. This analysis assumes that all other variables remain constant.

	GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000	COMPANY 31 March 2024 R'000	COMPANY 31 March 2023 R'000
(Increase) decrease in profit before taxation:				
Cash and cash equivalents	**(1 685)**	(1 558)	**-**	-
Loans receivable	**(273)**	(104)	**(273)**	(104)
Facility of R 420 million (2023:R 420 million)	**2 100**	4 200	**2 100**	4 200
Facility of R 480 million (2023:R 280 million)	**2 284**	8	**-**	-
Facility of R 300 million (2023:R 300 million)	**1 500**	3 000	**-**	-
Amount due to holding company	**3 452**	-	**3 452**	-
	7 377	**5 546**	**5 279**	**4 096**

Refer to notes 12 and 23.2 for more details relating to these financial instruments.

Capital risk management

The group manages its capital to ensure that the group will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from the previous year.

The capital structure of the group consists of net debt (i.e. interest bearing loans and borrowings offset by net cash and cash equivalents) and equity (i.e. issued share capital, reserves, retained income and non-controlling interests).

	GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
Interest-bearing borrowings	**2 310 000**	930 000
Net cash and cash equivalents - (positive balance) overdrawn	**(230 901)**	(106 084)
Net debt	**2 079 099**	823 916
Equity	**2 611 812**	2 430 326
Total capital	**4 690 911**	3 254 242

	Company 31 March 2024 R'000	Company 31 March 2023 R'000
Interest-bearing borrowings	**2 100 000**	420 000
Net cash and cash equivalents - (positive balance) overdrawn	**(54 177)**	(7 578)
Net debt	**2 045 823**	412 422
Equity	**1 136 554**	142 086
Total capital	**3 182 377**	554 508

The group's strategy is to maintain a gearing ratio of between 15% and 25%. There are no externally imposed capital requirements.

The group policy is to use interest bearing borrowings to determine the gearing ratio

The gearing ratio determined as the proportion of net debt to equity, was 79.4% at year end (2023: 33.9%). The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The reason for the increase in the current financial year is due to loan advanced from Cipla Limited, the ultimate holding company. The strategy for this is to protect the group from attaching its assets as security for third party debt.
Management foresees a growth in equity due to the recent acquisition of Actor Proprietary Limited and further growth strategies being implemented.

The gearing ratio of the company is determined as the proportion of net debt to equity, was 180% at year end (2023: 290.3%). The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Fair values

All loans, receivables and financial liabilities not at fair value through profit or loss are carried at amortised cost. The carrying value of trade and other receivables, trade and other payables and finance lease liabilities approximate fair value as the effective interest method is used to determine the carrying values.

Fair value hierarchy of financial instruments at fair value through profit or loss

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

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The tables below shows the valuation techniques used in measuring level 2 fair values, as well as the significant unobservable inputs:

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant
FECs	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable
Notional Vendor Finance Shares	*The valuation approach applied is in accordance with the Market approach. The market approach is a method of determining the value of an asset based on the selling price of similar assets*	Not applicable	Not applicable

Financial instruments measured at fair value

	GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000	COMPANY 31 March 2024 R'000	COMPANY 31 March 2023 R'000
Financial assets (liabilities) measured at fair value				
Notional Vendor Finance Shares (Level 2)	**(6 371)**	(2 217)	-	-
FECs (level 2)	**2 478**	2 193	-	6

Categories of financial instruments and fair values

The group's financial instruments consist primarily of deposits with banks, loans receivable, trade and other receivables, trade and other payables, derivatives and loans and borrowings.

Categories of financial instruments and fair values versus carrying amounts

The fair values of the financial assets and liabilities approximate their carrying amounts. Refer to accounting policy(s) for a discussion of how fair values are determined. The fair values of financial assets and liabilities are as follows:

	GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
Financial assets		
Financial assets held at amortised cost	**2 130 194**	1 459 578
Trade and other receivables	**1 708 343**	1 278 285
Amount due from group companies	**38 863**	15 742
Restricted cash	**151 546**	58 293
Cash and cash equivalents	**230 901**	106 084
Financial liabilities		
Financial liabilities at fair value through other comprehensive income - FECs (hedge accounting)	**2 478**	2 193
Financial liabilities held at amortised cost	**(3 635 300)**	(2 083 291)
Secured bank loans	**(210 000)**	(930 000)
Amount due to holding company	**(2 119 228)**	(4 071)
Amount due to fellow subsidiary	**(47 309)**	(44 456)
Trade and other payables	**(1 258 762)**	(1 104 764)

	COMPANY 31 March 2024 R'000	COMPANY 31 March 2023 R'000
Financial assets		
Financial assets held at amortised cost	**2 320 005**	441 735
Trade and other receivables	**335 628**	355 822
Short-term loans receivable	**4 300**	4 300
Long-term loans receivable	**1 774 354**	15 742
Restricted cash	**151 546**	58 293
Cash and cash equivalents	**54 177**	7 578
Financial liabilities		
Financial liabilities at fair value through other comprehensive income - FECs (hedge accounting)	**-**	6
Financial liabilities held at amortised cost	**(3 042 874)**	(1 279 387)
Secured bank loans	**-**	(420 000)
Amount due to holding company	**(2 100 000)**	-
Amounts due to subsidiaries	**(692 954)**	(745 680)
Trade and other payables	**(249 920)**	(113 707)

21. Related parties

Transactions with related parties, except where otherwise noted, are conducted on an arm's length basis and on the same payment terms as those transacted with third parties. Intragroup balances and material unrealised gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

The group's interests are as follows:

Direct interest
Cipla Medpro Holdings Proprietary Limited - 100% (deregistered during the current year)
Cipla-Medpro Proprietary Limited - 100%
Cipla-Medpro Distribution Centre Proprietary Limited - 100%
Cipla Medpro Botswana Proprietary Limited - 100%
Cipla Select Proprietary Limited - 100%
Mirren Proprietary Limited - 100%
Medpro Pharmaceutica Proprietary Limited - 100%
Cipla Kenya Limited - 100%
Brandmed Proprietary Limited - 30%
Cipla Medpro Manufacturing Proprietary Limited - 100%
Cipla Dibcare Proprietary Limited - 100%
The Cipla Empowerment Trust - controlled by Cipla Medpro Manufacturing Proprietary Limited
Actor Proprietary Limited- 100%

Fellow subsidiaries
Cipla Quality Chemicals Industries Limited (no longer a related party at reporting date)
Meditab Holdings Limited
Cipla Australia

Entities over which the entity is able to exercise influence/control
The Cipla Foundation (SA)

Directors
J P Miller
SL Masondo
G Malhotra
O Manuga
P Thandrind
S Chirwa
M Daly

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
		a) Transactions with related parties The following transactions were carried out by CMSA and its subsidiaries with related parties:		
		(i) Revenue		
41 922	-	Medpro Pharmaceutica Proprietary Limited	-	-
-	-	Cipla Quality Chemicals Industries Limited	-	44
		(ii) Purchases		
(5 064)	-	Cipla Limited (ZAR)	**(1 066 998)**	(1 137 105)
-	-	Cipla Limited (USD)	**(974)**	(22 628)
-	-	Cipla Quality Chemicals Industries Limited (USD)	**(38 519)**	(121 067)
		(iii) Royalties (paid)/ received		
(10 738)	**(6 928)**	Medpro Pharmaceutica Proprietary Limited	-	-
-	**67 652**	Cipla Medpro Manufacturing Proprietary Limited	-	-
(93 547)	**(93 620)**	Cipla Limited	**(93 620)**	(93 547)
		(iv) Dividends (paid) / received		
-	**800 000**	Cipla-Medpro Proprietary Limited	-	-
262 896	**100 000**	Cipla Medpro Manufacturing Proprietary Limited	-	-
		(v) Distribution fees paid		
(4 754)	-	Medpro Pharmaceutica Proprietary Limited	-	-
		(vi) Recoveries (paid) / received		
(3 930)	**(6 693)**	Medpro Pharmaceutica Proprietary Limited	-	-
-	-	Cipla Australia	**857**	-
48 129	-	Cipla Medpro Manufacturing Proprietary Limited	-	-
-	-	Cipla Limited	**(27 354)**	(19 590)
		(vii) Interest (paid) / received		
-	**(69 351)**	Cipla Limited	**(69 351)**	-
742	**3 120**	Brandmed Proprietary Limited	**3 120**	742
-	**55 491**	Medpro Pharmaceutica Proprietary Limited	-	-
-	-	Meditab Holdings Limited (USD)	-	(7 743)
		(viii) Commission income received		
-	-	Cipla Limited	**19 993**	16 538
		(ix) Asset-for-share transaction		
(458 654)	-	Cipla Medpro Manufacturing Proprietary Limited	-	-
		(x) Donations to		
(500)	-	The Cipla Foundation (SA)	**(23 841)**	(19 588)
		(xi) Distributions to		
-	-	The Cipla Foundation (SA)	**(500)**	-

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		Note	**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
		b) Loans to (from) related parties:			
		Loan from holding company			
-	**(2 100 000)**	Cipla Limited		**(2 119 225)**	(4 071)
-	**(2 100 000)**			**(2 119 225)**	(4 071)
		Loans to subsidiaries			
-	**1 043 727**	Medpro Pharmaceutica Proprietary Limited		**-**	-
4 300	**4 300**	Cipla Medpro Proprietary Limited		**-**	-
4 300	**1 048 027**			**-**	-
		Loans to (from) fellow subsidiaries			
-	**-**	Meditab Holdings Limited		**(47 309)**	(44 451)
-	**-**	Cipla Quality Chemical Industries Limited		**-**	81
-	**-**			**(47 309)**	(44 369)
		Loans from subsidiaries			
(739 194)	**-**	Medpro Pharmaceutica Proprietary Limited		**-**	-
(6 486)	**(1 190)**	Cipla Medpro Manufacturing Proprietary Limited		**-**	-
(745 680)	**(1 190)**			**-**	-
		Loan to associate/ entities over which the entity is able to exercise significant influence			
15 742	**38 863**	Brandmed Proprietary Limited		**38 863**	15 742
-	**-**	The Cipla Foundation (SA)		**426**	1 059
15 742	**38 863**			**39 288**	16 801
		c) Trade receivable due from related party			
-	**-**	Cipla Limited		**(4 711)**	(6 241)
-	**-**	Cipla Australia		**(857)**	-
(87 511)	**(65 996)**	Cipla Medpro Manufacturing Proprietary Limited		**-**	-
(87 511)	**(65 996)**			**(5 568)**	(6 241)
		d) Trade payables due to related party			
49 557	**47 512**	Cipla Limited		**600 942**	596 049
-	**-**	Cipla Quality Chemical Industries Limited		**-**	8 961
49 557	**47 512**			**600 942**	605 010

Directors and key management personnel compensation

Section 30 (4) to (6) of the Companies Act requires the company to disclose certain information in respect of remuneration for each director or individual holding any prescribed office in the company. A decision was taken by the directors of the Group not to disclose the executive directors' and prescribed officers' remuneration as required by the Companies Act since the group's ultimate holding company (Cipla Limited) and the shareholders are fully aware of the directors remuneration on an individual basis. Furthermore, directors are not remunerated for their services as directors, but rather remunerated solely for their services as employees, hence management are of the view that Section 30 (4) to (6) does not apply.

COMPANY 31 March 2023 R'000	**COMPANY 31 March 2024 R'000**		**GROUP 31 March 2024 R'000**	GROUP 31 March 2023 R'000
-	**-**	Short-term employee benefits	**40 769**	56 397
-	**-**	Retirement and medical benefits	**2 673**	2 853
-	**-**	Other benefits	**505**	776
-	**-**	Phantom share scheme payments	**12 642**	11 097
-	**-**		**56 589**	71 124

Cipla Limited (Ultimate holding company in India) has granted employee stock options to its employees and directors of CMSA under its ESOP schemes (refer to note 22). On 30 September 2016, the old scheme was replaced with a new phantom share scheme. This share scheme entitles participants to payouts relating to the movement in the Cipla Limited share price on vesting date.

22.1 Share Scheme Implemented by the Holding Company

22.1.1 Restricted Stock Units (RSU) Share Scheme
On 30 September 2016, a RSU share scheme was established which entitles participants to pay-outs relating to the Cipla Limited share price. The Nomination and Remuneration Committee of the Board of Cipla Limited administers the RSU Scheme and grants stock options to eligible employees. The share scheme has been recognised as a cash-settled share-based payment scheme in accordance with IFRS.

22.1.2 Employee Stock Appreciation Right (ESAR) Share Scheme

On 14 May 2021, a ESAR share scheme was established which entitles participants to pay-outs relating to the Cipla Limited share price, subject to an increase in the Cipla Limited share price above the ESAR grant price. The ESAR grant price is the volume weighted average price (VWAP) during the thirty calendar days immediately prior to the date of grant of the shares quoted on the recognized stock exchange in India, on which the shares of the Cipla Limited are listed. As at 31 March 2024 the share price of Cipla Limited was above the ESAR grant price of all unexercised ESAR's, accordingly the liability for ESAR share options has been raised in the current financial year (2023: R nil).

ESAR share options vest in a graded manner over a period of 3 years from the date of grant, the options can be exercised within a period of 5 years from the vesting date. The Nomination and Remuneration Committee of the Board of Cipla Limited administers the ESAR Scheme and grants share options to eligible employees. The share scheme has been recognised as a cash-settled share-based payment scheme in accordance with IFRS.

2024

GROUP AND COMPANY

Scheme Name	Offer date	Vesting period		Options outstanding at 31 March 2023	Granted	Forfeited	Exercised	Options outstanding at 31 March 2024	Fair Value as at 31 March 2024
RSU 21	2021/05/14	2 Years	('000)	30	-	-	(30)	-	-
ESAR 21	2021/05/14	3 Years	('000)	43	-	-	(22)	21	2 384
RSU 22	2022/05/10	2 Years	('000)	30	-	(1)	-	29	8 206
ESAR 22	2022/05/10	3 Years	('000)	62	-	(3)	(16)	43	3 683
RSU 23	2023/05/12	2 Years	('000)	-	29	-	-	29	3 903
ESAR 23	2023/05/12	3 Years	('000)	-	68	-	-	68	3 374
Outstanding at end of the year			('000)	164	97	(4)	(68)	190	21 549

2023
GROUP AND COMPANY

Scheme Name	Offer date	Vesting period		Options outstanding at 31 March 2022	Granted	Forfeited / Reversed	Exercised	Options outstanding at 31 March 2023	Fair Value as at 31 March 2023
RSU 20	2020/05/15	2 Years	('000)	57	-	-	(57)	-	-
RSU 21	2021/05/14	2 Years	('000)	34	-	(4)	-	30	5 026
ESAR 21	2021/05/14	3 Years	('000)	72	-	-	(29)	43	-
RSU 22	2022/05/10	2 Years	('000)	-	30	-	-	30	2 375
ESAR 22	2022/05/10	3 Years	('000)	-	62	-	-	62	-
Outstanding at end of the year			('000)	163	91	-	(85)	164	7 402

Fair value based on closing share price of Cipla Limited as at 31 March 2024 of INR 1496.95 (2023: INR 900.50), weighted average remaining months of the RSU share scheme is 7.5 months.
Amount included in profit and loss relating to this share scheme for 2024 is R26 788 100 (2023: R3 801 617)

Vesting of these options would be subject to continued employment with the Company, its Holding Company or Subsidiary Company, as the case may be at the discretion of the Company.

22.2 The Cipla Empowerment Trust Share Scheme

During the financial year ending 31 March 2023, Cipla Medpro Manufacturing Proprietary Limited ("CMM") issued 10% Notional Vendor Finance Shares to The Cipla Empowerment Trust ("CET").
CET will have two sets of vested beneficiaries:
8% effective shareholding for senior Black South African employees of the Group via a unitised employee share participation scheme.
- Units will be allocated to employees at inception and will vest in equal tranches of 1/3 each at the end of year 3; 4 and 5
- An unallocated parcel of shares will be retained by the Trust for further allocation to employees that meet eligibility criteria subsequent to the initial allocation
- Units allocated to good leavers will vest at fair value on leaving
- Unvested units of bad leavers will be forfeited

2% effective shareholding for broad-based black beneficiaries

The share scheme has been recognised as an cash-settled share-based payment scheme in accordance with IFRS.

	GROUP 2024 '000	GROUP 2023 '000	COMPANY 2024 '000	COMPANY 2023 '000
During the year the following cash-settled shared-based payment expenses were recognised in the Income Statement.	4 154	2 217	-	-
	4 154	2 217	-	-
Closing balance included on the statement of financial position	6 371	2 217		

The fair value of the shares have been determined as follows:
The determined fair value have been categorised within Level 2 of the fair value hierarchy as per IFRS 13.82.(a) quoted prices for similar assets or liabilities in active markets have been applied as a starting point, spot price R2 605.22 of CMM adjusted with IFRS 13.82.(c)(i). Interest rates and yield curves observable at commonly quoted intervals of 9% and as per IFRS 13.82.(c)(ii) & (iii), implied volatilities; and (iii) credit spreads, 12%.

The valuation approach applied is in accordance with the Market approach as allowed by IFRS 13.91(a).

Valuation techniques within the market approach are based on the concept of comparable, assuming that the value of an asset (or line of business or company etc) can be measured by comparing it to similar assets (or lines of businesses or companies etc) for which a market price is available.

The Group's finance team performs valuations of financial items for financial reporting purposes, in consultation with third party valuation specialists for more complex valuations. Valuation techniques are selected based on the characteristics of the applicable instrument, with the overall objective of maximising the use of market-based information. Experts (Singular systems) were used for this valuation and reported to the finance team who directly reports to the chief financial officer (CFO) and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least every year, in line with the Group's annual reporting dates.

There were no transfers between Levels during the year ended 31 March 2024 or 2023. Refer to note 20 for further IFRS 13 considerations.

	GROUP 2024 '000	GROUP 2023 '000	COMPANY 2024 '000	COMPANY 2023 '000
Total Share options and Share-based Payments Liability	27 920	9 619	-	-

COMPANY 31 March 2 023 R'000	COMPANY 31 March 2 024 R'000			GROUP 31 March 2 024 R'000	GROUP 31 March 2 023 R'000
		23.1 Reconciliation of taxation paid			
7 354	**969**	Balance at beginning of period		**26 021**	28 598
(21 261)	**(35 174)**	Profit or loss charge (refer Note 19)		**(114 479)**	(74 520)
-	**-**	Acquisition of subsidiary		**(9 918)**	-
-	**-**	Foreign currency translation		**(313)**	(148)
-	**-**	Withholding tax		**(4 157)**	(1 072)
(969)	**9 635**	Balance at end of period		**2 214**	(26 021)
(14 876)	**(24 570)**			**(100 632)**	(73 163)
		23.2 Cash and cash equivalents			
7 578	**3 802**	Bank balances		**179 791**	105 368
-	**50 375**	Call deposits		**51 110**	716
7 578	**54 177**	Current asset		**230 901**	106 084
7 578	**54 177**	Cash and cash equivalents in the statements of cash flow		**230 901**	106 084
		23.3 Restricted cash			
58 293	**151 546**	Restricted Escrow account	(a)	**151 546**	58 293

(a) During the current financial year an amount of R58.2 million (2023: R58.2 million) which was cash held back from Actor Pharma Proprietary Limited for the acquisition of Mirren Proprietary Limited, was settled in full. The parties agreed to split the value on a 50/50 basis.

The closing balance of R151.5 million relates to cash held back from Actor Holdings Proprietary Limited for the acquisition of Actor Proprietary Limited. These funds are invested in a restricted Escrow account and will be released upon conclusion of the events as set out in the Share Purchase Agreement, to the satisfaction of both parties.

Nedbank
The group has a multi-option facility comprising an asset based finance facility of R 68 000 (2023: R68 000) and a indirect banking facility R 5.7 Million held with Nedbank Limited. Letter of guarantee to the amount of R 40 000 for Cipla Medpro South Africa Proprietary Limited. These are secured in through cross guarantees by Cipla Medpro South Africa Proprietary Limited's local subsidiaries.

ABSA facilities
The R39 million (2023: R39 million) general banking facility comprising foreign exchange contracts (FECs) as well as the R2.2 million (2023: R 2.2 million) performance guarantee and credit card facility from ABSA Bank Limited granted to Medpro Pharmaceutica Proprietary Limited, is unsecured.

FirstRand Bank
The group has a multi-option facility comprising a general borrowing facility of R480 million (2023: R480 million), a short term presettlement facility of R 66 million shared between Cipla Medpro South Africa Proprietary Limited , Medpro Pharmaceutica Proprietary Limited and Cipla Medpro Manufacturing Proprietary Limited, Short term contingent facility of R 21 million for Cipla Medpro South Africa Proprietary Limited, Settlement facility of R 300 Million shared between Cipla Medpro South Africa Proprietary Limited and Medpro Pharmaceutica Proprietary Limited, corporate credit card facility of R170,000 (2023: R170,000) and a derivative facility of R50 million (2023: R50 million) held with FirstRand Bank Limited. These are secured in through cross guarantees by Cipla Medpro South Africa Proprietary Limited's local subsidiaries, cession of trade receivables, receivable insurances and claims of Cipla Medpro South Africa Proprietary Limited and Medpro Pharmaceutica Proprietary Limited and a notarial bond over group stock.

Standard Bank facilities
The group has a multi-option facility comprising a guarantee by the bank of R2,000 (2023: R2,000), corporate credit card facility of R160,000 (2023: R160,000), These are secured through a collateral on the unrestricted pledge of call deposit of Mirren Proprietary Limited.

COMPANY 31 March 2023 R'000	COMPANY 31 March 2024 R'000		GROUP 31 March 2024 R'000	GROUP 31 March 2023 R'000
		23.4 Changes in liabilities arising from financing		
		Group loans		
(1 105 798)	**(725 638)**	*Opening balance*	**(32 704)**	(236 068)
321 098	**1 055 929**	Intercompany charges and transfers (non-cash)	**2 519**	54 104
263 672	**(3 805)**	Interest/ dividend (non cash)	**3 120**	(7 036)
	62 417	Interest/ dividend (cash)		
-	**1 700 000**	Cash flows- increase in group loan receivable	**20 000**	10 000
-	**-**	Cash flows- decrease in group loan receivable	**(17 964)**	-
(204 610)	**(3 103 202)**	Cash flows- increase in group loan payable	**(2 100 000)**	-
-	**-**	Cash flows- decrease in group loan payable	**-**	167 047
-	**-**	Foreign currency translation	**(2 645)**	(20 750)
(725 638)	**(1 014 300)**	*Closing balance*	**(2 127 674)**	(32 704)
		Lease liabilities		
(28 465)	**-**	*Opening balance*	**(201 067)**	(124 907)
28 465	**-**	*De-recognition/ modification*	**(21 277)**	(108 749)
-	**-**	Interest	**(15 230)**	(9 149)
-	**-**	Total payments	**42 324**	41 904
-	**-**	Foreign currency translation	**(176)**	(166)
-	**-**	*Closing balance*	**(195 426)**	(201 067)
		Movement in loans payable		
(420 000)	**(420 000)**	*Opening balance*	**(930 000)**	(720 000)
(31 560)	**(29 750)**	Interest	**(71 293)**	(49 331)
31 560	**29 750**	Repayment of interest	**71 293**	49 331
	420 000	Capital repayment	**4 540 000**	
		Draw down	**(3 820 000)**	(210 000)
(420 000)	**-**	*Closing balance*	**(210 000)**	(930 000)

24.1 Capital commitments

At year end the company R nil (2023: R 6 747 651) and group had purchases of plant and machinery of R 11 230 570 (2023: R14 843 005) which had been contracted for.

24.2 Contingent Liabilities

24.2.1 South African Revenue Authorities ("SARS") audit and assessments

In the prior year, the group disclosed a contingent liability relating to an ongoing audit conducted by SARS for the 2014, 2015 and 2016 financial years of assessment of Medpro Pharmaceutica Proprietary Limited ("Medpro"). Medpro submitted a letter to SARS on 31 August 2018, requesting an Alternative Dispute Resolution ("ADR") for the 2014 year of assessment. SARS responded on 29 April 2019 accepting this request.
The ADR was held between SARS and Medpro on 31 October 2019 and a settlement offer was agreed to and accounted for in the 2021 financial year. The parties could not reach agreement on the deductibility of stock provision.

SARS has now requested that a settlement offer be submitted regarding the matter of the deductibility of stock provision in order for it not to be referred to SARS tax court litigation department. A settlement offer was submitted to SARS on 23 March 2023 which will result in a decrease in taxable income of R15 283 095 if accepted by SARS. As at the date of signing of these financial statements settlement negotiations are still under way

24.2.2 Kenya Revenue Authorities (KRA) audit and assessments

During the current year the KRA issued additional assessments as a result of audits carried out:

- Financial year 2018 KRA raised an assessment of KES 49 109 964 with penalities and interest of KES 29 465 978, Cipla Kenya issued a letter of objection on 12 January 2024. Further documents and explanations were requested and an objection decision was issued by KRA on 8 March 2024, whereby the assessment was decreased to KES 31 596 856. We have lodged an appeal against the full amount as we believe the KRA has no reasonable grounds for its decision.

- Financial year 2021 KRA raised anassessement of KES 21 632 944 with interest of KES 9 085 836, an objection has been raised during March 2024, we believe that the KRA has no reasonable grounds for this assessment.

- Denied 2022 Income Tax refund of KES 26 593 801, a Notice of appeal has been lodged against this. As at reporting date we believe that the KRA has no reasonable grounds to deny this refund. KRA also raised an additional assessement of KES 86 989 818 with interest of KES 18 118 805, an objection has been raised against this during March 2024, we believe that the KRA has no reasonable grounds for this assessment.

24.2.3 Lease gaurantee Rabie Property Group ("Rabie")

During the current financial year a guarantee amounting to R3 625 534 has been put on hold with FirstRand Bank Limited on behalf of Medpro Pharmaceutica Proprietary Limited at the disposal of Rabie Property Group for the lease agreement of certain premises situated at Ratanga Precinct, Century City. The lease is expected to commence from July 2025 for an initial period period of 7 years with gross monthly rent payments of R1 028 689 escalated with 7.5% annually. The guarantee will be released once written demand received from Rabie stating that the amount is due and payable.

24.2.4 Litigations

Adcock Ingram (Pty) Ltd v Cipla Medpro (Pty) Ltd

Adcock is claiming infringement of their trademark. We cannot provide estimates for maximum loss or profit as any damages will have to be proven in court. There is a 50% chance of success.

Aluminium Foil Converters ("AFC") v CMSA

AFC is a supplier of Cipla. Their information systems were intercepted where their banking details were changed. Cipla paid money into the incorrect bank account. There is a 50% chance of success as we have evidence that Cipla's system was not compromised.

Cipla Medpro South Africa Proprietary Limited acquired 100% share (1000 shares of R1 each) of Actor Proprietary Limited ("Actor") effective 07 February 2024. Actor is a privately owned pharmaceutical company specialising in consumer health and generic medicine. Actor specializes in OTC and generic medicine, where they have established strong consumer brands, and identified niche prescription markets in categories of women's health, nasal, cough cold and baby children.

The primary reason for the acquisition was to grow product portfolio and strengthen market position in our both over the counter and prescriptions therapeutic area.

For accounting purposes the acquisition date was deemed to be 31 Janaury 2024, hence purchase price allocation and consolidation into Group has been considered from 1 February 2024.

The details of the business combination are as follows:

Actor Proprietary Limited	**R'000**
Fair value of consideration transferred	
Amount settled in cash	**700 000**
Fair value of contingent consideration	**200 000**
Total	**900 000**
Recognised amounts of identifiable net assets	
Assets:	
Property, plant and equipment	**175**
Other financial asset	**10 317**
Deferred tax	**1 547**
Inventory	**52 002**
Trade and other receivables	**43 557**
Cash and cash equivalents	**11 456**
Total assets	**119 055**
Liabilities:	
Trade and other payables	**(18 204)**
Current tax payable	**(9 918)**
Provisions	**-**
Total liabilities	**(28 122)**
Identifiable net assets	**90 933**
Business combination fair value adjustments:	
Property, plant and equipment	**-**
Intangible assets	**646 360**
Deferred tax liability on fair value adjustments	**(174 517)**
Total fair valued net assets aquired	**562 775**
Goodwill on acquisition	**337 225**
Consideration transferred settled in cash	**700 000**
Cash and cash equivalents acquired	**(11 456)**
Net cash outflow on acquisition	**688 544**

Consideration transferred

The acquisition of Actor was settled in cash amounting to R700 000 000.

The purchase agreement includes an additional consideration of R200 000 000 apportioned as follows:
- R20 000 000 to be paid when all trademarks are duly and successfully registered with CIPC with no oppositions lodged;
- R30 000 000 be paid once all variations and regulatory queries under the Transitional Services Agreement have been resolved to the satisfaction of the company and/or approved by SAHPRA;
- R30 000 000 be paid together with interest thereon, in the event that Actor resolves all the issues in respect of Temmler Pharma GmbH & Co.KG within 12 months from the Closing Date; and
- R70 000 000 to be paid together with interest thereon, in the event that Actor resolves all the issues in respect of Aurobindo Pharma Limited within 12 months from the Closing Date.
- Remaining R50 000 000 has been withheld for any working capital adjustments which need to be calculated and agreed within 3 months from Closing Date.

As at 31 March 2024, there have been no changes in the estimate of the probable cash outflow.

Identifiable net assets

The fair value of the trade and other receivables acquired as part of the business combination amounted to R46 107 555 with a gross contractual amount of R46 107 555. As of the acquisition date, the Group's best estimate of the contractual cash flow not expected to be collected amounted to R2 550 530.

Goodwill

Goodwill of R337 224 520 is primarily growth expectations, expected future profitability, the range of products Actor offers and expected cost synergies. Goodwill has been allocated to the Actor cash generated unit of brands and is not expected to be deductible for tax purposes.

Actor's contribution to the Group results

Actor incurred a loss of R5 207 401 for the two months from 1 February 2024 to the reporting date, primarily due to integration costs. Revenue for the two months to 31 March 2024 was R61 505 413 of which R59 165 401 was to a related party within the Group.

If Actor had been acquired on 1 April 2023, revenue contributed to the Group for 2024 would have been R244 042 225, and profit for the year would have increased by R39 022 830.

Certain comparative figures have been reclassified in order to improve the classification and presentation of the amounts presented in the annual financial statements, as detailed below

26.1. Reclassification of provision for expired stock returns from provisions to contract liabilities (Impact on Group)

An amount of R 20 738 972 (2023: R 26 644 482) has been reclassified from provisions to contract liabilites. Please refer to note 15.

Standards, amendments and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations are effective for annual years beginning after 1 April 2023, and have not been applied in preparing these consolidated and separate annual financial statements. Those which may be relevant to the group and company are set out below. The group and company do not plan to adopt these standards early. These will be adopted in the year that they become mandatory unless otherwise indicated. The effect of these amendments have not yet been determined.

27.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation	Effective date: Years beginning on or after	Expected Impact
Deferred tax related to assets and liabilities arising from single transaction: Amendment to IAS 12	01-Jan-23	The impact of the amendments is not material
Definition of Accounting Estimate: Amendment to IAS 8	01-Jan-23	The impact of the amendments is not material
Disclosure of Accounting Policies: Amendment to IAS 1 and Practice Statement 2	01-Jan-23	The impact of the amendments is not material

27.2 Standards and interpretations not yet effective

Standard/Interpretation	Effective date: Years beginning on or after	Expected Impact
Classification of liabilities as current or non-current : Amendment to IAS 1	01-Jan-24	The impact of the amendments will not be material, based on current assessment
Non-current liabilities with covenants: Amendment to IAS 1	01-Jan-24	The impact of the amendments will not be material, based on current assessment
Supplier Finance Arrangments: Amendments to IAS 7 and IFRS 7	01-Jan-24	The impact of the amendments will not be material, based on current assessment

28. Subsequent events

The directors are not aware of any other matter or circumstance which is material to the financial affairs of the company and the group, which has occurred between 31 March 2024 and the date of approval of the financial statements, that has not been otherwise dealt with in the consolidated and separate financial statements.

29. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The board of directors believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The board of directors has satisfied itself that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The annual financial statements have been prepared on the going concern basis, since the board of directors has every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

Cipla

SOUTH AFRICA

Cipla Dibcare (Pty) Limited

Financial Statements for Financial Year 2023-24

Cipla Dibcare Proprietary Limited
(Registration number 2005/029296/07)
Annual financial statements
for the year ended 31 March 2024

CIPLA DIBCARE PROPRIETARY LIMITED
(Registration number 2005/029296/07)
Annual Financial Statements for the year ended 31 March 2024
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Dormant
Director	MW Daly
Registered office	Parc du Cap Building 9 Mispel Street Bellville 7530
Holding company	Cipla Medpro South Africa Proprietary Limited incorporated in South Africa
Ultimate holding company	Cipla Limited incorporated in India
Auditors	SNG Grant Thornton Chartered Accountants (S.A.) Registered Auditors South African member firm of Grant Thornton International
Company registration number	2005/029296/07
Preparer	The annual financial statements were independently compiled by: Accounting and Financial Advisory (Pty) Ltd
Issued	03 May 2024

CIPLA DIBCARE PROPRIETARY LIMITED
(Registration number 2005/029296/07)
Annual Financial Statements for the year ended 31 March 2024
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CIPLA DIBCARE PROPRIETARY LIMITED
(Registration number 2005/029296/07)
Annual Financial Statements for the year ended 31 March 2024
Director's Responsibilities and Approval

The director is responsible for the preparation and fair presentation of the annual financial statements of the company comprising the statements of financial position at 31 March 2023 and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Finance Reporting Standards Council (FRSC), and the requirements of the Companies Act of South Africa (Companies Act). In addition, the director is responsible for preparing the director's report.

The annual financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates. The director is of the opinion that the information contained in the liquidation financial statements fairly presents the financial position at year end and the financial performance and cash flows of the company for the year then ended. The director has taken the responsibility for ensuring that accurate and complete accounting records are kept enabling the company to satisfy their obligation with respect to the preparation of the liquidation financial statements.

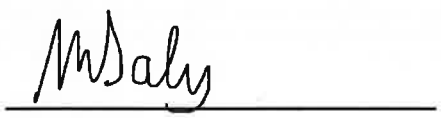
The director is also responsible for such internal control as the director determines necessary to enable the preparation of the liquidation financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. Nothing has come to the attention of the director to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

In order to simplify the group structure, application for voluntary liquidation of the company was made. The company is in voluntary liquidation since June 2017.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The annual financial statements set out on pages 9 to 12, were approved by the director on 03 May 2024 and were signed by:

Approval of annual financial statements



MW Daly

The director has pleasure in submitting his report on the annual financial statements of Cipla Dibcare Proprietary Limited for the year ended 31 March 2024.

1. Nature of business

The company is dormant and has not traded during the current and prior year.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

4. Dividends

No dividends were declared or paid during the current and prior year.

5. Directorate

The director in office at the date of this report is as follows:

Director	Office	Designation
MW Daly	Chief Operating Officer	Executive

6. Holding company

The company's holding company is Cipla Medpro South Africa Proprietary Limited which holds 100% (2023: 100%) of the company's equity. Cipla Medpro South Africa Proprietary Limited is incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Cipla Limited which is incorporated in India.

8. Events after the reporting period

The director is not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Going concern

[IAS 1.25] When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

[IAS10.14] An entity shall not prepare its financial statements on a going concern basis if management determines after the reporting period date either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so.

The company is dormant and is not currently operating, in this regard management has determined that the company is not a going concern.

The liquidation basis is not appropriate as at date of signing the annual financial statements however the company has commenced with the liquidation processes and has appointed Christopher Wilson as the company's liquidator effective 15 November 2022. Management should then choose accounting policies that will result in the most relevant and reliable financial information. In this regard the Company has concluded to apply full IFRS. The 'normal' recognition and measurement requirements of IFRS will be applied and will only be deviated from where adequate justification exists.

10. Auditors

SNG Grant Thornton continued in office as auditors for the company for 2024.

11. Secretary

Kilgetty Statutory Services Proprietary Limited provided secretarial services during the year under review.

SNG
Grant Thornton

Independent Auditor's Report

To the Shareholders of Cipla Dibcare Proprietary Limited

Qualified Opinion

We have audited the financial statements of Cipla Dibcare Proprietary Limited set out on pages 9 to 12 which comprise the statement of financial position as at 31 March 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Cipla Dibcare Proprietary Limited as at 31 March 2024, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for qualified opinion

Directors' emoluments

Section 30(4) to (6) of the Companies Act requires the company to disclose certain information in respect of the remuneration of each director and each individual holding a prescribed office in the company. The disclosures have not been provided for each director or prescribed officer, for the reason provided in note 7. While this is a breach of the requirements of the Companies Act, it does not affect our opinion in accordance with the International Financial Reporting Standards.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cipla Dibcare Proprietary Limited Annual Financial Statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information 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 an audit opinion or 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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

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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 the directors 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.

SizweNtsalubaGobodo Grant Thornton Inc.
PIDP de Villiers
Director

Registered Auditor
IRBA registration number: 492493

3 May 2024

2 Edam Avenue
Waterval East Ext. 37
Rustenburg
North-West

CIPLA DIBCARE PROPRIETARY LIMITED
(Registration number 2005/029296/07)
Annual Financial Statements for the year ended 31 March 2024
Statement of Financial Position as at 31 March 2024

Figures in Rand	Note(s)	2024	2023
Equity and Liabilities			
Equity			
Share capital	3	666	666
Retained income		(666)	(666)
		-	-

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

The annual financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity.

Figures in Rand	2024	2023

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

A number of new standards, amendments to standards and interpretations are effective for annual periods begining after 1 April 2023, and have been applied in preparing these annual financial statements. None of these standards are relevant or has a material impact of the company.

3. Share capital

Authorised		
666 Ordinary shares of R1 each	666	666
Issued		
666 Ordinary shares of R1 each	666	666

4. Income statement, cash flow statement and statement of changes in equity

No income statement, statement of comprehensive income, cash flow statement or statement of changes in equity has been prepared as the company was dormant during the current and prior year.

5. Taxation

No provision has been made for tax as the company has no taxable income.

6. Related parties

Ultimate holding company	Cipla Limited
Holding company	Cipla Medpro South Africa Proprietary Limited
Fellow subsidiaries	Cipla-Medpro Proprietary Limited
	Cipla-Medpro Distribution Centre Proprietary Limited
	Cipla Medpro Manufacturing Proprietary Limited
	Cipla Select Proprietary Limited
	Medpro Pharmaceutica Proprietary Limited
	Mirren Proprietary LimitedCipla Kenya Limited
	Cipla Empowerment Trust
	Actor Proprietary Limited
Director	MW Daly

7. Director's emoluments

Section 30 (4) to (6) of the Companies Act requires the company to disclose certain information in respect of remuneration for each director or individual holding any prescribed office in the company. A decision was taken by the directors of Cipla-Medpro Proprietary Limited not to disclose the executive directors' and prescribed officers' remuneration as required by the Companies Act since the company is a wholly owned subsidiary of Cipla Limited (ultimate holding company) and the shareholders are fully aware of the directors remuneration on an individual basis. Furthermore, directors are not remunerated for their services as directors, but rather remunerated solely for their services as employees of a fellow subsidiary company, hence management are of the view that Section 30 (4) to (6) does not apply. In the current and prior year, no director emoluments were paid from this company.

Figures in Rand	2024	2023

8. Going concern

[IAS 1.25] When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

[IAS10.14] An entity shall not prepare its financial statements on a going concern basis if management determines after the reporting period date either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so.

The company is dormant and is not currently operating, in this regard management has determined that the company is not a going concern.

The liquidation basis is not appropriate as at date of signing the annual financial statements however the company has commenced with the liquidation processes and has appointed Christopher Wilson as the company's liquidator effective 15 November 2022. Neither IAS 1 nor IAS 10 provide any details however of any alternative basis and how it might differ from the going concern basis. Management should then choose accounting policies that will result in the most relevant and reliable financial information. In this regard the company has concluded to apply full IFRS. The 'normal' recognition and measurement requirements of IFRS will be applied and will only be deviated from where adequate justification exists.

9. Events after the reporting period

Christopher Wilson was appointed as the company's liquidator effective 15 November 2022. There is no other matter or circumstance which is material to the financial affairs of the company, which has occurred between 31 March 2024 and date of the approval of the annual financial statements, that has not been otherwise dealt with in the annual financial statments.

Cipla-Medpro Distribution Centre (Pty) Limited

Financial Statements for Financial Year 2023-24

Cipla-Medpro Distribution Centre Proprietary Limited
(Registration number 1993/004005/07)
Annual Financial Statements
for the year ended 31 March 2024

Cipla-Medpro Distribution Centre Proprietary Limited

(Registration number 1993/004005/07)
Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Distribution of pharmaceutical products
Directors	MW Daly JP Miller
Registered office	Parc du Cap Building 9 Mispel Street Bellville 7530
Holding company	Cipla Medpro South Africa Proprietary Limited incorporated in South Africa
Ultimate holding company	Cipla Limited incorporated in India
Bankers	Nedbank Limited ABSA Limited First National Bank
Auditors	SNG Grant Thornton Chartered Accountants (SA) Registered Auditors South African member firm of Grant Thornton International
Company registration number	1993/004005/07
Preparer	The annual financial statements were independently compiled by: Accounting and Financial Advisory (Pty) Ltd
Issued	03 May 2024

Cipla-Medpro Distribution Centre Proprietary Limited

(Registration number 1993/004005/07)
Annual Financial Statements for the year ended 31 March 2024

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Directors' Responsibilities and Approval

The directors are responsible for the integrity, preparation and fair presentation of the annual financial statements of the company comprising the statements of financial position at 31 March 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Finance Reporting Standards Council (FRSC), and the requirements of the Companies Act of South Africa (Companies Act). In addition, the directors are responsible for preparing the directors' report.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates. The directors are of the opinion that the information contained in the annual financial statements fairly presents the financial position at year end and the financial performance and cash flows of the company for the year then ended. The directors have taken the responsibility for ensuring that accurate and complete accounting records are kept enabling the company to satisfy their obligation with respect to the preparation of the annual financial statements.

The directors are also responsible for such internal control as the directors determine necessary to enable the preparation of the annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors have reviewed the company's budget and cash flow forecast for the period of twelve months after signing date of this report and, in light of this review, the current financial position and existing borrowing facilities, the going concern basis has been adopted in preparing the company's annual financial statements. The directors have no reason to believe that the company will not be a going concern in the year ahead. These annual financial statements support the viability of the company.

The auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The annual financial statements set out on pages 9 to 39, were approved by the board of directors on 3 May 2023 and were signed by:

Approval of financial statements

MW Daly

JP Miller

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the company for the year ended 31 March 2024.

1. Nature of business

Cipla-Medpro Distribution Centre Proprietary Limited was incorporated in South Africa and is engaged in the distribution of pharmaceutical products. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

No dividends were declared or paid to the shareholder during the current and prior period.

5. Directorate

The directors in office at the date of this report are as follows:

Directors
MW Daly
JP Miller

There have been no changes to the directorate for the year under review to the date of this report.

6. Holding company

The company's holding company is Cipla Medpro South Africa Proprietary Limited which holds 100% (2023: 100%) of the company's equity. Cipla Medpro South Africa Proprietary Limited is incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Cipla Limited which is incorporated in India.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Directors' Report

9. Going concern

The company incurred a net loss of R512 137 during the year ended 31 March 2024 (2023: R478 044), and, as of that date, the company's total liabilities exceeded its total assets by R6 376 324 (2023: R5 864 185).

These events or conditions, along with the negative cash flow on operations, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

As the company forms part of a group of companies, the company is reliant on the continued support of companies within the group at favourable terms. The group have indicated that continued support will be provided by group to ensure the company remains operational with no intention to cease business operations in the foreseeable future. As a result, the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

10. Auditors

SNG Grant Thornton continued in office as auditors for the company for 2024.

11. Secretary

Kilgetty Statutory Services Proprietary Limited provided secretarial services during the year under review.

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Independent Auditor's Report

To the Shareholders of Cipla-Medpro Distribution Centre Proprietary Limited

Qualified Opinion

We have audited the financial statements of Cipla-Medpro Distribution Centre Proprietary Limited set out on pages 9 to 39 which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Cipla-Medpro Distribution Centre Proprietary Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for qualified opinion

Directors' emoluments

Section 30(4) to (6) of the Companies Act requires the company to disclose certain information in respect of the remuneration of each director and each individual holding a prescribed office in the company. The disclosures have not been provided for each director or prescribed officer, for the reason provided in note 22. While this is a breach of the requirements of the Companies Act, it does not affect our opinion in accordance with the International Financial Reporting Standards.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 26 in the financial statements, which indicates that the Company incurred a loss of R512 135 during the year ended March 31, 2024, and, as of that date, the Company's total liabilities exceeded its total assets by R6 376 323. As stated in Note 26, these events or conditions, along with other matters as set forth in Note 26, indicate that a material uncertainty exists that may cast significant doubt

on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cipla-Medpro Distribution Centre Proprietary Limited Annual Financial Statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information 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 an audit opinion or 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 the directors 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.

SizweNtsalubaGobodo Grant Thornton Inc.
PIDP de Villiers
Director

Registered Auditor
IRBA registration number: 492493

3 May 2024

2 Edam Avenue
Waterval East Ext. 37
Rustenburg
North-West

Cipla-Medpro Distribution Centre Proprietary Limited

(Registration number 1993/004005/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Rand	Notes	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	147 103 143	165 318 896
Deferred tax	5	4 774 455	4 666 472
		151 877 598	**169 985 368**
Current Assets			
Loans to group companies	6	3 309 137	533 775
Trade and other receivables	7	1 973 729	2 789 106
Current tax receivable		373 482	353 848
Cash and cash equivalents	8	2 342 503	3 561 939
		7 998 851	**7 238 668**
Total Assets		**159 876 449**	**177 224 036**
Equity and Liabilities			
Equity			
Share capital	9	100	100
Accumulated loss		(6 376 423)	(5 864 288)
		(6 376 323)	**(5 864 188)**
Liabilities			
Non-Current Liabilities			
Lease liabilities	4	146 847 597	153 113 744
Current Liabilities			
Trade and other payables	10	10 300 803	8 067 258
Loans from group companies	11	-	11 201 431
Lease liabilities	4	6 316 796	8 036 182
Provisions	12	2 787 576	2 669 609
		19 405 175	**29 974 480**
Total Liabilities		**166 252 772**	**183 088 224**
Total Equity and Liabilities		**159 876 449**	**177 224 036**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2024	2023
Revenue	13	140 105 859	113 635 007
Cost of sales	14	(2 221 134)	(2 046 906)
Gross profit		**137 884 725**	**111 588 101**
Other operating income	15	5 384 606	10 946 262
Selling and distribution expenses		(89 671 827)	(75 465 719)
Administrative expenses		(31 630 781)	(29 208 929)
Other operating expenses		(10 662 308)	(12 575 853)
Operating profit	16	**11 304 415**	**5 283 862**
Investment income	17	184 982	94 488
Finance costs	18	(11 489 395)	(5 378 350)
Loss before taxation		**2**	**-**
Taxation	19	(512 137)	(487 044)
Loss for the year		**(512 135)**	**(487 044)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(512 135)**	**(487 044)**

Cipla-Medpro Distribution Centre Proprietary Limited

(Registration number 1993/004005/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 April 2022	**100**	**(5 377 244)**	**(5 377 144)**
Loss for the year	-	(487 044)	(487 044)
Total comprehensive Loss for the year	**-**	**(487 044)**	**(487 044)**
Balance at 01 April 2023	**100**	**(5 864 288)**	**(5 864 188)**
Loss for the year	-	(512 135)	(512 135)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	**-**	**(512 135)**	**(512 135)**
Balance at 31 March 2024	**100**	**(6 376 423)**	**(6 376 323)**

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Loss before taxation		-	-
Adjustments for:			
Depreciation and amortisation		18 766 903	18 003 831
Gains on disposals and scrappings of assets		-	44 474
Interest income		(184 982)	(94 488)
Finance costs		11 489 395	5 378 350
Movements in provisions		117 967	165 676
Interest on lease liability		-	(5 378 350)
Other income		-	(5 589 949)
Non-cash movement in group loans		(169 467 212)	9 434 860
Non-cash movement in PPE		22 027	85 000
Non-cash lease modification		-	5 589 949
Non-cash movement in right-of-use asset		-	(112 298 428)
Non-cash movement in lease liabilities		-	93 914 060
Changes in working capital:			
Trade and other receivables		825 807	(253 202)
Trade and other payables		2 321 833	(2 671 813)
Cash (used in) generated from operations		**(136 108 262)**	**6 329 970**
Interest income received		184 982	94 488
Finance costs		(11 489 395)	-
Tax paid	20	(639 754)	(1 124 089)
Net cash from operating activities		**(148 052 429)**	**5 300 369**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(573 178)	(2 299 405)
Net cash from investing activities		**(573 178)**	**(2 299 405)**
Cash flows from financing activities			
Net movement in loans from group companies	24	155 391 706	-
Payment on lease liabilities	24	(7 985 533)	-
Net cash from financing activities		**147 406 173**	**-**
Total cash movement for the year		**(1 219 434)**	**3 000 964**
Cash at the beginning of the year		3 561 939	560 975
Total cash at end of the year	8	**2 342 505**	**3 561 939**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture, and computer equipment are determined based on replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 12.

Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Management has determined the incremental borrowing rate used to calculate the lease liability and the right-of-use asset, to be the borrowing rate offered to the group for its current borrowings.

This borrowing rate is the rate which is considered to be relevant to the company should they decide to purchase an asset of a similar nature to the right-of-use asset recognised.

Deferred tax assets - source of estimation uncertainty

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The company is required to make significant estimates in assessing whether future taxable profits will be available. Future taxable profits are determined based on business plans for individual subsidiaries in the company and the probable reversal of taxable temporary differences in 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 realized. Such reductions are reversed when the probability of future taxable profits improves. Refer to Note 5.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

Property, plant and equipment is recognised as an asset when:

- there is a present economic resource; and
- it is controlled by the entity as a result of past events.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Accounting Policies

1.3 Property, plant and equipment (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	10 years
Plant and machinery	Straight line	10 years
Furniture and fixtures	Straight line	9 years
Motor vehicles	Straight line	5 years
IT equipment	Straight line	5 years
Leasehold improvements	Straight line	10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows)

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss

Note 23 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Accounting Policies

1.4 Financial instruments (continued)

Loans to group companies

Classification

Loans to group companies (note 6) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans to group companies are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Credit risk

Details of credit risk related to loans receivable are included in note 6 and the financial instruments and risk management (note 23).

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at transaction price as per IFRS 9.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.

Accounting Policies

1.4 Financial instruments (continued)

- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is specific to tender and private customers which show significantly different loss patterns. The loss allowance is calculated separately for tender and private customers.. Details of the provision matrix is presented in note 7.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 16).

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Loans from group companies

Classification

Loans from group companies (note 11) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loans from group companies are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 18).

Loans from group companies expose the company to liquidity risk. Refer to note 23 for details of risk exposure and management thereof.

Accounting Policies

1.4 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 23 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are accounted for at amortised cost. Cash and cash equivalents comprise of current accounts, all of which are available for use by the company.

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.5 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Leases

For any new contracts entered into on or after 1 April 2019, the company assesses whether a contract is, or contains a lease, at the inception of the 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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. The benchmark for low value assets is R80 000 (present value of the lease payments discounted at the increment borrowing rate).

For these leases, the company recognises the lease payments as an operating expense (note 16) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounting Policies

1.6 Leases (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 18).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

The right-of-use asset is calculated as the initial amount of the lease liability.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

Accounting Policies

1.6 Leases (continued)

Right-of-use assets are depreciated over the lease term, the lease terms are presented in the following table:

Item	Depreciation method	Average lease term
Buildings	Straight line	11 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Accounting Policies

1.9 Employee benefits (continued)

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.10 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

If the company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.11 Revenue

Recognition and measurement

Revenue, net of logistic fees paid to independent wholesalers and excluding value added tax, comprises the total invoice value of goods derived from the supply of generic pharmaceutical products to provide treatment for a broad spectrum of acute and chronic conditions.

Revenue is measured based on the transaction price which is the amount of consideration which is expected to be received and in compliance with legislated pricing in the various regulated markets and excludes amounts collected on behalf of third parties. Revenue is recognised based on the completion of performance obligations and an assessment of when control is transferred to the customer. The following indicators are used by the company in determining when control has passed to the customer:

- the company has a right to payment for the product or service;
- the customer has legal title to the product;
- the company has transferred physical possession of the product to the customer;
- the customer has the significant risk and rewards of ownership of the product; and
- the customer has accepted the product.

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon delivery to the customer.

Accounting Policies

1.11 Revenue (continued)

Sale of pharmaceutical goods

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been dispatched to the specific location, the risks of obsolescence and loss have been transferred and the customer accepted the products in accordance with the sales contract. Revenue is recorded at the transaction price which is the amount of consideration which is expected to be received and in compliance with regulated pricing in regulated markets, net of logistic fees and value added tax. Revenue and receivables are recorded when the performance obligation has been satisfied and only the passage of time is required before payment is due.

A contract payable is recognised for consideration received in respect of unsatisfied performance obligations.

In terms of IFRS 15 par. 63 the company has elected to apply the practical expedient as no significant financing component exists for trade and other receivables.

1.12 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy.

1.13 Finance costs

Finance costs comprise interest expenses on borrowings and lease liability interest expense. All finance costs are recognised in profit or loss using the effective interest method.

Figures in Rand	2024	2023

2. New Standards and Interpretations

Standards, amendments and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual years beginning after 1 April 2023, and have not been applied in preparing these consolidated and separate annual financial statements. Those which may be relevant to the group and company are set out below. The group and company do not plan to adopt these standards early. These will be adopted in the year that they become mandatory unless otherwise indicated. The effect of these amendments have not yet been determined.

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations::

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Deferred tax related to assets and liabilities arising from single transaction: Amendment to IAS 12	1 January 2023	The impact of the amendments is not material
• Definition of Accounting Estimate: Amendment to IAS 8	1 January 2023	The impact of the amendments is not material
• Disclosure of Accounting Policies: Amendment to IAS 1 and Practice Statement 2	1 January 2023	The impact of the amendments is not material

2.2 Standards and interpretations not yet effective

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Classification of liabilities as current or non-current : Amendment to IAS 1	1 January 2024	Unlikely there will be a material impact
• Non-current liabilities with covenants: Amendment to IAS 1	1 January 2024	Unlikely there will be a material impact
• Supplier Finance Arrangments: Amendments to IAS 7 and IFRS 7	1 January 2024	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

3. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	147 353 610	(14 965 601)	132 388 009	147 353 610	(1 151 200)	146 202 410
Plant and machinery	10 423 112	(3 049 538)	7 373 574	10 368 112	(2 015 117)	8 352 995
Furniture and fixtures	1 776 256	(1 378 141)	398 115	1 629 086	(1 187 692)	441 394
Motor vehicles	2 359 450	(2 359 450)	-	2 359 450	(2 351 806)	7 644
IT equipment	3 302 850	(2 391 152)	911 698	3 059 058	(1 881 707)	1 177 351
Leasehold improvements	31 148 580	(25 134 208)	6 014 372	31 148 580	(22 011 478)	9 137 102
Capital - Work in progress	17 375	-	17 375	-	-	-
Total	**196 381 233**	**(49 278 090)**	**147 103 143**	**195 917 896**	**(30 599 000)**	**165 318 896**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	146 202 410	-	-	(13 814 401)	132 388 009
Plant and machinery	8 352 995	55 000	-	(1 034 421)	7 373 574
Furniture and fixtures	441 394	147 170	-	(190 448)	398 116
Motor vehicles	7 644	-	-	(7 644)	-
IT equipment	1 177 351	353 633	(22 028)	(597 260)	911 696
Leasehold improvements	9 137 102	-	-	(3 122 729)	6 014 373
Capital - Work in progress	-	17 375	-	-	17 375
	165 318 896	**573 178**	**(22 028)**	**(18 766 903)**	**147 103 143**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings*	47 105 402	112 298 428	-	(13 201 420)	146 202 410
Plant and machinery	7 005 957	2 164 546	-	(817 508)	8 352 995
Furniture and fixtures	521 029	93 791	-	(173 426)	441 394
Motor vehicles	238 505	-	(129 473)	(101 388)	7 644
IT equipment	1 723 645	41 067	-	(587 361)	1 177 351
Leasehold improvements	12 259 830	-	-	(3 122 728)	9 137 102
	68 854 368	**114 597 832**	**(129 473)**	**(18 003 831)**	**165 318 896**

* Included in the prior year additions is a modification to a right-of-use asset amounting to R112 298 428, which is a non-cash flow item that has been adjusted for accordingly in the Cash Flow Statement.

Net carrying amounts of leased assets

Buildings: Right-of-use asset	132 388 009	146 202 410
Leasehold improvements	6 014 372	9 137 102
	138 402 381	**155 339 512**

Figures in Rand	2024	2023

3. Property, plant and equipment (continued)

Insurance

Comprehensive insurance cover is taken out over plant, equipment and vehicles.

Pledged as collateral for financial liabilities

General notarial bond by Cipla Medpro South Africa Group in favour of FirstRand bank Ltd for R1 300 000 000 over all movable assets.

Impairment tests for plant and equipment

The company reviews the carrying values of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

During the current year, there was no change in the useful lives of the assets.

No indications of impairment were present based on the current period review and therefore no impairment loss was recognised in the profit or loss for the company.

4. Leases (company as lessee)

The company leases its office and warehousing building. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and liability. The company classifies its right-of-use assets in a consistent manner to its property, plant and equipment. (see note 4).

The lease of the property has a remaining lease of 10 and a half years. Lease payments increase annually at the rate indicated in the lease agreement.

The lease generally imposes a restriction that, unless it is a contractual right for the company to sublet the asset to another party, the right-of-use asset can only be used by the company. The lease is non-cancellable and contains an option to extend the lease for a further term. The company is prohibited from selling or pledging the underlying leased assets as security. The company must keep the property in a good state or repair and return the property in its original condition at the end of the lease. Further, the company must insure items of the property and incur maintenance fees on such items in accordance with the lease contract.

In the prior year, the lease for Cipla Medpro Distribution Centre Proprietary Limited's building, was originally set to end on 31 October 2025, during the prior financial year, the lease was renegotiated and extended for a further term ending on 31 October 2033. The amended lease commenced on 1 November 2023, however the terms of the lease were signed by both parties in February 2023, hence the modification applies to the prior financial year.

This modification has resulted in a net gain of R5 589 948 in the prior year.

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 16).

Buildings	13 814 401	13 201 419

Other disclosures

Interest expense on lease liabilities	11 489 395	5 378 350
Leases of low value assets included in operating expenses	543 606	13 774
Leases of short term included in operating expenses	-	538 002

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

4. New Standards and Interpretations (continued)

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	17 384 592	19 411 142
Two to five years	81 112 339	76 446 648
More than five years	122 638 162	144 752 232
	221 135 093	240 610 022
Less finance charges component	(67 970 700)	(79 460 096)
	153 164 393	**161 149 926**
Non-current liabilities	146 847 597	153 113 744
Current liabilities	6 316 796	8 036 182
	153 164 393	**161 149 926**

5. Deferred tax

Deferred tax asset

Accrued leave pay	182 980	165 647
Accrued bonus	506 908	555 148
Audit fees accrual	45 706	43 200
Plant and Equipment	(594 464)	(1 316 412)
Prepayments	(532 907)	-
Right-of-use asset and lease liability	5 083 639	3 570 318
Deferred tax balance from temporary differences other than unused tax losses	4 691 862	3 017 901
Tax losses available for set off against future taxable income	82 593	1 648 571
Total deferred tax asset	**4 774 455**	**4 666 472**

Reconciliation of deferred tax asset

At beginning of year	4 666 472	5 507 363
Accrued bonus	(48 240)	53 668
Accrued leave pay	17 333	23 466
Audit fee provision	2 506	10 800
Plant and equipment	721 948	(324 950)
Prepayment	(532 907)	(692 462)
Right of use asset and lease liability	1 513 321	(1 864 908)
Assessed loss	(1 565 978)	1 953 495
	4 774 455	**4 666 472**

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

A deferred tax asset has been recognised, because it is considered probable that future taxable profits will be available against which the company can utilise the benefits.

Figures in Rand	2024	2023

6. Loans to group companies

Fellow subsidiaries

Cipla Kenya Limited The loan is unsecured, interest free and repayable on demand.	533 775	533 775
Medpro Pharmaceutica Proprietary Limited The loan is unsecured, interest free and repayable on demand.	2 775 362	-
	3 309 137	**533 775**

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

Based on the assessment of these factors, the expected credit loss was not provided for in current or previous financial year.

Fair value of group loans receivable

Group loans are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

7. Trade and other receivables

Non-financial instruments:		
Prepayments	1 973 729	2 789 106
	1 973 729	**2 789 106**

Financial instrument and non-financial instrument components of trade and other receivables

Non-financial instruments	1 973 729	2 789 106

Fair value of other receivables

Other receivables are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2 342 503	3 561 939

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

8. Cash and cash equivalents (continued)

Expected credit risk - cash and cash equivalents

The exposure at default is considered to be the outstanding balance at year end as this is the amount that is exposed.

The company holds bank accounts with the following financial institutions:

Bank facilities	National Credit Rating
Nedbank Limited	P-1.za
First National Bank	P-1.za
ABSA Bank Limited	P-1.za

The ratings for Nedbank Limited, ABSA Bank Limited and First Rand Bank were obtained from Moody's The ratings scores are based on the following broad investment grade definitions:

P1 Issuers(or supporting institutions) rated Prime-1 have a superior ability to repay short t-term debt obligations.
P2 Issuers(or supporting institutions) rated Prime-2 have a superior ability to repay short t-term debt obligations.
P3 Issuers(or supporting institutions) rated Prime-3 have an acceptable ability to repay short t-term debt obligations.

Based on the current ratings, the exposure to credit is stable, probability of default is therefore at 0%, thus indicating that the expected credit loss for cash and cash equivalent is immaterial.

None of the items classified as cash and cash equivalents have been pledged as collateral/provided as security.

The carrying amount of these assets approximates their fair values.

9. Share capital

Authorised		
1000 Ordinary shares of R1 each	1 000	1 000
Issued		
100 Ordinary shares of R1 each	100	100

10. Trade and other payables

Financial instruments:		
Trade payables - external parties	559 316	85 453
Accrued expenses	8 627 849	7 517 123
Non-financial instruments:		
VAT	1 113 638	464 682
	10 300 803	**8 067 258**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	9 187 165	7 602 576
Non-financial instruments	1 113 638	464 682
	10 300 803	**8 067 258**

Exposure to liquidity risk

Refer to note 23 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Figures in Rand	2024	2023

10. Trade and other payables (continued)

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

11. Loan from group company

Fellow subsidiary

Medpro Pharmaceutica Proprietary Limited The loan is unsecured, interest free and is repayable on demand	-	11 201 431

In the current year, the company settled the loan in full.

Exposure to liquidity risk

Refer to note 23 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Fair value of group loans payable

The fair value of group loans payable approximates their carrying amounts.

12. Provisions

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Total
Provision for leave	613 508	182 705	(118 510)	677 703
Provision for bonus	2 056 101	3 240 908	(3 187 136)	2 109 873
	2 669 609	**3 423 613**	**(3 305 646)**	**2 787 576**

Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
Provision for leave	526 598	201 107	(114 197)	613 508
Provision for bonus	1 857 335	3 796 370	(3 597 604)	2 056 101
	2 383 933	**3 997 477**	**(3 711 801)**	**2 669 609**

13. Revenue

Rendering of services	140 105 859	113 635 007

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon delivery to the customer.

There were no unsatisfied performance obligations as at the current and prior year reporting date.

14. Cost of sales

Sale of goods	2 221 134	2 046 906

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
15. Other operating income		
Storage rental and recoveries	5 384 606	5 356 313
Gain from lease modification	-	5 589 949
	5 384 606	**10 946 262**
16. Operating profit		
Operating profit for the year is stated after charging the following, amongst others:		
Auditor's remuneration - external		
Audit fees	170 275	169 600
Tax and secretarial services	13 000	8 365
	183 275	**177 965**
Remuneration, other than to employees		
Consulting and professional services	2 540 503	1 485 670
Employee costs		
Salaries, wages, bonuses and other benefits	41 044 240	33 759 602
Retirement benefit plans: defined contribution expense	-	1 346 627
Total employee costs	**41 044 240**	**35 106 229**
Leases		
Short-term leases	-	538 002
Leases of low value assets	543 605	13 774
Total lease expenses	**543 605**	**551 776**
Depreciation and amortisation		
Depreciation of property, plant and equipment	18 766 903	18 003 831
Amortisation of intangible assets	-	2 537
Total depreciation and amortisation	**18 766 903**	**18 006 368**
17. Investment income		
Interest income		
Bank and other cash	139 475	94 488
Other financial assets	45 507	-
Total interest income	**184 982**	**94 488**
18. Finance costs		
Interest on lease liabilities	11 489 395	5 378 350

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

19. Taxation

Major components of the tax expense

Current		
Local income tax - current year	620 120	-
Local income tax - prior period over provision	-	(353 847)
	620 120	**(353 847)**
Deferred		
Current year	(107 983)	840 891
	512 137	**487 044**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting loss	-	-
Tax at the applicable tax rate of 27% (2023: 28%)	-	-
Tax effect of adjustments on taxable income		
Non-deductible amounts	849 084	855 145
Income tax relating to prior years	-	(353 847)
Deferred tax relating to prior years	(336 947)	(14 254)
Tax rate change	-	-
	512 137	**487 044**

20. Tax paid

Balance at beginning of the year	353 848	(1 124 088)
Tax for the year recognised in loss	(620 120)	353 847
Balance at end of the year	(373 482)	(353 848)
	(639 754)	**(1 124 089)**

Figures in Rand	2024	2023

21. Related parties

Relationships

Ultimate holding company	Cipla Limited
Holding company	Cipla Medpro South Africa Proprietary Limited
Fellow subsidiaries	Cipla Dibcare Proprietary Limited Cipla-Medpro Proprietary Limited Medpro Pharmaceutica Proprietary Limited Cipla Select Proprietary Limited Cipla Medpro Manufacturing Proprietary Limited Mirren Proprietary Limited Cipla Kenya Limited Cipla Medpro Botswana Proprietary Limited Cipla Quality Chemical Industries Limited Meditab Holdings Limited Actor Proprietary Limited
Fellow associate	BrandMed & Cipla Empowerment Trust
Directors	MW Daly JP Miller

Transactions with related parties, are not conducted on arm's length basis and on payments terms of those transacted with third parties, except where otherwise noted.

Related party balances

Loan accounts - Owing (to) by related parties		
Medpro Pharmaceutica Proprietary Limited	2 508 060	(11 201 431)
Cipla Kenya Limited	533 775	533 775
Related party transactions		
Distribution fees received from related party		
Medpro Pharmaceutica Proprietary Limited	140 105 859	113 635 007
Recoveries paid to related party		
Medpro Pharmaceutica Proprietary Limited	(2 396 997)	(1 869 333)

22. Directors' emoluments

Section 30 (4) to (6) of the Companies Act requires the company to disclose certain information in respect of remuneration for each director or individual holding any prescribed office in the company. A decision was taken by the directors of Cipla-Medpro Proprietary Limited not to disclose the executive directors' and prescribed officers' remuneration as required by the Companies Act due to the fact that the company is wholly owned subsidiary of Cipla Limited (ultimate holding company) and the shareholders are fully aware of the directors remuneration on an individual basis. Furthermore, directors are not remunerated for their services as directors, but rather remunerated solely for their services as employees of the company, hence management are of the view that Section 30 (4) to (6) does not apply. In the current and prior year, no emoluments were paid from this company.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

23. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Note(s)	Amortised cost	Total	Fair value
Loan to group company	6	3 309 137	3 309 137	3 309 137
Cash and cash equivalents	8	2 342 503	2 342 503	2 342 503
		5 651 640	**5 651 640**	**5 651 640**

2023

	Note(s)	Amortised cost	Total	Fair value
Loan to group company	6	533 775	533 775	533 775
Cash and cash equivalents	8	3 561 939	3 561 939	3 561 939
		4 095 714	**4 095 714**	**4 095 714**

Categories of financial liabilities

2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	10	9 187 165	9 187 165	9 187 165
Lease liabilities	4	153 164 393	153 164 393	153 164 393
		162 351 558	**162 351 558**	**162 351 558**

2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	10	7 602 576	7 602 576	7 602 576
Loan from group company	11	11 201 431	11 201 431	11 201 431
Lease liabilities	4	161 149 926	161 149 926	161 149 926
		179 953 933	**179 953 933**	**179 953 933**

General notarial bond by Cipla Medpro South Africa Group in favour of FirstRand bank Ltd for R1 300 000 000 over all movable assets.

Notes to the Annual Financial Statements

Figures in Rand		2024	2023

23. Financial instruments and risk management (continued)

Capital risk management

The company manages its capital to ensure that the group will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company's overall strategy remains unchanged from the previous year.

There are no externally impose capital requirements.

There have been no changes to what the company manages as capital and the strategy for capital maintenance for externally impose capital requirements from the previous year.

The gearing ratio is determined taking into account only interest bearing debt.

The capital structure of the group consists of net debt (i.e. loan from group company offset by net cash and cash equivalents) and equity (i.e. issued share capital and retained income).

Cash and cash equivalents	8	(2 342 503)	(3 561 939)
Net borrowings		**(2 342 503)**	**(3 561 939)**
Equity		(6 376 322)	(5 864 185)
Gearing ratio		37 %	61 %

Figures in Rand	2024	2023

23. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Interest rate risk.

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company finance committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans receivable, other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loan to group company	6	3 309 137	-	3 309 137	533 775	-	533 775
Trade and other receivables	7	-	-	-	2 789 106	-	2 789 106
Cash and cash equivalents	8	2 342 503	-	2 342 503	3 561 939	-	3 561 939
		5 651 640	**-**	**5 651 640**	**6 884 820**	**-**	**6 884 820**

Figures in Rand	2024	2023

23. Financial instruments and risk management (continued)

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

2024

	Notes	Less than 1 year	Over 5 years	Total
Non-current liabilities				
Lease liabilities	4	-	147 453 786	147 453 786
Current liabilities				
Trade and other payables	10	6 082 033	-	6 082 033
Lease liabilities	4	6 188 671	-	6 188 671
		12 270 704	**147 453 786**	**159 724 490**

2023

	Notes	Less than 1 year	2 to 5 years	Over 5 years	Total
Non-current liabilities					
Lease liabilities	4	-	76 446 648	144 752 232	221 198 880
Current liabilities					
Trade and other payables	10	7 602 576	-	-	7 602 576
Loans from group companies	11	11 201 431	-	-	11 201 431
Lease liabilities	4	19 411 142	-	-	19 411 142
		38 215 149	**76 446 648**	**(144 752 232)**	**259 414 029**

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

23. Financial instruments and risk management (continued)

Interest rate sensitivity analysis

An increase of 100 basis points in interest rates at the respective reporting dates would have decreased equity and decreased profit by the amounts shown below for the financial liabilities and assets listed. A 100 basis point decrease in interest rates at the respective reporting dates would have an equal but opposite effect on the financial liabilities and assets listed. This analysis assumes that all other variables remain constant.

	2024	2024	2023	2023
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Cash and cash equivalents 1% (2023: 1%)	23 425	(23 425)	35 620	(35 620)

24. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Other non-cash movements	Total non-cash movements	Closing balance
Lease liabilities	161 149 926	(7 985 533)	(7 985 533)	153 164 393
Loans from group companies	11 201 431	(11 201 431)	(11 201 431)	-
	172 351 357	**(19 186 964)**	**(19 186 964)**	**153 164 393**
Total liabilities from financing activities	**172 351 357**	**(19 186 964)**	**(19 186 964)**	**153 164 393**

Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	New leases	Total non-cash movements	Closing balance
Lease liabilities	67 235 866	93 914 060	93 914 060	161 149 926
Loans from group companies	1 766 571	9 434 860	9 434 860	11 201 431
	69 002 437	**103 348 920**	**103 348 920**	**172 351 357**
Total liabilities from financing activities	**69 002 437**	**103 348 920**	**103 348 920**	**172 351 357**

25. Commitments

Capital commitments

At year end the company had purchases of plant and machinery of R120 585 (2023: R224 106) which had been contracted for.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

26. Going concern

The company incurred a net loss of R512 135 during the year ended 31 March 2024 (2023: R487 044), and, as of that date, the company's total liabilities exceeded its total assets by R6 376 323 (2023: R5 864 188).

These events or conditions, along with the negative cash flow on operations, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

As the company forms part of a group of companies, the company is reliant on the continued support of companies within the group at favourable terms. The group has indicated that continued support will be provided by group to ensure the company remains operational with no intention to cease business operations in the foreseeable future. As a result, the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

27. Events after the reporting period

There is no matter or circumstance which is material to the financial affairs of the company, which has occurred between 31 March 2024 and the date of approval of the annual financial statements, that has not been otherwise dealt with in the annual financial statements.

28. Contingencies

The company does not have any material contingencies during the current and prior financial year.

Cipla Medpro Manufacturing (Pty) Limited

(formerly known as Cipla Life Sciences (Pty) Limited)

Financial Statements for Financial Year 2023-24

Cipla Medpro Manufacturing Proprietary Limited
(Registration number 2000/001167/07)
Annual Financial Statements
for the year ended 31 March 2024
The annual financial statements were independently compiled by:
Accounting and Financial Advisory (Pty) Ltd

Cipla Medpro Manufacturing Proprietary Limited

(Registration number 2000/001167/07)
Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Manufacturing and distribution of pharmaceutical products
Directors	J P Miller S Masondo O Manuga P Thandrind S Y Chirwa
Registered office	1474 South Coast Road Mobeni Durban 4052
Holding company	Cipla Medpro South Africa Proprietary Limited incorporated in South Africa
Ultimate holding company	Cipla Limited incorporated in India
Auditors	SNG Grant Thornton Chartered Accountants (SA) Registered Auditors South African member firm of Grant Thornton International
Preparer	The annual financial statements were independently compiled by: Accounting and Financial Advisory (Pty) Ltd
Published	03 May 2024

Cipla Medpro Manufacturing Proprietary Limited

(Registration number 2000/001167/07)
Annual Financial Statements for the year ended 31 March 2024

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Directors' Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the annual financial statements of the company comprising the statement of financial position at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Finance Reporting Standards Council (FRSC), and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the directors' report.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates. The directors are of the opinion that the information contained in the annual financial statements fairly presents the financial position at year end and the financial performance and cash flows of the company for the year then ended. The directors have taken the responsibility for ensuring that accurate and complete accounting records are kept enabling the company to satisfy their obligation with respect to the preparation of the annual financial statements.

The directors are also responsible for such internal control as the directors determine necessary to enable the preparation of the annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors have reviewed the company's budget and cash flow forecast for the period twelve months after the signing date of this report and, in light of this review, the current financial position and existing borrowing facilities, the going concern basis has been adopted in preparing the company's annual financial statements. The directors have no reason to believe that the company will not be a going concern in the year ahead. These annual financial statements support the viability of the company.

The auditors are responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework. A copy of the auditors' report is presented on pages 6 to 8.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The annual financial statements set out on pages 9 to 49, were approved by the board of directors on 03 May 2024 and were signed on their behalf by:

Approval of annual financial statements

J P Miller

O Manuga

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the company for the year ended 31 March 2024.

1. Nature of business

Cipla Medpro Manufacturing Proprietary Limited was incorporated in South Africa with interests in the pharmaceutical industry. The company operates in South Africa.

During the prior year, effective 1 April 2022, the company acquired the manufacturing business of Cipla Medpro South Africa Proprietary Limited ("CMSA"). The manufacturing business of CMSA constitutes all of the manufacturing assets within CMSA, which was settled by the company for a consideration equal to the issue of 900 ordinary shares. This was a strategic decision, which is in line with the groups strategy to increase the ability to do more private/public partnerships at a subsidiary level as well as align the South African group structure to that of the holding company. The net consideration classified as a share premium in the company was R 458 653 155, refer to note 30 in the financial statements for further information.

2. Review of activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Authorised and issued share capital

As disclosed in section 1 above, the company issued 900 ordinary shares during the current year as part of the business combination transaction. The company also created a new class of Notional Vendor Finance Shares, which were issued to the Cipla Empowerment Trust. Refer to note 11 for further information.

4. Dividends

During the current year a dividend of R100 000 000 and R500 000 was declared and paid respectively to Cipla Medpro South Africa Proprietary Limited and The Cipla Empowerment Trust. During the prior year a dividend in specie, being a loan claim against Medpro Pharmaceutica Proprietary Limited, amounting to R262 896 207, was declared.

5. Directorate

The directors in office at the date of this report are as follows:

Directors
J P Miller
S Masondo
O Manuga
P Thandrind
S Y Chirwa

6. Holding company

The company's holding company is Cipla Medpro South Africa Proprietary Limited which holds 100% (2023: 100%) of the company's equity. Cipla Medpro South Africa Proprietary Limited is incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Cipla Limited which is incorporated in India.

8. Events after the reporting period

There is no matter or circumstance which is material to the financial affairs of the company, which has occurred between the 31 March 2024 and the date of the approval of the annual financial statements, that has not been otherwise dealt with in the annual financial statements.

Directors' Report

9. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. This basis presumes that the company will continue to receive the support of its holding company and that the realisation of the assets and settlement of liabilities will occur in the ordinary course of business.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company.

10. Auditors

SNG Grant Thornton continued in office as auditors for the company for 2024.

11. Secretary

Kilgetty Statutory Services Proprietary Limited provided secretarial services during the year under review.

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Independent Auditor's Report

To the Shareholders of Cipla Medpro Manufacturing Proprietary Limited

Qualified Opinion

We have audited the financial statements of Cipla Medpro Manufacturing Proprietary Limited set out on pages 9 to 49 which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Cipla Medpro Manufacturing Proprietary Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for qualified opinion

Directors' emoluments

Section 30(4) to (6) of the Companies Act requires the company to disclose certain information in respect of the remuneration of each director and each individual holding a prescribed office in the company. The disclosures have not been provided for each director or prescribed officer, for the reason provided in note 26. While this is a breach of the requirements of the Companies Act, it does not affect our opinion in accordance with the International Financial Reporting Standards.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cipla Medpro Manufacturing Proprietary Limited Annual Financial Statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information 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 an audit opinion or 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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

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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 the directors 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.

SizweNtsalubaGobodo Grant Thornton Inc.
PIDP de Villiers
Director

Registered Auditor
IRBA registration number: 492493

3 May 2024

2 Edam Avenue
Waterval East Ext. 37
Rustenburg
North-West

Statement of Financial Position as at 31 March 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	202 561 385	203 976 999
Intangible assets	5	8 724 671	1 235 000
		211 286 056	**205 211 999**
Current Assets			
Inventories	7	198 975 012	267 411 448
Loan to group company	8	1 190 487	6 486 091
Trade and other receivables	9	538 931 383	215 546 381
Derivatives	14	1 006 151	-
Current tax receivable		1 186 328	-
Cash and cash equivalents	10	3 048 152	19 367 400
		744 337 513	**508 811 320**
Total Assets		**955 623 569**	**714 023 319**
Equity and Liabilities			
Equity			
Share capital	11	1 000	1 000
Reserves		458 653 155	458 653 155
Accumulated loss		(31 617 921)	(9 264 877)
		427 036 234	**449 389 278**
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	4	9 077 384	16 738 737
Deferred tax	6	17 753 537	22 956 940
		26 830 921	**39 695 677**
Current Liabilities			
Trade and other payables	12	158 793 914	208 453 867
Loans from group companies	13	328 266 216	1 203 286
Derivatives	14	-	479 740
Finance lease liabilities	4	7 660 817	6 412 830
Current tax payable		-	1 145 510
Provisions	15	7 035 467	7 243 131
		501 756 414	**224 938 364**
Total Liabilities		**528 587 335**	**264 634 041**
Total Equity and Liabilities		**955 623 569**	**714 023 319**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue	16	1 148 206 362	865 246 402
Cost of sales	17	(924 354 650)	(766 638 261)
Gross profit		**223 851 712**	**98 608 141**
Other income	18	412 500	193 697
Other gains	19	4 052 297	17 241 432
Selling and distribution expenses		(70 373 667)	(22 878 602)
General and administrative expenses		(12 725 026)	(11 749 510)
Other operating expenses		(31 333 190)	(40 643 952)
Operating profit	20	**113 884 626**	**40 771 206**
Investment income	21	341 512	120 767
Finance costs	22	(1 590 003)	(2 046 096)
Profit before taxation		**112 636 135**	**38 845 877**
Taxation	23	(34 489 179)	(48 488 761)
Profit (loss) for the year		**78 146 956**	**(9 642 884)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**78 146 956**	**(9 642 884)**

Cipla Medpro Manufacturing Proprietary Limited

(Registration number 2000/001167/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

Figures in Rand	Share capital	Securities premium reserve*	Accumulated loss	Total equity
Balance at 01 April 2022	**100**	**-**	**263 274 214**	**263 274 314**
Loss for the year	-	-	(9 642 884)	(9 642 884)
Total comprehensive Loss for the year	**-**	**-**	**(9 642 884)**	**(9 642 884)**
Issue of shares	900	-	-	900
Dividends**	-	-	(262 896 207)	(262 896 207)
Business combinations	-	458 653 155	-	458 653 155
Total contributions by and distributions to owners of company recognised directly in equity	**900**	**458 653 155**	**(262 896 207)**	**195 757 848**
Balance at 01 April 2023	**1 000**	**458 653 155**	**(9 264 877)**	**449 389 278**
Profit for the year	-	-	78 146 956	78 146 956
Total comprehensive loss for the year	**-**	**-**	**78 146 956**	**78 146 956**
Dividends**	-	-	(100 500 000)	(100 500 000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(100 500 000)**	**(100 500 000)**
Balance at 31 March 2024	**1 000**	**458 653 155**	**(31 617 921)**	**427 036 234**

* During the prior year, effective 1 April 2022, the company acquired the manufacturing business of Cipla Medpro South Africa Proprietary Limited ("CMSA"). The business acquisition was settled by the company for a consideration equal to the issue of 900 ordinary shares at a share premium of R458 653 155. Refer to note 30 for further information related to the business acquisition.

** During the current year a dividend of R100 000 000 and R500 000 was declared and paid respectively to Cipla Medpro South Africa Proprietary Limited and The Cipla Empowerment Trust. During the prior year a dividend in specie, being a loan claim against Medpro Pharmaceutica Proprietary Limited, amounting to R262 896 207, was declared.

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Profit before taxation		112 636 135	38 845 877
Adjustments for:			
Depreciation and amortisation		51 113 628	50 374 046
Interest income		(341 512)	(120 767)
Finance costs		1 590 003	2 046 096
Fair value adjustments		(1 485 891)	479 740
Movement in stock provision		(4 998 441)	8 269 442
Transfer of IFRS 16 lease		-	9 143 730
Non-cash movements dividend declared		-	262 896 207
Movements in provisions		(207 664)	7 243 131
Impairment losses and reversals		(6 582 365)	-
Interest on lease liability		(1 590 003)	-
Non-cash movements on intercompany loans		192 467 729	(168 975 118)
Changes in working capital:			
Inventories		73 434 879	(97 776 856)
Trade and other receivables		(316 802 637)	(102 000 709)
Trade and other payables		(49 659 953)	164 629 036
Cash generated from operations		**49 573 908**	175 053 855
Deferred income		-	(2 046 096)
Finance income		341 512	120 767
Tax paid	24	(42 024 420)	(24 371 348)
Dividends paid		(100 500 000)	-
Net cash (used in) from operating activities		**(92 609 000)**	**148 757 178**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(49 271 853)	(36 877 111)
Purchase of intangible assets	5	(7 915 834)	(1 425 000)
Net cash used in investing activities		**(57 187 687)**	**(38 302 111)**
Cash flows from financing activities			
Proceeds from group companies	28	-	106 200 000
Repayment of lease liability		(6 413 366)	(5 313 324)
Proceeds from group companies		692 810 774	-
Payments to group companies	28	(552 919 969)	(205 323 489)
Net cash from (used in) financing activities		**133 477 439**	**(104 436 813)**
Total cash movement for the year		**(16 319 248)**	**6 018 254**
Cash at the beginning of the year		19 367 400	-
Cash acquired through business combination		-	13 349 146
Total cash at end of the year	10	**3 048 152**	**19 367 400**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

Going Concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within their current funding levels into the foreseeable future. After making enquires, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The financial statements therefore have been prepared on a going concern basis.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Provision for obsolete stock is calculated based on stock with a remaining shelf life of 6 months or less, and any products experiencing regulatory issues.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

Derivatives are measured at fair value. Observable market data is used as inputs to the extent that it is available.

Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Management has determined the incremental borrowing rate used to calculate the lease liability and the right-of-use asset, to be the borrowing rate offered to the Group for its current borrowings. This borrowing rate is a rate which is considered to be relevant to the Group should they decide to purchase an asset of the similar nature to the right of use asset recognised.

Income taxes

There are numerous calculations and transactions for which the ultimate tax position is uncertain during the ordinary course of business. The company recognises tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be payable. In determining whether an interpretation and/or application of the various tax rules may result in a dispute of which the outcome may not be favourable to the company, the company seeks, where relevant, expert advice to determine whether an unfavourable outcome is probable or possible.

Where payment is determined to be possible but not probable the tax exposure is disclosed as a contingent liability. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax in the period in which such determination is made.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture, buildings and computer equipment are determined based on Group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements. When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Refer to note 13 for the nature of provisions and estimation uncertainty.

Inventories obsolescence

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory obsolescence to reflect its actual experience on a periodic basis.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of intangible assets

Management assess the appropriateness of the useful lives of intangible assets at the end of each reporting period.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Deferred taxation asset

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The company is required to make significant estimates in assessing whether future taxable profits will be available. Future taxable profits are determined based on business plans for the company and the probable reversal of taxable temporary differences in 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. Such reductions are reversed when the probability of future taxable profits improves. Refer to note 6.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	30 years
Right of use asset	Straight line	Lease term
Plant and machinery	Straight line	2 - 25 years
Furniture and fixtures	Straight line	3 - 10 years
Motor vehicles	Straight line	5 years
Land	Not depreciated	Not depreciated
Leasehold improvements	Straight line	Lease term

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Accounting Policies

1.3 Property, plant and equipment (continued)

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of intangible assets, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	2 -10 years

1.5 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.)

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost

Accounting Policies

1.5 Financial instruments (continued)

Note 27 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Classification

Loan to group company (note 8) is classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.

Accounting Policies

1.5 Financial instruments (continued)

- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other gains (note 19).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 27).

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 9.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 20).

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Non-hedging derivatives

Classification

Non-hedging derivatives are classified as mandatorily at fair value through profit or loss.

The company enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk and cash flow interest rate risk. Derivatives held by the company which are not in designated hedging relationships, include forward exchange contracts and interests rate swaps. (Note 14)

Recognition and measurement

Derivatives are recognised when the company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Accounting Policies

1.5 Financial instruments (continued)

Fair value gains or losses are included in other gains (losses) (note 19). Details of the valuation policies and processes are presented in note 29.

Loans from group companies

Classification

Loans from group companies are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loans from group companies are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Borrowings expose the company to liquidity risk. Refer to note 27 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 12), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 22).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 27 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other gains (note 19).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 27).

Accounting Policies

1.5 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents are accounted for at amortised cost and bank overdrafts are accounted for as financial liabilities. Cash and cash equivalents comprise cash on hand and deposits held on call, all of which are available for use by the company. Bank overdrafts are included within current liabilities on the statement of financial position, unless the company has a current legally enforceable right to set off the amounts and intends to settle on a net basis, or realise the asset and settle the liability simultaneously, in which case it is netted off against cash and cash equivalents on the statement of financial position.

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.6 Hedge accounting

At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the company actually hedges and the quantity of the hedging instrument that the company actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the company adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The company designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The company excludes the time value of options and designates only the intrinsic value of options as the hedging instruments in hedges involving options as the hedging instruments. The change in fair value attributable to the time value of options is recognised in other comprehensive income and accumulated in equity as deferred hedging gains (losses). The company only hedges time period related hedged items using options. The change in the aligned time value is recognised in other comprehensive income and is amortised on a systematic and rational basis over the period during which the hedge adjustment for the option's intrinsic value could affect profit or loss (or other comprehensive income, if the hedged item is an equity instrument at fair value through other comprehensive income). However, if hedge accounting is discontinued the net amount (i.e. including cumulative amortisation) that has been accumulated in the deferred hedging reserve is immediately reclassified into profit or loss.

Accounting Policies

1.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

1.8 Leases

For any new contracts entered into on or after 1 April 2019, the company assesses whether a contract is, or contains a lease, at the inception of the 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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. The benchmark for low value assets is R80 000 (present value of the lease payments discounted at the increment borrowing rate).

For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounting Policies

1.8 Leases (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 22).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

Accounting Policies

1.8 Leases (continued)
For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Depreciation method	Average lease term
Buildings	Straight line	2 - 5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.9 Inventories

Inventories are measured at the lower of cost and net realisable value.

Raw materials are measured at the lower of cost and net realisable value on the weighted average basis.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories includes a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy. The company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

1.10 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

Accounting Policies

1.10 Impairment of non-financial assets (continued)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.11 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the period in which they are declared. Options to shares granted to the Cipla Empowerment trust are accounted for on the basis of agency accounting.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.13 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

1.14 Revenue

Recognition and measurement

Revenue, net of logistic fees paid to independent wholesalers and excluding value added tax, comprises the total invoice value of goods derived from the supply of generic pharmaceutical products to provide treatment for a broad spectrum of acute and chronic conditions.

Revenue is measured based on the transaction price which is the amount of consideration or internally determined transfer pricing which is expected to be received and in compliance with legislated pricing in the various regulated markets and excludes amounts collected on behalf of third parties. Revenue is recognised based on the completion of performance obligations and an assessment of when control is transferred to the customer. The following indicators are used by the company in determining when control has passed to the customer:

- the company has a right to payment for the product or service;

Accounting Policies

1.14 Revenue (continued)

- the customer has legal title to the product;
- the company has transferred physical possession of the product to the customer;
- the customer has the significant risk and rewards of ownership of the product; and
- the customer has accepted the product.

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon delivery to the customer.

Sale of pharmaceutical goods:

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, being when the products are delivered to the customer. Intercompany sales delivery occurs when the products have been dispatched to the specific location, the risks of obsolescence and loss have been transferred and the customer accepted the products in accordance with the sales contract. Private sales delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred and the customer accepted the products in accordance with the sales contract. Revenue is recorded at the transaction price which is the amount of consideration which is expected to be received and in compliance with regulated pricing in regulated markets to private client's or internally determined transfer prices, net of logistic fees and value added tax. Revenue and receivables are recorded when the performance obligation has been satisfied and only the passage of time is required before payment is due. A contract payable is recognised for consideration received in respect of unsatisfied performance obligations.

A contract payable is recognised for consideration received in respect of unsatisfied performance obligations.

In terms of IFRS 15 par 63 the entity has elected to apply the practical expedient as no significant financing component exists for trade and other receivables.

1.15 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy.

1.16 Finance costs

Finance costs is incurred in relation to lease liability. All finance costs are recognised in profit or loss using the effective interest method.

1.17 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- 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.

Accounting Policies

1.17 Translation of foreign currencies (continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Figures in Rand	2024	2023

2. New Standards and Interpretations

Standards, amendments and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual years beginning after 1 April 2023, and have not been applied in preparing these consolidated and separate annual financial statements. Those which may be relevant to the group and company are set out below. The group and company do not plan to adopt these standards early. These will be adopted in the year that they become mandatory unless otherwise indicated. The effect of these amendments have not yet been determined.

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Deferred tax related to assets and liabilities arising from single transaction: Amendment to IAS 12	1 January 2023	The impact of the amendments is not material
• Definition of Accounting Estimate: Amendment to IAS 8	1 January 2023	The impact of the amendments is not material
• Disclosure of Accounting Policies: Amendment to IAS 1 and Practice Statement 2	1 January 2023	The impact of the amendments is not material

2.2 Standards and interpretations not yet effective

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Classification of liabilities as current or non-current : Amendment to IAS 1	1 January 2024	Unlikely there will be a material impact
• Non-current liabilities with covenants: Amendment to IAS 1	1 January 2024	Unlikely there will be a material impact
• Supplier Finance Arrangments: Amendments to IAS 7 and IFRS 7	1 January 2024	Unlikely there will be a material impact

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	33 980 690	(23 977 524)	10 003 166	33 980 690	(19 135 317)	14 845 373
Plant and machinery	423 749 337	(277 065 644)	146 683 693	395 615 220	(250 006 717)	145 608 503
Furniture and equipment	44 194 686	(25 024 109)	19 170 577	35 791 793	(21 455 286)	14 336 507
Leasehold improvements	186 141 844	(159 437 895)	26 703 949	173 407 003	(144 220 387)	29 186 616
Total	**688 066 557**	**(485 505 172)**	**202 561 385**	**638 794 706**	**(434 817 707)**	**203 976 999**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Total
Buildings	14 845 373	-	(4 842 207)	10 003 166
Plant and machinery	145 608 503	28 252 805	(27 177 615)	146 683 693
Furniture and equipment	14 336 507	8 402 894	(3 568 824)	19 170 577
Leasehold improvements	29 186 616	12 734 842	(15 217 509)	26 703 949
	203 976 999	**49 390 541**	**(50 806 155)**	**202 561 385**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Take on**	Transfers*	Depreciation	Total
Buildings	-	357 480	19 321 162	-	(4 833 269)	14 845 373
Plant and machinery	-	28 850 530	-	142 710 159	(25 952 186)	145 608 503
Furniture and fixtures	-	5 280 614	-	12 478 374	(3 422 481)	14 336 507
Leasehold improvements	-	2 388 463	-	42 774 240	(15 976 087)	29 186 616
	-	**36 877 087**	**19 321 162**	**197 962 773**	**(50 184 023)**	**203 976 999**

*Refer to note 30 for more information related to the transfer of manufacturing operations from Cipla Medpro South Africa (Pty) Ltd.

**This relates to transfer of right-of-use asset from Cipla Medpro South Africa (Pty) Ltd.

Included in buildings is right of use assets relating to lease liability, please refer to note 4 for further detail.

Pledged as collateral for financial liabilities

General Notarial Bond by Cipla Medpro South Africa Group in favour of FirstRand Bank Ltd for R1 300 000 000 over all movable assets.

Impairment tests for plant and equipment

The group reviews the carrying values of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. No Impairment indicators were present in the current and prior year. During the current and prior year, no impairment loss was recognised.

Insurance

Comprehensive insurance cover is taken out over plant and equipment.

A notarial bond over movable assets of R1 300 000 000 have been held as security for banking, loan facilities granted and future lines of credit.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

4. Leases (company as lessee)

The company has a lease for the main warehouse, production facilities and office building. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Leases of property generally have a lease term ranging from 5 years to 10 years. Lease payments are linked to annual changes in an index (either RPI or CPI).

Each lease generally imposes a restriction that, unless there is a contractual right for the company to sublet the asset to another party, the right-of-use asset can only be used by the company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Group has a pre-emptive right to purchase the manufacturing premises currently occupied by Cipla Medpro Manufacturing (Pty) Ltd should the owners of the premises decide to sell, transfer, dispose or alienate the property.

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

Building	9 660 581	14 490 872

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 20), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	4 830 290	4 830 290

Other disclosures

Interest expense on lease liabilities	1 590 003	2 046 096
Expenses on short-term leases included in operating expenses	1 099 864	420 437

Leases on low value assets and short term periods consists of the leasing of printers, containers, storage units, equipment mostly on a month to month or short term basis.

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Figures in Rand	2024	2023

4. Leases (company as lessee) (continued)

Finance lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	8 703 664	8 003 369
Two to five years	9 465 235	18 168 899
	18 168 899	26 172 268
Less finance charges component	(1 430 698)	(3 020 701)
	16 738 201	**23 151 567**
Non-current liabilities	9 077 384	16 738 737
Current liabilities	7 660 817	6 412 830
	16 738 201	**23 151 567**

5. Intangible assets

	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	9 896 780	(1 172 109)	8 724 671	1 980 946	(745 946)	1 235 000

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	1 235 000	7 915 834	(426 163)	8 724 671

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Transfers*	Amortisation	Total
Computer software	-	1 425 000	23	(190 023)	1 235 000

Impairment tests for plant and equipment

The company reviews the carrying values of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. During the current and prior year, no impairment loss was recognised.

No Impairment indicators were present in the current and prior year.

General Notarial bond by Cipla Medpro South Africa Group in favour of FirstRand bank for R1 300 000 000 over all movable assets.

*This relates to transfer of manufacturing operations from Cipla Medpro South Africa (Pty) Ltd.

6. Deferred tax

Deferred tax liability

Deferred tax liability	(17 753 537)	(22 956 940)

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

6. Deferred tax (continued)

Reconciliation of deferred tax (liability) asset

At beginning of year	(22 956 940)	15 517
Property, plant and equipment	3 856 441	(29 895 019)
Provision for leave pay	(295 631)	911 640
Provision for bonus	239 562	1 044 006
Provision for overtime	(186 452)	186 452
Provision for audit fee	4 118	138 713
Lease liabilities	(427 430)	2 338 388
Donation disallowed	2 012 795	2 303 363
	(17 753 537)	**(22 956 940)**

7. Inventories

Raw materials, components	113 603 697	220 257 839
Work in progress	38 469 057	37 067 228
Finished goods	31 401 071	4 267 126
Consumables*	19 012 443	14 088 697
	202 486 268	275 680 890
Provision for obsolete stock	(3 511 256)	(8 269 442)
	198 975 012	**267 411 448**

*Consumables consists of spare parts, packaging materials and other consumables used in the manufacturing and testing's processes .

Write-downs of inventories to net realisable value amounted to R6 375 857 (2023: R2 319 575). These were recognised as an expense and included in cost of sales in profit or loss.

A notarial bond over the company's inventory of R202 486 268 (2023: R275 680 890) has been held as security for banking, loan facilities granted and future lines of credit.

Secured assets

General notarial bond by Cipla Medpro South Africa Group in favour of FirstRand bank Ltd for R1 300 000 000.00 over all movable assets

8. Loans to group companies

Holding company

Cipla Medpro South Africa Proprietary Limited	1 190 487	6 486 091

The loan is unsecured, interest free and is repayable on demand.

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

In determining the amount of expected credit losses, the company has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

The carrying amount of financial assets represents the maximum credit exposure.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

8. Loans to group companies (continued)

Internal Credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default	Other
Impair	There is evidence indicating that the counterparty is in financial difficulty and there is no current prospect of recovery.	Amount Written off

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans.

Instrument	Internal Credit Rating (Where Applicable)	Basis of loss allowance	Gross Carrying amount	Amortised Cost
Loan to holding company	Performing	Other	6 486 091	6 486 091

9. Trade and other receivables

Financial instruments:		
Trade receivables	193 365 908	657 642
Trade receivables - related parties	335 400 926	214 291 434
Loss allowance	(6 582 365)	-
Trade receivables at amortised cost	522 184 469	214 949 076
Other receivables	15 000	-
Non-financial instruments:		
Prepayments	16 731 914	597 305
	538 931 383	**215 546 381**

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	522 199 469	214 949 076
Non-financial instruments	16 731 914	597 305
	538 931 383	**215 546 381**

As indicated in note 27, trade receivables of R522 199 469 (2023: R214 949 076) have been ceded to the bank as security for banking, loan facilities granted and future lines of credit.

Trade and other receivables are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

Figures in Rand	2024	2023

9. Trade and other receivables (continued)

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

For private sales in order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer balances are also covered by Credit Guarantee Insurance. Customer credit limits are in place and are reviewed and approved by credit management. The exposure to credit risk and the creditworthiness of customers, is continuously monitored. For purposes of internal credit risk management purposes, the company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off may still be subject to enforcement activities under the groups recovery procedures.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

Management has assessed the expected credit loss for tender customers and concluded that the adjustment is immaterial therefore no loss allowance has been created. The loss allowance provision is determined as follows:

	2024	2024
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Not past due	122 702 558	(721 006)
Less than 30 days past due	143 187 884	(631 513)
31 - 60 days past due	78 258 743	(571 637)
61 - 90 days past due	45 905 997	(4 371 776)
91 - 120 days past due	10 246 858	4 215
More than 120 days past due	649 826	(290 648)
More than 150 days past due	1 214 879	-
	402 166 745	**(6 582 365)**
Tender customers		
Not past due: 0%	12 010 243	-
Less than 30 days past due: 0%	44 615 459	-
31 - 60 days past due: 0%	36 839 569	-
61 - 90 days past due: 0%	7 692 545	-
91 - 120 days past due: 0%	11 172 959	-
More than 120 days past due: 0%	14 269 314	-
	126 600 089	**-**
Total	**528 766 834**	**(6 582 365)**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	3 048 152	19 367 400

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The exposure at default is considered to be the outstanding balance at year end as this is the amount that is exposed.

The company holds bank accounts with the following financial institutions:

Bank facilities	**National Scale Rating Short Term**
Rand Merchant Bank	P-1.za

The ratings for Standard Bank and First National Bank were obtained from Moody's.

The rating scores are based on the following broad investment grade definitions:
P1 Issuers(or supporting institutions) rated Prime-1 have a superior ability to repay short t-term debt obligations.
P2 Issuers(or supporting institutions) rated Prime-2 have a superior ability to repay short t-term debt obligations.
P3 Issuers(or supporting institutions) rated Prime-3 have an acceptable ability to repay short t-term debt obligations.

Based on the current ratings, the exposure to credit is stable, probability of default is therefore at 0%, thus indicating that the expected credit loss for cash and cash equivalent is immaterial.

None of the items classified as cash and cash equivalents have been pledged as collateral/provided as security.

The carrying amount of these assets approximate their fair values due to their short term maturitties.

11. Share capital

Authorised		
1000 (2023: 1000) Ordinary shares of R1 each	1 000	1 000
112 (2023: 112) AE Ordinary shares at no par value	112	112
	1 112	**1 112**
Reconciliation of number of shares issued:		
Reported as at 01 April 2023	1 112	100
Issue of shares – ordinary shares	-	900
Issue of shares – AE Ordinary shares	-	112
	1 112	**1 112**

Figures in Rand	2024	2023

11. Share capital (continued)

The Cipla Empowerment Trust (the "Trust") has two sets of vested beneficiaries:
- 8% effective shareholding for senior Black South African employees ("Employee Beneficiaries" or "ESOP") via a unitised employee share participation scheme.
- Units are allocated to employees at inception and vest in equal tranches of 1/3 each at the end of year 3; 4 and 5.
- An unallocated parcel of shares are retained by the Trust for further allocation to employees that meet eligibility criteria subsequent to the initial allocation.
- Units allocated to good leavers vest at fair value on leaving.
- Unvested units of bad leavers are forfeited.
- 2% effective shareholding for broad-based black beneficiaries ("Community Beneficiaries" or "BBOS").

- The Trust subscribed for a newly created class of Notional Vendor Finance Shares ("NVF Shares") in CMM at fair value less a discount.
- Share acquisition is effectively funded by notional vendor financing ("NVF"). NVF is a structured dividend restriction which economically replicates a subscription for ordinary shares on loan account from CMM.
- NVF is reduced when dividends are declared to ordinary shareholders, mirroring dividend receipts being used to pay down the loan funding.
- Once the funding (NVF) is reduced to zero, the Trust will have pro-rata rights to cash dividends.
- The Trust will have voting rights pro-rata its shareholding (i.e. 10%).
- The Trust will be entitled to receive fair value for the NVF shares at exit (taking into account the outstanding funding amount).

CMM does have control over the Trust however IFRS 10 par 4 exempts the entity from consolidation and consolidated figures will only be presented at CMSA consolidation level.

Issued		
1000 (2023: 100) Ordinary shares of R1 each	1 000	1 000
112 AE ordinary shares at no par value	112	112
Reconciliation of share premium		
Reported as at 01 April	458 653 155	-
Acquired through business combinations	-	458 653 155
	458 653 155	**458 653 155**

Refer to note 30 for further information related to the business acquisition during the prior year.

12. Trade and other payables

Financial instruments:		
Trade payables	16 149 813	55 674 624
Trade payables - related parties	78 774 232	117 816 233
Other payables	28 029 078	2 532 135
Accrued expense	14 858 062	19 602 132
Non-financial instruments:		
VAT	20 982 729	12 828 743
	158 793 914	**208 453 867**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	137 811 185	195 625 124
Non-financial instruments	20 982 729	12 828 743
	158 793 914	**208 453 867**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

12. Trade and other payables (continued)

Exposure to currency risk

Refer to note 27 Financial instruments and financial risk management for details of currency risk management for trade payables.

Exposure to liquidity risk

Refer to note 27 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Fair value of trade and other payables

The carrying amounts of trade and other payables approximates their fair value due to their short-term maturities.

13. Loans from group companies

Fellow subsidiary

Medpro Pharmaceutica Proprietary Limited The loan is unsecured, interest free and is repayable on demand.	328 266 216	1 203 286

14. Derivatives

Hedging derivatives		
Foreign exchange contract (liability) asset 2024: 2 461 559 USD at an average forward exchange rate of R18.90 (2023: 3 322 999 USD at an average forward exchange rate of R17.78)	(1 006 151)	479 740

Refer to note 29 Fair value information for details of valuation policies and processes.

Refer to note 27 Financial instruments and risk management for further details related to the foreign risk management of forward exchange contracts.

Exposure to credit risk

Management engages with reputable financial institutions that have a sound credit rating. All of our contracts are with Rand Merchant Bank.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

15. Provisions

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Total
Provision for bonus	3 866 688	8 296 840	(7 409 576)	4 753 952
Provision for leave	3 376 443	-	(1 094 928)	2 281 515
	7 243 131	**8 296 840**	**(8 504 504)**	**7 035 467**

Reconciliation of provisions - 2023

	Opening balance	Additions	Total
Provision for bonus	-	3 866 688	3 866 688
Provision for leave	-	3 376 443	3 376 443
	-	**7 243 131**	**7 243 131**

The leave and bonus provision relates to short-term employee benefits which is those payable within 12 months after services is rendered, such as paid vacation leave and sick leave, bonuses and other non-monetary benefits such as medical care.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement when the absence occurs.

The leave and bonus provision represents management's best estimate of the company's liability less than one period, based on factual information.

Uncertainty relating to provision relates to the uncertain timing that the employee will make use of their leave. Uncertainty relating to bonus provision is that the employee needs to be in employment of the company on the day of their employment anniversary in order to qualify for the bonus.

Uncertainty relating to management bonuses relates to the fact that management receives bonuses linked to company performance and therefore future performance of the company is projected and not yet final.

16. Revenue

Sale of pharmaceutical products	1 148 206 362	865 246 402
Tender sales	138 886 676	-
Private sales	123 305 950	2 723 749
Related party sales	886 013 736	862 522 653
	1 148 206 362	**865 246 402**

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon when the goods are loaded onto and the transport vehicle leaves the premises of the company.

There were no unsatisfied performance obligations as at 31 March 2024.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
17. Cost of sales		
Sale of goods	693 601 195	529 010 736
Manufactured goods:		
Employee costs	98 849 768	97 938 952
Depreciation and impairment	45 795 335	44 674 881
Manufacturing expenses	86 108 352	95 013 692
	924 354 650	**766 638 261**
18. Other income		
Sundry income	412 500	193 697
Other income mainly comprises of discount received.		
19. Other gains		
Foreign exchange gains		
Net foreign exchange gains	4 052 297	17 241 432
20. Operating profit		
Operating profit for the year is stated after charging the following, amongst others:		
Employee costs		
Salaries, wages, bonuses and other benefits	126 238 161	117 532 838
Retirement benefit plans: defined contribution expense	1 015 730	1 622 858
Total employee costs	**127 253 891**	**119 155 696**
Less: Employee costs included in cost of merchandise sold and inventories	(98 849 768)	(97 938 952)
Total employee costs expensed	**28 404 123**	**21 216 744**
Depreciation and amortisation		
Depreciation of property, plant and equipment	50 806 155	50 184 046
Amortisation of intangible assets	426 163	190 000
Total depreciation and amortisation	**51 232 318**	**50 374 046**
Less: Depreciation included in cost of merchandise sold and inventories	(45 795 335)	(44 674 881)
Total depreciation and amortisation expensed	**5 436 983**	**5 699 165**
Other		
Professional Fees - Compliance	-	2 822 755
Donations	25 800 535	21 243 198
21. Investment income		
Interest income		
Bank and other cash	341 512	120 767
22. Finance costs		
Lease liabilities	1 590 003	2 046 096

Figures in Rand	2024	2023

23. Taxation

Major components of the tax expense

Current		
SA normal tax - current year	39 819 234	25 516 858
SA normal tax - recognised in current tax for prior periods	(126 652)	-
	39 692 582	**25 516 858**
Deferred		
Current year	(5 203 403)	22 971 903
	34 489 179	**48 488 761**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27,00 %	27,00 %
Non-deductible expenses	3,65 %	11,10 %
Deferred tax relating to prior years	0,08 %	- %
Business transfer of net identifiable assets	- %	86,68 %
Effective tax rate	**30,73 %**	**124,78 %**

24. Tax paid

Balance at beginning of the year	(1 145 510)	-
Tax for the year recognised in profit or loss	(39 692 582)	(25 516 858)
Balance at end of the year	(1 186 328)	1 145 510
	(42 024 420)	**(24 371 348)**

25. Related parties

Relationships	
Ultimate holding company	Cipla Limited
Holding company	Cipla Medpro South Africa Proprietary Limited
Fellow subsidiaries	Medpro Pharmaceutica Proprietary Limited Cipla Dibcare Proprietary Limited Cipla-Medpro Proprietary Limited Cipla-Medpro Distribution Centre Proprietary Limited Cape to Cairo Proprietary Limited Cipla Medpro Botswana Proprietary Limited Cipla Select Proprietary Limited Mirren Proprietary Limited Cipla Kenya Limited
Other group related parties	Cipla Quality Chemicals Industries Limited Meditab Holdings Limited Brandmed Proprietary Limited
Entities which the group is able to exercise significant influence/control	The Cipla Foundation (SA) The Cipla Empowerment Trust - Controlled by Cipla Medpro Manufacturing Proprietary Limited

Figures in Rand	2024	2023

25. Related parties (continued)

Directors

J P Miller
S Masondo
O Manuga
P Thandrind
S Y Chirwa

Transactions with related parties, except where otherwise noted, are conducted on an arm's length basis and on the same payment terms as those transacted with third parties. Revenue generated from related parties is charged at internal transfer pricing percentages approved by management.

Related party balance

Loan accounts - Owing (to) by related parties		
Cipla Medpro South Africa Proprietary Limited	1 190 487	6 486 091
Medpro Pharmaceutica Proprietary Limited	(328 266 216)	(1 203 286)
Amounts included in trade receivable (trade payable) regarding related parties		
Medpro Pharmaceutica Proprietary Limited	320 888 700	197 551 275
Cipla Select Proprietary Limited	14 388 891	16 737 159
Medpro Pharmaceutica Proprietary Limited	-	(20 389 655)
Cipla Medpro South Africa Proprietary Limited	(65 996 335)	(87 511 198)
Cipla Limited	(11 973 859)	(9 409 360)
Mirren Proprietary Limited	(804 038)	(506 021)
The Cipla Empowerment trust	123 335	3 000

Related party transactions

Purchases from (sales to) related parties		
Cipla Limited	11 244 282	13 549 369
Medpro Pharmaceutica Proprietary Limited	4 935 889	17 730 134
Medpro Pharmaceutica Proprietary Limited	(872 724 491)	(853 163 683)
Cipla Select Proprietary Limited	(13 289 245)	(9 358 970)
Recoveries to (from) related parties		
Cipla Medpro South Africa Proprietary Limited	48 758 893	48 129 112
Cipla Limited	4 307 363	-
Dividends in specie issued to related parties		
Cipla Medpro South Africa Proprietary Limited	100 000 000	262 896 207
The Cipla Empowerment Trust	500 000	-
Donations to related parties		
The Cipla Foundation (SA)	23 841 317	19 088 076
Royalties paid to related parties		
Cipla Medpro South Africa Proprietary Limited	2 581 142	-
Cipla Limited	67 652 252	-

26. Directors' emoluments

Section 30 (4) to (6) of the Companies Act requires the company to disclose certain information in respect of remuneration for each director or individual holding any prescribed office in the company. A decision was taken by the directors of Cipla Medpro Manufacturing Proprietary Limited not to disclose the executive directors' and prescribed officers' remuneration as required by the Companies Act since the company is a wholly owned subsidiary of Cipla Limited (ultimate holding company) and the shareholders are fully aware of the directors remuneration on an individual basis. Furthermore, directors are not remunerated for their services as directors, but rather remunerated solely for their services as employees of the a fellow subsidiary company, hence management are of the view that Section 30 (4) to (6) does not apply. In the current and prior year, no director emoluments were paid from this company.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

27. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Note(s)	Fair value through profit or loss - Held for trading	Amortised cost	Total	Fair value
Loan to group company	8	-	1 190 487	1 190 487	1 190 487
Derivatives - hedging	14	1 006 151	-	1 006 151	1 006 151
Trade and other receivables	9	-	522 199 469	522 199 469	522 199 469
Cash and cash equivalents	10	-	3 048 152	3 048 152	3 048 152
		1 006 151	**526 438 108**	**527 444 259**	**527 444 259**

2023

	Note(s)	Amortised cost	Total	Fair value
Loan to group company	8	6 486 091	6 486 091	6 486 091
Trade and other receivables	9	214 949 076	214 949 076	214 949 076
Cash and cash equivalents	10	19 367 400	19 367 400	19 367 400
		240 802 567	**240 802 567**	**240 802 567**

Categories of financial liabilities

2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	12	137 811 185	137 811 185	137 811 185
Loans from group companies	13	328 266 216	328 266 216	328 266 216
Lease liabilities	4	16 738 201	16 738 201	16 738 201
		482 815 602	**482 815 602**	**482 815 602**

Financial instruments carried at amortised cost's fair value are being approximated by such carrying values due to their short-term maturities.

2023

	Note(s)	Fair value through profit or loss - Held for trading	Amortised cost	Total	Fair value
Trade and other payables	12	-	195 625 124	195 625 124	195 625 124
Loans from group companies	13	-	1 203 286	1 203 286	1 203 286
Derivatives - hedging	14	479 740	-	479 740	479 740
Finance lease obligations	4	-	23 151 567	23 151 567	23 151 567
		479 740	**219 979 977**	**220 459 717**	**220 459 717**

Figures in Rand		2024	2023

27. Financial instruments and risk management (continued)

Capital risk management

The company's objective when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the loans from group companies disclosed in note 13, cash and cash equivalents disclosed in note 10, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the company monitors cash flow on the basis of the gearing ratio. This ratio is calculated as borrowings less cash available divided by total capital employed. Total capital employed is calculated as 'Equity' as shown in the Statement of financial position plus long-term debt. The group's targeted gearing ratio is 15% and 25%.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The carrying amounts of financial instruments carried as amortised cost approximates their fair value.

The gearing ratio is determined taking into account only interest bearing debt.

The capital structure and gearing ratio of the company at the reporting date was as follows:

Cash and cash equivalents	10	(3 048 152)	(19 367 400)
Net borrowings		**(3 048 152)**	**(19 367 400)**
Equity		427 036 234	449 389 278
Gearing ratio		(1)%	(4)%

The company's strategy is to maintain a gearing ratio of between 15% and 25%. There are no externally imposed capital requirements.

The company policy is to use interest bearing borrowings to determine the gearing ratio.

The gearing ratio determined as the proportion of net debt to equity, was 1% at year end (2023: 4%). The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (foreign currency risk and interest rate risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

27. Financial instruments and risk management (continued)

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk consists mainly of intercompany loans, trade and other receivables and cash and cash equivalents.

Management does not expect any losses from non-performance by the related party counter-party to the intercompany loan.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings. Refer to note 10 for further information related to credit risk exposure on cash and cash equivalents.

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment, delivery terms and conditions are offered. The company's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the directors; these limits are reviewed regularly. Customers that fail to meet the company's benchmark creditworthiness may transact with the company only on a prepayment basis.

More than 80 percent of the company's customers have been transacting with the company for over five years, and losses have occurred infrequently. In monitoring customer credit risk, customers are companyed according to their credit characteristics, including whether they are a wholesale, retail or government customer, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the company's wholesale customers.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the company has a secured claim against the customer. The company does not require any other collateral in respect of trade and other receivables. Where appropriate, receivables insurance cover is purchased.

The company establishes a loss allowance that represents its estimate of the expected credit losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. This loss allowance is determined based on historical data of payment statistics for similar debtors (refer to note 9 for further details including company considerations).

The company addresses credit risk on trade and other receivables through a receivables insurance cover policy.

Loans receivable

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due. The impairment of the loan to holding entity has been assessed as immaterial by management and therefore no provision has been raised.

Expected Credit risk cash and cash equivalents

The exposure at default is considered to be the outstanding balance at year end as this is the amount that is exposed. Refer to cash and cash equivalents Note 10.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

27. Financial instruments and risk management (continued)
The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loan to group company	8	1 190 487	-	1 190 487	6 486 091	-	6 486 091
Trade and other receivables	9	528 766 834	(6 582 365)	522 184 469	214 949 076	-	214 949 076
Cash and cash equivalents	10	3 048 152	-	3 048 152	19 367 402	-	19 367 402
		533 005 473	**(6 582 365)**	**526 423 108**	**240 802 569**	**-**	**240 802 569**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2024

		Less than 1 year	2 to 5 years	Total	Carrying amount
Total liabilities					
Trade and other payables	12	137 811 185	-	137 811 185	137 811 185
Loans from group companies	13	328 266 216	-	328 266 216	328 266 216
Lease liabilities	4	8 703 664	9 465 235	18 168 899	18 168 899

2023

		Less than 1 year	2 to 5 years	Total	Carrying amount
Total liabilities					
Trade and other payables	12	195 625 124	-	195 625 124	195 625 124
Loans from group companies	13	1 203 286	-	1 203 286	1 203 286
Lease liabilities		8 003 369	18 168 899	26 172 268	26 172 268

Notes to the Annual Financial Statements

Figures in Rand		2024	2023

27. Financial instruments and risk management (continued)

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily are US Dollars and Euros.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:			
Current assets:			
Trade and other receivables	9	142 688 279	2 632 913
Current liabilities:			
Trade and other payables	12	(14 342 956)	(53 954 380)
Net US Dollar exposure		**128 345 323**	**(51 321 467)**
Euro exposure:			
Current assets:			
Trade and other receivables	9	-	430 520
Current liabilities:			
Trade and other payables	12	(655 706)	(492 566)
Net Euro exposure		**(655 706)**	**(62 046)**
Net exposure to foreign currency in Rand		**127 689 617**	**(51 383 513)**

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar exposure:			
Current assets:			
Trade and other receivables	9	7 537 321	147 874
Current liabilities:			
Trade and other payables	12	(757 648)	(3 030 277)
Net US Dollar exposure		**6 779 673**	**(2 882 403)**
Euro exposure:			
Current assets:			
Trade and other receivables	9	-	22 284
Current liabilities:			
Trade and other payables	12	(32 000)	(25 495)
Net Euro exposure		**(32 000)**	**(3 211)**

Exchange rates

Rand per unit of foreign currency:		
US Dollar	18,921	17,945
Euro	20,491	18,824

Figures in Rand	2024	2023

27. Financial instruments and risk management (continued)

Forward exchange contracts

Certain forward exchange contracts have been entered into for the purposes of managing foreign currency risk. The net market value of all forward exchange contracts at reporting date is calculated by comparing the forward exchange contracted rates to the equivalent market foreign exchange rates at reporting date. The present value of these net market values are then calculated using the appropriate currency specific discount curve.

2024

	Note	Contract rate	Market rate	Contract Rand amount	Fair value of contract
Imports - capital					
Buy US Dollars - expiry 28 February 20XX	14	18,907	19,088	51 634 252	52 640 403

2023

	Note	Contract rate	Market rate	Contract Rand amount	Fair value of contract
Imports - capital					
Sell US Dollars - expiring between 28 April 2023 and 31 May 2023	14	18,100	17,790	59 671 598	59 191 859

Interest rate risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk.

There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate sensitivity analysis

An increase of 100 basis points in interest rates at the respective reporting dates would have decreased equity and decreased profit by the amounts shown below for the financial liabilities and assets listed. A 100 basis point decrease in interest rates at the respective reporting dates would have an equal but opposite effect on the financial liabilities and assets listed. This analysis assumes that all other variables remain constant.

	2024	2024	2023	2023
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Cash and cash equivalents	30 482	30 482	193 674	193 674

Notes to the Annual Financial Statements

28. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Non cash dividends	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Finance lease liabilities	23 151 567	-	1 590 003	1 590 003	(8 003 369)	16 738 201
Loans to (from) group companies	5 282 805	(100 500 000)	(231 858 534)	(332 358 534)	-	(327 075 729)
Total liabilities from financing activities	**28 434 372**	**(100 500 000)**	**(230 268 531)**	**(330 768 531)**	**(8 003 369)**	**(310 337 528)**

Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	Non cash dividends	Lease liabilities take on	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Finance lease liabilities	-	-	28 464 891	-	28 464 891	(5 313 324)	23 151 567
Loans to (from) group companies	262 976 613	(262 896 207)	-	(93 921 090)	(356 817 297)	99 123 489	5 282 805
Total liabilities from financing activities	**262 976 613**	**(262 896 207)**	**28 464 891**	**(93 921 090)**	**(328 352 406)**	**93 810 165**	**28 434 372**

Notes to the Annual Financial Statements

29. Fair value information

All loans, receivables and financial liabilities not at fair value through profit or loss are carried at amortised cost. The carrying value of trade and other receivables, trade and other payables and lease liabilities approximate fair value as the effective interest method is used to determine the carrying values.

Fair value hierarchy of financial instruments at fair value through profit or loss

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The tables below shows the valuation techniques used in measuring level 1 fair values, as well as the significant unobservable inputs:

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant
FECs	Market comparison technique	Not applicable	Not applicable

Levels of fair value measurements

Level 1

Recurring fair value measurements

(Liabilities)/Assets	Note(s)		
Non-hedging derivatives	14		
Foreign exchange contracts		1 006 151	(479 740)
Total		**1 006 151**	**(479 740)**

The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

30. Business combinations

The acquisition of the manufacturing business of Cipla Medpro South Africa Proprietary Limited ("CMSA") became effective from 1 April 2022. The manufacturing business constitutes all of the manufacturing assets and was disposed of as a going concern in terms of Section 42 of the Income Tax Act, No. 58 of 1962. CMSA transferred all of its manufacturing assets into the company at their effective date fair values, for a consideration settled by the issue of 900 ordinary shares by the company. A net amount of R 458 653 155 was transferred and is classified as share premium in the company. This was a strategic decision, which is in line with the groups strategy to increase the ability to do more private/public partnerships at a subsidiary level as well as align the South African group structure to that of the holding company.

The assets and liabilities recognised as a result of the acquisition are as follows:

Property, plant and equipment	-	197 962 795
Inventories	-	177 904 035
Trade and other receivables	-	135 440 696
Cash and cash equivalents	-	13 349 146
Trade and other payables	-	(66 002 617)
Net identifiable assets acquired	-	458 654 055

Purchase consideration

Ordinary shares issued	-	900
Share premium reserve	-	458 653 155
	-	**458 654 055**

There were no cash outflows involved in the transaction, except for the above cash balance that was acquired.

31. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. This basis presumes that the company will continue to receive the support of its holding company and that the realisation of the assets and settlement of liabilities will occur in the ordinary course of business.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company.

32. Events after the reporting period

There is no matter or circumstance which is material to the financial affairs of the company, which has occurred between the 31 March 2024 and the date of the approval of the annual financial statements, that has not been otherwise dealt with in the annual financial statements.

33. Commitments and contingencies

Capital commitments

At year end the company R9 551 787 (2023: R4 259 012) had purchases of plant and machinery which had been contracted for.

Cipla-Medpro (Pty) Limited

Financial Statements for Financial Year 2023-24

Cipla-Medpro Proprietary Limited
(Registration number 1995/004182/07)
Annual Financial Statements
for the year ended 31 March 2024

Cipla-Medpro Proprietary Limited

(Registration number 1995/004182/07)
Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Marketing and distribution of pharmaceutical products
Directors	MW Daly JP Miller
Registered office	Parc du Cap Building 9 Mispel Street Bellville 7530
Holding company	Cipla Medpro South Africa Proprietary Limited incorporated in South Africa
Ultimate holding company	Cipla Limited incorporated in India
Auditors	SNG Grant Thornton Chartered Accountants (SA) Registered Auditors South African member firm of Grant Thornton International
Company registration number	1995/004182/07
Preparer	The annual financial statements were independently compiled by: Accounting and Financial Advisory (Pty) Ltd
Issued	03 May 2024

Cipla-Medpro Proprietary Limited

(Registration number 1995/004182/07)
Annual Financial Statements for the year ended 31 March 2024

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Directors' Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the annual financial statements of the company comprising the statement of financial position at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Finance Reporting Standards Council (FRSC), and the requirements of the Companies Act of South Africa (Companies Act). In addition, the directors are responsible for preparing the directors' report.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates. The directors are of the opinion that the information contained in the annual financial statements fairly presents the financial position at year end and the financial performance and cash flows of the company for the year then ended. The directors have taken the responsibility for ensuring that accurate and complete accounting records are kept enabling the company to satisfy their obligation with respect to the preparation of the annual financial statements.

The directors are also responsible for such internal control as the directors determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

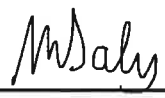
The directors have reviewed the company's budget and cash flow forecast for the year to 31 March 2025 and, in light of this review, the current financial position and existing borrowing facilities, the going concern basis has been adopted in preparing the company's annual financial statements. The directors have no reason to believe that the company will not be a going concern in the year ahead. These financial statements support the viability of the company.

The auditors are responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable framework. A copy of the auditors' report is presented on pages 6 to 8.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during the audit are valid and appropriate.

The annual financial statements set out on pages 9 to 26, were approved by the board of directors on 03 May 2024 and were signed on their behalf by:

Approval of financial statements



MW Daly

JP Miller

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the company for the year ended 31 March 2024.

1. Nature of business

Cipla-Medpro Proprietary Limited was incorporated in South Africa with interests in the pharmaceutical industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Authorised and issued share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

During the current year a dividend in specie, being a loan claim against Cipla Medpro South Africa Proprietary Limited, amounting to R800 000 000 (2023: Rnil) was declared.

5. Directorate

The directors in office at the date of this report are as follows:

Directors
MW Daly
JP Miller

6. Holding company

The company's holding company is Cipla Medpro South Africa Proprietary Limited which holds 100% (2023: 100%) of the company's equity.

Cipla Medpro South Africa Proprietary Limited is incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Cipla Limited which is incorporated in India.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Directors' Report

9. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Auditors

SNG Grant Thornton continued in office as auditors for the company for 2024.

11. Secretary

Kilgetty Statutory Services Proprietary Limited provided secretarial services during the year under review.

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Grant Thornton

Independent Auditor's Report

To the Shareholders of Cipla-Medpro Proprietary Limited

Qualified Opinion

We have audited the financial statements of Cipla-Medpro Proprietary Limited set out on pages 9 to 26 which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Cipla-Medpro Proprietary Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for qualified opinion

Directors' emoluments

Section 30(4) to (6) of the Companies Act requires the company to disclose certain information in respect of the remuneration of each director and each individual holding a prescribed office in the company. The disclosures have not been provided for each director or prescribed officer, for the reason provided in note 16. While this is a breach of the requirements of the Companies Act, it does not affect our opinion in accordance with the International Financial Reporting Standards.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cipla-Medpro Proprietary Limited Annual Financial Statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information 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 an audit opinion or 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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

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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 the directors 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.

SizweNtsalubaGobodo Grant Thornton Inc.
PIDP de Villiers
Director

Registered Auditor
IRBA registration number: 492493

3 May 2024

2 Edam Avenue
Waterval East Ext. 37
Rustenburg
North-West

Statement of Financial Position as at 31 March 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Intangible assets	3	117 757 075	98 512 233
Deferred tax	4	36 696 903	33 004 534
		154 453 978	**131 516 767**
Current Assets			
Loans to group company	5	8 070 908	810 368 774
Current tax receivable		8 777	693 812
		8 079 685	**811 062 586**
Total Assets		**162 533 663**	**942 579 353**
Equity and Liabilities			
Equity			
Share capital	6	1 000	1 000
Retained income		144 216 518	937 517 962
		144 217 518	**937 518 962**
Liabilities			
Current Liabilities			
Trade and other payables	7	1 037 436	760 391
Loans from group companies	8	17 278 709	4 300 000
		18 316 145	**5 060 391**
Total Equity and Liabilities		**162 533 663**	**942 579 353**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue	9	43 775 667	39 769 771
Other losses	10	(775 398)	(693 914)
Impairment loss		-	(2 900 000)
Other operating expenses		(33 274 404)	(22 460 979)
Operating profit	11	**9 725 865**	**13 714 878**
Investment income		-	819
Finance costs		(11 007)	-
Profit before taxation		**9 714 858**	**13 715 697**
Taxation	12	(3 016 302)	(3 533 721)
Profit for the year		**6 698 556**	**10 181 976**
Other comprehensive income		-	-
Total comprehensive income for the year		**6 698 556**	**10 181 976**

Cipla-Medpro Proprietary Limited

(Registration number 1995/004182/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 April 2022	**1 000**	**927 335 986**	**927 336 986**
Profit for the year	-	10 181 976	10 181 976
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**10 181 976**	**10 181 976**
Balance at 01 April 2023	**1 000**	**937 517 962**	**937 518 962**
Profit for the year	-	6 698 556	6 698 556
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**6 698 556**	**6 698 556**
Dividend in specie*	-	(800 000 000)	(800 000 000)
Total distributions to owners of company recognised directly in equity	**-**	**(800 000 000)**	**(800 000 000)**
Balance at 31 March 2024	**1 000**	**144 216 518**	**144 217 518**

* During the current year a dividend in specie, being a loan claim against Cipla Medpro South Africa Proprietary Limited, amounting to R800 000 000 (2023: Rnil) was declared.

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Profit before taxation		9 714 858	13 715 697
Adjustments for:			
Amortisation		23 128 328	13 854 630
Loss on scrapping of intangible assets		775 398	693 914
Interest income		-	(819)
Finance costs		11 007	-
Impairment losses		-	2 900 000
Non-cash cross charges and transfers in group loans		802 297 866	(13 765 720)
Non-cash intangible asset additions in group loans		(43 148 568)	(8 566 596)
Non-cash movement loans from group companies		13 046 898	-
Non-cash dividends paid		(800 000 000)	-
Non-cash finance cost		(11 007)	-
Non-cash movement in tax paid		(6 023 636)	(6 981 221)
Changes in working capital:			
Trade and other payables		208 856	(1 850 704)
Cash generated from operations		-	**(819)**
Interest income received		-	819
Net cash from operating activities		-	-
Total cash movement for the year		-	-
Total cash at end of the year		-	-

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

Going Concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within their current funding levels into the foreseeable future. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The financial statements therefore have been prepared on a going concern basis.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of intangible assets

Management assess the appropriateness of the useful lives of intangible assets at the end of each reporting period.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the amortisation charge.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Income taxes

There are numerous calculations and transactions for which the ultimate tax position is uncertain during the ordinary course of business. The company recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be payable. In determining whether an interpretation and/or application of the various tax rules may result in a dispute of which the outcome may not be favourable to the company, the company seeks, where relevant, expert advice to determine whether an unfavourable outcome is probable or possible.

Where payment is determined to be possible but not probable the tax exposure is disclosed as a contingent liability. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax in the period in which such determination is made.

Deferred tax assets - source of estimation uncertainty

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The company is required to make significant estimates in assessing whether future taxable profits will be available. Future taxable profits are determined based on business plans for individual subsidiaries in the company and the probable reversal of taxable temporary differences in 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 realized. Such reductions are reversed when the probability of future taxable profits improves. Refer to Note 4.

1.3 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. The company did not hold any indefinite useful life intangible assets in the current and prior year. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of intangible assets, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Trademarks, registrations and dossiers	Finite (2 -10 years)

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

Accounting Policies

1.4 Financial instruments (continued)

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows)

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value.

Note 17 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans to group companies

Classification

Loans to group companies (note 5) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of the principal, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans to group companies are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

Loan from group company

Classification

Loan from group company (note 8) is classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loan from group company is recognised when the company becomes a party to the contractual provisions of the loan. The loan is measured, at initial recognition, at fair value plus transaction costs, if any.

The loan is interest free.

Trade and other payables

Classification

Trade and other payables (note 7), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Accounting Policies

1.4 Financial instruments (continued)

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the 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.

Accounting Policies

1.6 Leases (continued)

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

1.7 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The company assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.8 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9 Revenue

Revenue from royalty income, for which it is probable that economic benefits will flow to the entity and for which the amount can be estimated reliably, will be recognised on an accrual basis, in accordance with the substance of the relevant agreement. The royalty income is measured at the fair value of the consideration received or receivable, net of value added tax.

Revenue is recognised at a point in time when the customer uses the license.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

2. New Standards and Interpretations

Standards, amendments and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual years beginning after 1 April 2023, and have not been applied in preparing these consolidated and separate annual financial statements. Those which may be relevant to the group and company are set out below. The group and company do not plan to adopt these standards early. These will be adopted in the year that they become mandatory unless otherwise indicated. The effect of these amendments have not yet been determined.

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Certain new accounting standards and interpretations have been published that are effective for the current year. These standards are not considered to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions:

Standard/ Interpretation:	Effective date: Years beginning date	Expected impact:
• Deferred tax related to assets and liabilities arising from a single transaction - Amendment to IAS 1	1 January 2023	The impact of the amendments is not material
• Definition of accounting estimates - Amendment to IAS 8	1 January 2023	The impact of the amendments is not material
• Initial applcation of IFRS 17 and IFRS 9 - Comparative information	1 January 2023	The impact of the amendments is not material
• Disclosure of accounting policies - Amendment to IAS 1 and IFRS Practice Statement 2	1 January 2023	The impact of the amendments is not material

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning date	Expected impact:
• Classification of Liabilities as Current or Non-Current Amendments to IAS 1	1 January 2024	The impact of the amendments is not material
• Supplier finance arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024	The impact of the amendments is not material
• Non-current liabilities with covenants - Amendments to IAS 1	1 January 2024	The impact of the amendments is not material
• Lack of Exchangeability - Amendments to IAS 21	1 January 2024	The impact of the amendments is not material

Notes to the Annual Financial Statements

3. Intangible assets

	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Trademarks, registrations and dossiers - Finite	397 433 979	(279 676 904)	117 757 075	355 729 163	(257 216 930)	98 512 233

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Write off's	Amortisation	Total
Intangible assets	98 512 233	43 148 568	(775 398)	(23 128 328)	117 757 075

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Intangible assets	107 394 180	8 566 596	(693 913)	(13 854 630)	(2 900 000)	98 512 233

Assessment of the company's intangible assets

Predicting the useful life of an intangible asset requires significant judgement. The diverse categories of intangible assets will have different useful lives, whilst a number of intangible assets may even be considered to have indefinite useful lives. The useful life associated with an asset that has no patent protection but that retains, and is expected to retain, a distinct identity could be considered to be indefinite and the asset would not be amortised.

All intangible assets have been assessed to have finite useful lives. Included in intangibles assets are fully amortised assets. The estimated useful lives were deemed appropriate on initial recognition, without a significant change during the course of the lifetime of these assets, the assets are still in use although fully amortised.

Impairment loss - prior year

In the prior year, the company recognised an impairment loss of R2 900 000 for three trademarks. These trademarks did not generate revenues in previous years. There is no expectation to generate revenues in the next financial year based on internal cash flow projections. However, there are plans to relaunch the product in FY2025 and revenue will be generated from then.

In determining the amount of impairment loss, cash flows from FY2025 and beyond were considered. The recoverable amounts of the trademarks were determined based on their value-in-use and a discount rate of 14,5% was applied.

The key assumptions used in the value-in-use calculations are presented below. The calculation uses cash flow projections, as assessed by management, over three years and a terminal year being the year ended 31 March 2028. The assumptions used include:

- Revenue growth of 8% based on management's estimates of the products' future volumes growth and selling price;
- An average EBITDA margin of 47%; and
- Working capital is held at a percentage of revenue based on future projections of management of working capital.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

4. Deferred tax

Deferred tax asset

Trademarks, registrations and dossiers	36 696 903	33 004 534

Reconciliation of deferred tax asset

At beginning of year	33 004 534	30 863 738
Movement in trademarks, registrations and dossiers	3 692 369	2 140 796
	36 696 903	**33 004 534**

5. Loans to group companies

Fellow subsidiaries

Cipla Select Proprietary Limited (formerly Cipla OLTP Proprietary Limited)	8 070 908	6 088 363
Medpro Pharmaceutica Proprietary Limited	-	804 280 411
	8 070 908	**810 368 774**

These loans are unsecured, interest free and are repayable on demand.

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

The credit quality of the loan to Medpro Pharmaceutica Proprietary Limited and Cipla Select Proprietary Limited (previously Cipla OLTP Proprietary Limited) has been assessed with reference to a review of detailed profit forecasts of the company, and management assesses the ability of the company to repay the loan as high.

Cipla Select Proprietary Limited (formerly Cipla OLTP Proprietary Limited) has obtained a letter of support from Medpro Pharmaceutica Proprietary Limited, whereby it was agreed that Medpro Pharmaceutica Proprietary Limited would provide financial support until such time as that company's assets, fairly valued exceed their liabilities.

Fair value of group loans receivable

Group loans are carried at amortised cost, with the fair value being approximated by such carrying values due to their short term maturities.

6. Share capital

Authorised		
1000 Ordinary shares of R1 each	1 000	1 000
Issued		
1000 Ordinary shares of R1 each	1 000	1 000

7. Trade and other payables

Financial instruments:		
Other payables	68 189	-
Non-financial instruments:		
VAT	969 247	760 391
	1 037 436	**760 391**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

8. Loans from group companies

Holding company

Cipla Medpro South Africa Proprietary Limited	4 300 000	4 300 000

The loan is unsecured, interest free and is repayable on demand.

Fellow subsidiaries

Medpro Pharmaceutica Proprietary Limited	12 978 709	-
	17 278 709	**4 300 000**

The loans are unsecured, interest free and repayable on demand.

Fair value of group loans payable

Group loans are carried at amortised cost, with the fair value being approximated by such carrying values due to their short term maturities.

9. Revenue

Royalty income	43 775 667	39 769 771

10. Other losses

Loss on scrapping of intangible assets	775 398	693 914

11. Operating profit

Operating profit for the year is stated after charging the following, amongst others:

Depreciation and amortisation		
Amortisation of intangible assets	23 128 328	13 854 630
Impairment losses		
Intangible assets	-	2 900 000
Other		
Licensing fees	-	8 606 350

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

12. Taxation

Major components of the tax expense

Current		
SA normal tax - current year	6 521 314	5 674 439
SA normal tax - recognised in current tax for prior periods	187 357	78
	6 708 671	**5 674 517**
Deferred		
Current year	(3 692 369)	(2 140 796)
	3 016 302	**3 533 721**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27,00 %	27,00 %
Non-deductible expenses	3,62 %	- %
Deferred tax relating to prior years	0,08 %	- %
Intercompany transfer of intangible assets	- %	(6,95)%
Non-deductible: impairment loss	- %	5,71 %
Effective tax rate	**30,70 %**	**25,76 %**

13. Movement in taxation

Balance receivable at beginning of the year	693 812	(612 892)
Tax for the year recognised in profit or loss	(6 708 671)	(5 674 517)
Balance receivable at end of the year	(8 777)	(693 812)
	(6 023 636)	**(6 981 221)**

14. Contingent liability

Litigation is in the process against the company in relation to a claim made by Adcock Ingram (Pty) Ltd for infringement of their trademark. The company's legal advisors and management have assessed the likely-hood of the litigation against the company. It is reasonably expected that there is a 50% chance of success. On the reporting date, management was unable to ascertain a dependable estimate of the potential loss concerning the claim, given the early stage of the matter.

Figures in Rand	2024	2023

15. Related parties

Relationships

Ultimate holding company	Cipla Limited
Holding company	Cipla Medpro South Africa Proprietary Limited
Fellow subsidiaries	Cipla Dibcare Proprietary Limited Cape to Cairo Exports Proprietary Limited Cipla-Medpro Distribution Centre Proprietary Limited Cipla Medpro Manufacturing Proprietary Limited Cipla Medpro Botswana Proprietary Limited Cipla Select Proprietary Limited Medpro Pharmaceutica Proprietary Limited Mirren Proprietary Limited Cipla Kenya Limited Actor Proprietary Limited
Members of key management	MW Daly JP Miller

Transactions with related parties, except where otherwise noted, are conducted on an arm's length basis and on the same payment terms as those transacted with third parties.

Related party balances

Loan accounts - Owing (to) by related parties		
Medpro Pharmaceutica Proprietary Limited	(12 978 709)	804 280 411
Cipla Select Proprietary Limited	8 070 908	6 088 363
Cipla Medpro South Africa Proprietary Limited	(4 300 000)	(4 300 000)

Related party transactions

Royalties received from related parties		
Medpro Pharmaceutica Proprietary Limited	(42 051 714)	(38 229 922)
Cipla Select Proprietary Limited	(1 723 953)	(1 539 939)
Dividends paid to related party		
Cipla Medpro South Africa Proprietary Limited	800 000 000	-

16. Directors' emoluments

Section 30 (4) to (6) of the Companies Act requires the company to disclose certain information in respect of remuneration for each director or individual holding any prescribed office in the company. A decision was taken by the directors of Cipla-Medpro Proprietary Limited not to disclose the executive directors' and prescribed officers' remuneration as required by the Companies Act since the company is a wholly owned subsidiary of Cipla Limited (ultimate holding company) and the shareholders are fully aware of the directors remuneration on an individual basis. Furthermore, directors are not remunerated for their services as directors, but rather remunerated solely for their services as employees of a fellow subsidiary company, hence management are of the view that Section 30 (4) to (6) does not apply. In the current and prior year, no director emoluments were paid from this company.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

17. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	5	8 070 908	8 070 908	8 070 908

2023

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	5	810 368 774	810 368 774	810 368 774

Categories of financial liabilities

2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	7	68 189	68 189	68 189
Loan from group company	8	17 278 709	17 278 709	17 346 898
		17 346 898	**17 346 898**	**17 415 087**

2023

	Note(s)	Amortised cost	Total	Fair value
Loan from group company	8	4 300 000	4 300 000	4 300 000

Figures in Rand	2024	2023

17. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk; and
- Liquidity risk.

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. Since the take-over from Cipla Limited in July 2013, a finance committee has been formed (on a group level), which feeds into the global finance committee of Cipla Limited, which in turn reports into the global Audit and Risk Committee. The group's finance committee develops and monitors the group's risk management policies.

Company risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company finance committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk consists mainly of intercompany loans.

Management does not expect any losses from non-performance by these related parties as disclosed in note 5.

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	5	8 070 908	-	8 070 908	810 368 774	-	810 368 774

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

2024

	Note	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables		-	-	68 189
Loans from group companies	8	17 346 898	17 346 898	17 278 709

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

17. Financial instruments and risk management (continued)

2023

	Note	Less than 1 year	Total	Carrying amount
Current liabilities				
Loans from group companies	8	4 300 000	4 300 000	4 300 000

18. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The director directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

19. Events after the reporting period

There is no matter or circumstances which is material to the financial affairs of the company, which has occurred between 31 March 2024 to the date of approval of the annual financial statements, that has not been otherwise dealt with in annual financial statements.

Cipla Select (Pty) Limited (formerly known as Cipla OLTP (Pty) Limited)

Financial Statements for Financial Year 2023-24

Cipla Select Proprietary Limited
(Registration number 2009/020583/07)
Annual Financial Statements
for the year ended 31 March 2024

Cipla Select Proprietary Limited

(Registration number 2009/020583/07)
Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Marketing and supply of pharmaceutical products
Directors	MW Daly JP Miller
Registered office	Parc du Cap Building 9 Mispel Street Bellville 7530
Holding company	Cipla Medpro South Africa Proprietary Limited incorporated in South Africa
Ultimate holding company	Cipla Limited incorporated in India
Bankers	Nedbank Limited First National Bank
Auditors	SNG Grant Thornton Chartered Accountants (SA) Registered Auditors South African member firm of Grant Thornton International
Company registration number	2009/020583/07
Preparer	The annual financial statements were independently compiled by: Accounting and Financial Advisory (Pty) Ltd
Published	03 May 2024

Cipla Select Proprietary Limited

(Registration number 2009/020583/07)
Annual Financial Statements for the year ended 31 March 2024

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Directors' Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the annual financial statements of the company comprising the statement of financial position at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Finance Reporting Standards Council (FRSC), and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the directors' report.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates. The directors are of the opinion that the information contained in the annual financial statements fairly presents the financial position at year end and the financial performance and cash flows of the company for the year then ended. The directors have taken the responsibility for ensuring that accurate and complete accounting records are kept enabling the company to satisfy their obligation with respect to the preparation of the annual financial statements.

The directors are also responsible for such internal control as the directors determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

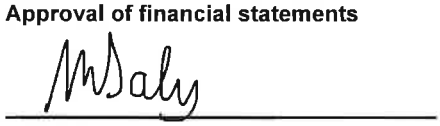
The directors have reviewed the company's budget and cash flow forecast for the period of twelve months after signing date of this report and, in light of this review, the current financial position and existing borrowing facilities, the going concern basis has been adopted in preparing the company's annual financial statements. The directors have no reason to believe that the company will not be a going concern in the year ahead. These annual financial statements support the viability of the company.

The auditors are responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable framework. A copy of the auditors report is presented on pages 6 to 8.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The annual financial statements set out on pages 9 to 29, were approved by the board of directors on 03 May 2024 and were signed by:

Approval of financial statements



MW Daly

JP Miller

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the company for the year ended 31 March 2024.

1. Nature of business

Cipla Select Proprietary Limited was incorporated in South Africa with interests in the pharmaceutical industry. The company operates in South Africa.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the current and prior year.

4. Dividends

No dividends were declared or paid to the shareholder during the current and prior year.

5. Directors

The directors in office at the date of this report are as follows:

Directors
MW Daly
JP Miller

6. Holding company

The company's holding company is Cipla Medpro South Africa Proprietary Limited which holds 100% (2023: 100%) of the company's equity.

Cipla Medpro South Africa Proprietary Limited is incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Cipla Limited which is incorporated in India.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Directors' Report

9. Going concern

The company made a net loss for the year ended 31 March 2024 of R2 388 497 (2023: net profit of R16 280 651). As at 31 March 2024, the company's total liabilities exceeded its total assets by R4 259 319 (2023: R1 870 822).

These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

As Cipla Select Proprietary Limited forms part of a group of companies, the company is reliant on the continued support of companies within the group at favourable terms. The group have indicated that continued support will be provided by group to ensure the company remains operational with no intention to cease business operations in the foreseeable future. As a result, the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

10. Auditors

SNG Grant Thornton continued in office as auditors for the company for 2024.

11. Secretary

Kilgetty Statutory Services Proprietary Limited provided secretarial services during the year under review.

SNG
Grant Thornton

Independent Auditor's Report

To the Shareholders of Cipla Select Proprietary Limited

Qualified Opinion

We have audited the financial statements of Cipla Select Proprietary Limited set out on pages 9 to 29 which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Cipla Select Proprietary Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for qualified opinion

Directors' emoluments

Section 30(4) to (6) of the Companies Act requires the company to disclose certain information in respect of the remuneration of each director and each individual holding a prescribed office in the company. The disclosures have not been provided for each director or prescribed officer, for the reason provided in note 16. While this is a breach of the requirements of the Companies Act, it does not affect our opinion in accordance with the International Financial Reporting Standards.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 19 in the financial statements, which indicates that the Company incurred a loss of R2 388 497 during the year ended March 31, 2024, and, as of that date, the Company's total liabilities exceeded its total assets by R4 259 319. As stated in Note 19, these events or conditions, along with other matters as set forth in Note 19, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cipla Select Proprietary Limited Annual Financial Statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information 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 an audit opinion or 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

SNG
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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 the directors 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.

SizweNtsalubaGobodo Grant Thornton Inc.
PIDP de Villiers
Director

Registered Auditor
IRBA registration number: 492493

3 May 2024

2 Edam Avenue
Waterval East Ext. 37
Rustenburg
North-West

Cipla Select Proprietary Limited

(Registration number 2009/020583/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Rand	Notes	2024	2023
Assets			
Non-Current Assets			
Deferred tax	3	1 824 874	179 135
		1 824 874	**179 135**
Current Assets			
Inventories	4	32 564 162	44 242 269
Trade and other receivables	5	43 568 207	47 941 114
Current tax receivable		5 523 956	1 310 795
Cash and cash equivalents	6	6 386 382	8 199 488
		88 042 707	**101 693 666**
Total Assets		**89 867 581**	**101 872 801**
Equity and Liabilities			
Equity			
Share capital	7	80	80
Accumulated loss		(4 259 399)	(1 870 902)
		(4 259 319)	**(1 870 822)**
Liabilities			
Current Liabilities			
Trade and other payables	8	79 659 477	60 881 781
Loans from group companies	9	14 467 423	42 861 842
		94 126 900	**103 743 623**
Total Equity and Liabilities		**89 867 581**	**101 872 801**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2024	2023
Revenue	10	162 390 524	141 629 446
Cost of sales	11	(118 299 208)	(80 830 052)
Gross profit		**44 091 316**	**60 799 394**
Other losses		-	(90 288)
Movement in expected credit loss allowance	12	(1 353 551)	(595 186)
Selling and distribution expenses		(43 648 956)	(33 700 258)
Administrative expenses		(234 328)	(103 000)
Other operating expenses		(2 045 012)	(4 225 465)
Operating (loss) profit	12	**(3 190 531)**	**22 085 197**
Investment income	13	240 673	217 069
(Loss) profit before taxation		**(2 949 858)**	**22 302 266**
Taxation	14	561 361	(6 021 615)
(Loss) profit for the year		**(2 388 497)**	**16 280 651**
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		**(2 388 497)**	**16 280 651**

Cipla Select Proprietary Limited

(Registration number 2009/020583/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 April 2022	**80**	**(18 151 553)**	**(18 151 473)**
Profit for the year	-	16 280 651	16 280 651
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**16 280 651**	**16 280 651**
Balance at 01 April 2023	**80**	**(1 870 902)**	**(1 870 822)**
Loss for the year	-	(2 388 497)	(2 388 497)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(2 388 497)**	**(2 388 497)**
Balance at 31 March 2024	**80**	**(4 259 399)**	**(4 259 319)**
Note	7		

Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows from operating activities			
(Loss) profit before taxation		(2 949 858)	22 302 266
Adjustments for:			
Finance income		(240 673)	(217 069)
Provision for inventory losses		5 277 400	206 352
Movement in expected credit loss allowance		1 353 551	595 186
Non-cash movement in group loans	18	35 671 072	(28 714 807)
Changes in working capital:			
Inventories		6 400 707	(12 024 383)
Trade and other receivables		3 019 356	(5 649 866)
Trade and other payables		18 777 697	33 293 188
Cash generated from operations		**67 309 252**	**9 790 867**
Finance income received		240 673	217 069
Tax (paid) received		(5 297 539)	1 734 210
Net cash from operating activities		**62 252 386**	**11 742 146**
Cash flows used in financing activities			
Cash receipts of loans from group companies		114 710 664	-
Repayment of loans from group companies	18	(178 776 156)	(14 002 500)
Net cash used in financing activities		**(64 065 492)**	**(14 002 500)**
Total cash movement for the year		**(1 813 106)**	**(2 260 354)**
Cash at the beginning of the year		8 199 488	10 459 842
Total cash at end of the year	6	**6 386 382**	**8 199 488**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Provision for obsolete stock is calculated based on stock with a remaining shelf life of 6 months or less, and any products experiencing regulatory issues.

Included in provisions is provision for expired stock, this relates to an amount of inventory that has already been sold but if the stock expires it will be returned to the seller. The provision includes judgements is raised against revenue.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to note 5.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Income taxes

There are numerous calculations and transactions for which the ultimate tax position is uncertain during the ordinary course of business. The company recognises tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be payable. In determining whether an interpretation and/or application of the various tax rules may result in a dispute of which the outcome may not be favourable to the company, the company seeks, where relevant, expert advice to determine whether an unfavourable outcome is probable or possible.

Where payment is determined to be possible but not probable the tax exposure is disclosed as a contingent liability. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax in the period in which such determination is made.

Deferred tax assets – source of estimation uncertainty

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The company is required to make significant estimates in assessing whether future taxable profits will be available. Future taxable profits are determined based on business plans for individual subsidiaries in the company and the probable reversal of taxable temporary differences in 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. Such reductions are reversed when the probability of future taxable profits improves. Refer to Note 3.

1.3 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company,as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.)

Financial liabilities:

- Amortised cost

Note 17 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

Accounting Policies

1.3 Financial instruments (continued)

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 5.

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Loans from group companies

Classification

Loans from group companies (note 9) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Loans from group companies are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Accounting Policies

1.3 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 8), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Cash and cash equivalents

Cash and cash equivalents are accounted for at amortised cost and bank overdrafts are accounted for as financial liabilities. Cash and cash equivalents comprise cash on hand and deposits held on call, all of which are available for use by the company.

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.4 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

1.5 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories includes a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy. The company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

1.6 Share capital and equity

Ordinary shares are recognised at issue price and classified as 'share capital' in equity. Dividends are recognised as a liability in the company in which they are declared.

Accounting Policies

1.7 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If a company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

1.8 Revenue

Revenue, net of logistic fees paid to independent wholesalers and excluding value added tax, comprises the total invoice value of goods derived from the supply of generic pharmaceutical products to provide treatment for a broad spectrum of acute and chronic conditions.

Revenue is measured based on the transaction price which is the amount of consideration which is expected to be received and in compliance with legislated pricing in the various regulated markets and excludes amounts collected on behalf of third parties. Revenue is recognised based on the completion of performance obligations and an assessment of when control is transferred to the customer.

The following indicators are used by the company in determining when control has passed to the customer:
- the company has a right to payment for the product or service;
- the customer has legal title to the product;
- the company has transferred physical possession of the product to the customer;
- the customer has the significant risk and rewards of ownership of the product; and
- the customer has accepted the product.

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon delivery to the customer.

Sale of pharmaceutical goods

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been dispatched to the specific location, the risks of obsolescence and loss have been transferred and the customer accepted the products in accordance with the sales contract. Revenue is recorded at the transaction price which is the amount of consideration which is expected to be received and in compliance with regulated pricing in regulated markets, net of logistic fees and value added tax. Revenue and receivables are recorded when the performance obligation has been satisfied and only the passage of time is required before payment is due.

A contract payable is recognised for consideration received in respect of unsatisfied performance obligations.

1.9 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

Certain new accounting standards and interpretations have been published that are effective for the current year. These standards are not considered to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	The impact of the amendment is not material.
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	The impact of the amendment is not material.
• Deferred tax related to assets and liabilities arising from a single transaction - Amendment to IAS 1	01 January 2023	The impact of the amendment is not material.
• Disclosure of accounting policies - Amendment to IAS 1 and IFRS Practice Statement 2	01 January 2023	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the company. The standards are effective for years beginning on or after 1 January 2024. These standards are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Classification of Liabilities as Current or Non-Current Amendments to IAS 1	01 January 2024	The impact of the amendments is not material.
• Supplier finance arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024	The impact of the amendments is not material.
• Non-current liabilities with covenants - Amendments to IAS 1	01 January 2024	The impact of the amendments is not material.
• Lack of Exchangeability - Amendments to IAS 21	01 January 2024	The impact of the amendments is not material.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

3. Deferred tax

Deferred tax asset

Tax losses available for set off against tax income	1 824 874	179 135

Reconciliation of deferred tax asset

At beginning of year	179 135	5 393 930
Decrease in tax loss available for set off against future taxable income	-	(4 357 121)
Provision for inventory write offs	1 424 898	(966 514)
Provision for audit fees	1 566	12 420
Provision for bad debts	219 275	96 420
	1 824 874	**179 135**

4. Inventories

Finished goods	38 047 914	44 448 621
Provision for the impairment of inventory	(5 483 752)	(206 352)
	32 564 162	**44 242 269**

Inventory pledged as security

A notarial bond over the company's inventory of R32 564 162 (2023: R44 242 269) has been held as security for banking, loan facilities granted and future lines of credit.

5. Trade and other receivables

Financial instruments:		
Trade receivables - external parties	43 543 535	46 230 147
Trade receivables - related parties	1 967 449	-
Loss allowance	(1 948 736)	(595 186)
Trade receivables at amortised cost	43 562 248	45 634 961
Non-financial instruments:		
VAT	5 959	-
Prepayments	-	2 306 153
	43 568 207	**47 941 114**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

5. Trade and other receivables (continued)

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	43 562 248	45 634 961
Non-financial instruments	5 959	2 306 153
	43 568 207	**47 941 114**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer balances are also covered by Credit Guarantee Insurance. Customer credit limits are in place and are reviewed and approved by credit management. The exposure to credit risk and the creditworthiness of customers, is continuously monitored. For purposes of internal credit risk management purposes, the company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities under the company's recovery procedures.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

Management has assessed the expected credit loss for tender customers and concluded that the adjustment is immaterial therefore no loss allowance has been created.

	2024	2024	2023	2023
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Not past due: 0.15% (2023: 0.7%)	23 785 162	(35 470)	24 742 235	(172 197)
Less than 30 days past due: 0.25% (2023: 1.05%)	9 026 450	(22 792)	13 262 686	(139 870)
31 - 60 days past due: 0.56% (2023: 2.3%)	5 354 037	(30 233)	2 067 003	(47 127)
61 - 90 days past due: 0.24% (2023: 13.5%)	1 978 716	(4 814)	1 123 075	(151 903)
More than 120 days past due: 100% (2023: 100%)	3 747 216	(2 149 628)	128 523	(128 522)
More than 150 days past due: 100% (2023: 100%)	1 619 403	(2 596 745)	1 911 619	(1 911 619)
Other: Insured portion	-	2 890 946	-	1 956 052
Total	**45 510 984**	**(1 948 736)**	**43 235 141**	**(595 186)**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

5. Trade and other receivables (continued)

Fair value of trade and other receivables

Trade and other receivables are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	6 386 382	8 199 488

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The exposure at default is considered to be the outstanding balance at year end as this is the amount that is exposed.

The company holds bank accounts with the following financial institutions:

Bank facilities	National Scale Rating Short Term
Nedbank Limited	P-1.za
First Rand Bank	P-1.za

The ratings for Nedbank Limited and First National Bank were obtained from Moody's.

The ratings scores are based on the following broad investment grade definitions:

P1 Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short t-term debt obligations.
P2 Issuers (or supporting institutions) rated Prime-2 have a superior ability to repay short t-term debt obligations.
P3 Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short t-term debt obligations.

Based on the current ratings, the exposure to credit risk is stable, probability of default is therefore at 0%, thus indicating that the expected credit loss for cash and cash equivalents is immaterial.

The carrying amount of these assets approximates their fair values due to their short-term maturities.

7. Share capital

Authorised		
1 000 Ordinary shares of R1 each	1 000	1 000
Issued		
80 Ordinary shares of R1 each	80	80

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
8. Trade and other payables		
Financial instruments:		
Trade payables - related parties	59 447 852	41 337 493
Trade payables - external parties	6 499 154	2 647 198
Accrued expenses	13 712 471	15 464 809
Non-financial instruments:		
VAT	-	1 432 281
	79 659 477	**60 881 781**

Exposure to liquidity risk

Refer to note 17 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts due to their short-term nature.

9. Loans from group companies		
Fellow subsidiaries		
Medpro Pharmaceutica Proprietary Limited	6 396 515	36 773 479
Cipla-Medpro Proprietary Limited	8 070 908	6 088 363
	14 467 423	**42 861 842**

The loans are unsecured, interest-free and repayable on demand.

Exposure to liquidity risk

Refer to note 17 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Fair value of group loans payable

Group loans are carried at amortised cost, with the fair value being approximated by such carrying values due to the short-term maturities.

10. Revenue		
Sale of goods	162 390 524	141 629 446

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon delivery to the customer.

There were no unsatisfied performance obligations as at the current and prior year reporting date.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
11. Cost of sales		
Sale of goods	118 299 208	80 830 052
12. Operating (loss) profit		
Operating (loss) profit for the year is stated after charging the following, amongst others:		
Auditor's remuneration - external		
Audit fees	65 995	100 000
Employee costs		
Salaries, wages, bonuses and other benefits	4 853 126	3 867 084
Movement in credit loss allowances		
Trade and other receivables	1 353 551	595 186
13. Investment income		
Interest income		
Bank and other cash	240 673	217 069
14. Taxation		
Major components of the tax expense		
Current		
Local income tax - current year	849 277	806 820
Local income tax - prior year over provision	235 101	-
	1 084 378	**806 820**
Deferred		
Current year	(1 645 739)	5 214 795
	(561 361)	**6 021 615**
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	27,00 %	27,00 %
Local income tax - prior year	(7,97)%	- %
	19,03 %	**27,00 %**

Figures in Rand	2024	2023

15. Related parties

Relationships

Ultimate holding company	Cipla Limited
Holding company	Cipla Medpro South Africa Proprietary Limited
Fellow subsidiaries	Cipla-Medpro Proprietary Limited Medpro Pharmaceutica Proprietary Limited Cipla Medpro Manufacturing Proprietary Limited Cipla-Medpro Distribution Centre Proprietary Limited Cipla Dibcare Proprietary Limited Cape to Cairo Exports Proprietary Limited Cipla Kenya Limited Cipla Medpro Botswana Proprietary Limited Mirren Proprietary Limited Actor Proprietary Limited Brandmed Proprietary Limited
Directors	MW Daly JP Miller

Transactions with related parties, except where otherwise noted, are conducted on an arm's length basis and on the same payment terms as those transacted with third parties.

Related party balances

Loan accounts - Owing by related parties		
Medpro Pharmaceutica Proprietary Limited	(6 396 515)	(36 773 479)
Cipla-Medpro Proprietary Limited	(8 070 908)	(6 088 363)
	(14 467 423)	**(42 861 842)**
Amounts included in Trade Payable regarding related parties		
Cipla Limited	(44 956 126)	(24 600 334)
Cipla Medpro Manufacturing Proprietary Limited	(14 388 891)	(16 737 159)
Medpro Pharmaceutica Proprietary Limited	(102 834)	
	(59 447 851)	**(41 337 493)**
Amounts included in Trade receivable regarding related parties		
Medpro Pharmaceutica Proprietary Limited	1 967 449	-

Related party transactions

Sales to related parties		
Medpro Pharmaceutica Proprietary Limited	(3 284 871)	(2 085 200)
Purchases from related parties		
Cipla Limited	62 001 555	49 186 654
Medpro Pharmaceutica Proprietary Limited	2 353 786	2 546 585
Cipla Medpro Manufacturing Proprietary Limited	13 289 522	9 358 970
	77 644 863	**61 092 209**
Royalties charged to related parties		
Cipla-Medpro Proprietary Limited	1 723 953	1 539 939

Figures in Rand	2024	2023

16. Directors' emoluments

Section 30 (4) to (6) of the Companies Act requires the company to disclose certain information in respect of remuneration for each director or individual holding any prescribed office in the company. A decision was taken by the directors of Cipla-Medpro Proprietary Limited not to disclose the executive directors' and prescribed officers' remuneration as required by the Companies Act since the company is a wholly owned subsidiary of Cipla Limited (ultimate holding company) and the shareholders are fully aware of the directors remuneration on an individual basis. Furthermore, directors are not remunerated for their services as directors, but rather remunerated solely for their services as employees of a fellow subsidiary company, hence management are of the view that Section 30 (4) to (6) does not apply. In the current and prior year, no director emoluments were paid from this company.

17. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Notes	Amortised cost	Total	Fair value
Trade and other receivables	5	43 562 248	43 562 248	43 562 248
Cash and cash equivalents	6	6 386 382	6 386 382	6 386 382
		49 948 630	**49 948 630**	**49 948 630**

2023

	Notes	Amortised cost	Total	Fair value
Trade and other receivables	5	42 639 955	42 639 955	42 639 955
Cash and cash equivalents	6	8 199 488	8 199 488	8 199 488
		50 839 443	**50 839 443**	**50 839 443**

Categories of financial liabilities

2024

	Notes	Amortised cost	Total	Fair value
Trade and other payables	8	79 659 477	79 659 477	78 561 087
Loans from group companies	9	14 467 423	14 467 423	14 467 423
		94 126 900	**94 126 900**	**93 028 510**

2023

	Notes	Amortised cost	Total	Fair value
Trade and other payables	8	59 449 500	59 449 500	59 449 500
Loans from group companies	9	42 861 842	42 861 842	42 861 842
		102 311 342	**102 311 342**	**102 311 342**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

17. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. Since the take-over of the group by Cipla Limited in July 2013, finance committee has been formed (on a group level), which feeds into the global finance committee of Cipla Limited,.which in turn reports into the global audit and risk committee. The group's committee's develops and monitors the group's risk management policies.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company's committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The finance committee is assisted in its oversight role by by a co-sourced internal audit function composing an independent firm of internal auditors. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk committee.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises from borrowings, cash and cash equivalents and other investments, that is, deposits with banks and financial institutions, as well as credit exposures to clients, including outstanding receivables and committed transactions. If clients do not have an independent rating, risk control assesses the credit quality of the client, taking in to account its financial position past experience and other factors.,

The company is exposed to credit risk on trade receivables and cash and cash equivalents (at amorised cost).

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit loss allowances for expected credit losses are recognised for all debt instruments including trade receivables. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

The company establishes a loss allowance that represents its estimate of the expected credit losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. This loss allowance is determined based on historical data of payment statistics for similar debtors.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

17. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	5	44 412 594	(1 948 736)	42 463 858	43 235 141	(595 186)	42 639 955
Cash and cash equivalents	6	6 386 382	-	6 386 382	8 199 488	-	8 199 488
		50 798 976	**(1 948 736)**	**48 850 240**	**51 434 629**	**(595 186)**	**50 839 443**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	8	78 561 087	78 561 087	79 659 477
Loans from group companies	9	14 467 423	14 467 423	14 467 423
		(93 028 510)	**(93 028 510)**	**(94 126 900)**

2023

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	8	59 449 500	59 449 500	59 449 500
Loans from group companies	9	42 861 842	42 861 842	42 861 842
		(102 311 342)	**(102 311 342)**	**(102 311 342)**

The carrying value of financial liabilities at amortised cost approximates the fair value and as a result the fair values have not been disclosed in the fair value hierarchy.

Discounting is immaterial and therefore the discounted cash flows are representative of the undiscounted cash flows.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

17. Financial instruments and risk management (continued)

Interest rate risk

The company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 31 March 2024, if the interest rate had been 1% per annum (2023: 1%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R63 864 (2023: R81 995) lower and R63 864 (2023: R81 995) higher.

18. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Loans from group companies	(42 861 842)	(58 337 201)	(58 337 201)	86 731 620	(14 467 423)
Total liabilities from financing activities	**(42 861 842)**	**(58 337 201)**	**(58 337 201)**	**86 731 620**	**(14 467 423)**

Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Loans from group companies	(85 579 149)	28 714 807	28 714 807	14 002 500	(42 861 842)
Total liabilities from financing activities	**(85 579 149)**	**28 714 807**	**28 714 807**	**14 002 500**	**(42 861 842)**

19. Going concern

The company made a net loss for the year ended 31 March 2024 of R2 388 497 (2023: net profit of R16 280 651). As at 31 March 2024, the company's total liabilities exceeded its total assets by R4 259 319 (2023: R1 870 822).

These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business.

As Cipla Select Proprietary Limited forms part of a group of companies, the company is reliant on the continued support of companies within the group at favourable terms. The group have indicated that continued support will be provided by group to ensure the company remains operational with no intention to cease business operations in the foreseeable future. As a result, the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

20. Events after the reporting period

There is no matter or circumstance which is material to the financial affairs to the company, which has occurred between 31 March 2024 and the date of approval of the annual financial statements, that has not otherwise been dealt with in the annual financial statements.

Medpro Pharmaceutica (Pty) Limited Financial Statements for Financial Year 2023-24

Medpro Pharmaceutica Proprietary Limited
(Registration number 1992/000182/07)

Annual Financial Statements
for the year ended 31 March 2024

Medpro Pharmaceutica Proprietary Limited

(Registration number 1992/000182/07)
Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Marketing and supply of pharmaceutical products
Directors	M W Daly J P Miller
Registered office	Parc du Cap Building 9 Mispel Street Bellville 7530
Holding company	Cipla Medpro South Africa Proprietary Limited incorporated in South Africa
Ultimate holding company	Cipla Limited incorporated in India
Bankers	Nedbank Limited Rand Merchant Bank First National Bank ABSA Bank Limited
Auditors	SNG Grant Thornton Chartered Accountants (SA) Registered Auditors South African member firm of Grant Thornton International
Company registration number	1992/000182/07
Preparer	The annual financial statements were independently compiled by: Accounting and Financial Advisory (Pty) Ltd
Published	03 May 2024

Medpro Pharmaceutica Proprietary Limited

(Registration number 1992/000182/07)
Annual Financial Statements for the year ended 31 March 2024

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Directors' Responsibilities and Approval

The directors are responsible for the integrity, preparation and fair presentation of the annual financial statements of the company comprising the statement of financial position at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Finance Reporting Standards Council (FRSC), and the requirements of the Companies Act of South Africa (Companies Act). In addition, the directors are responsible for preparing the directors' report.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates. The directors are of the opinion that the information contained in the annual financial statements fairly presents the financial position at year end and the financial performance and cash flows of the company for the year then ended. The directors have taken the responsibility for ensuring that accurate and complete accounting records are kept enabling the company to satisfy their obligation with respect to the preparation of the annual financial statements.

The directors are also responsible for such internal controls as the directors determine necessary to enable the preparation of the annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors have reviewed the company's budget and cash flow forecast for the period of twelve months after signing date of this report and, in light of this review, the current financial position and existing borrowing facilities, the going concern basis has been adopted in preparing the company's annual financial statements. The directors have no reason to believe that the company will not be a going concern in the year ahead. These annual financial statements support the viability of the company.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework. A copy of the auditor's report is presented on pages 6 to 8.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The annual financial statements set out on pages 9 to 58, were approved by the board of directors on 03 May 2024 and were signed on their behalf by:

Approval of financial statements

M W Daly

J P Miller

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the company for the year ended 31 March 2024.

1. Nature of business

Medpro Pharmaceutica Proprietary Limited (the company) was incorporated in South Africa with interests in the pharmaceutical industry. The company operates principally in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Authorised and issued share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

No dividend was declared or paid to the holding company during the current year (2023: R100).

5. Directors

The directors in office at the date of this report are as follows:

Directors
M W Daly
J P Miller

6. Holding company

The company's holding company is Cipla Medpro South Africa Proprietary Limited which holds 100% (2023: 100%) of the company's equity.

Cipla Medpro South Africa Proprietary Limited is incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Cipla Limited which is incorporated in India.

8. Events after the reporting period

There is no matter or circumstance which is material to the financial affairs of the company, which has occurred between 31 March 2024 and the date of approval of the annual financial statements, that has not been otherwise dealt with in the annual financial statements.

Directors' Report

9. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Auditors

SNG Grant Thornton continued in office as auditors for the company for 2024.

11. Secretary

Kilgetty Statutory Services Proprietary Limited provided secretarial services during the year under review.

SNG
Grant Thornton

Independent Auditor's Report

To the Shareholders of Medpro Pharmaceutica Proprietary Limited

Qualified Opinion

We have audited the financial statements of Medpro Pharmaceutica Proprietary Limited set out on pages 9 to 58 which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Medpro Pharmaceutica Proprietary Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for qualified opinion

Directors' emoluments

Section 30(4) to (6) of the Companies Act requires the company to disclose certain information in respect of the remuneration of each director and each individual holding a prescribed office in the company. The disclosures have not been provided for each director or prescribed officer, for the reason provided in note 31. While this is a breach of the requirements of the Companies Act, it does not affect our opinion in accordance with the International Financial Reporting Standards.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Medpro Pharmaceutica Proprietary Limited Annual Financial Statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information 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 an audit opinion or 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 the directors 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.

SizweNtsalubaGobodo Grant Thornton Inc.
PIDP de Villiers
Director

Registered Auditor
IRBA registration number: 492493

3 May 2024

2 Edam Avenue
Waterval East Ext. 37
Rustenburg
North-West

Medpro Pharmaceutica Proprietary Limited

(Registration number 1992/000182/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Rand	Notes	2024	2023
Assets			
Non-Current Assets			
Property and equipment	3	38 061 472	28 893 158
Intangible assets	5	3 626 805	4 975 920
Deferred tax	6	63 185 693	31 623 144
Security deposits		1 802 348	1 802 348
		106 676 318	**67 294 570**
Current Assets			
Inventories	7	1 271 924 436	989 510 835
Loans to group companies	8	1 203 106 706	984 718 632
Loans receivable	9	425 848	1 058 512
Trade and other receivables	10	1 289 090 591	1 042 674 478
Derivatives	15	1 471 731	2 666 982
Current tax receivable	27	-	21 568 773
Cash and cash equivalents	11	104 072 934	35 619 356
		3 870 092 246	**3 077 817 568**
Total Assets		**3 976 768 564**	**3 145 112 138**
Equity and Liabilities			
Equity			
Share capital	12	1 000	1 000
Retained income		640 088 250	639 364 951
		640 089 250	**639 365 951**
Liabilities			
Non-Current Liabilities			
Loan from group company	13	1 735 490 890	-
Lease liabilities	4	10 711 374	6 675 175
Operating lease liability		132 951	240 038
		1 746 335 215	**6 915 213**
Current Liabilities			
Trade and other payables	16	1 208 849 753	1 054 979 813
Loan from group company	13	55 841 032	836 800 472
Borrowings	14	210 000 000	510 000 000
Lease liabilities	4	12 159 406	6 907 006
Operating lease liability		87 559	93 529
Contract liabilities	18	18 588 557	-
Current tax payable	27	1 094 046	-
Provisions	17	62 174 730	82 647 605
Share based payments liability	29	21 549 016	7 402 549
		1 590 344 099	**2 498 830 974**
Total Liabilities		**3 336 679 314**	**2 505 746 187**
Total Equity and Liabilities		**3 976 768 564**	**3 145 112 138**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue	19	4 243 207 059	3 752 082 403
Cost of sales	20	(2 261 454 238)	(1 958 001 822)
Gross profit		**1 981 752 821**	**1 794 080 581**
Other income	21	289 071	1 368 440
Other (losses) gains	22	(5 960 146)	36 493 808
Movement in expected credit loss allowance	23	(12 876 304)	(9 729 968)
Selling and distribution expenses		(1 687 771 166)	(1 474 322 540)
Administrative expenses		(86 221 637)	(112 125 647)
Other operating expenses		(45 863 794)	(71 402 118)
Operating profit	23	**143 348 845**	**164 362 556**
Investment income	24	6 117 066	10 661 883
Finance costs	25	(147 546 063)	(64 082 281)
Profit before taxation		**1 919 848**	**110 942 158**
Taxation	26	(1 196 549)	(37 345 965)
Profit for the year		**723 299**	**73 596 193**
Other comprehensive income		-	-
Total comprehensive income for the year		**723 299**	**73 596 193**

Medpro Pharmaceutica Proprietary Limited

(Registration number 1992/000182/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 April 2022	**1 000**	**565 768 858**	**565 769 858**
Profit for the year	-	73 596 193	73 596 193
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**73 596 193**	**73 596 193**
Dividends	-	(100)	(100)
Total distributions to owners of company recognised directly in equity	**-**	**(100)**	**(100)**
Balance at 01 April 2023	**1 000**	**639 364 951**	**639 365 951**
Profit for the year	-	723 299	723 299
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**723 299**	**723 299**
Balance at 31 March 2024	**1 000**	**640 088 250**	**640 089 250**

Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows (used in) generated from operating activities			
Profit before taxation		1 919 848	110 942 158
Adjustments for:			
Depreciation and amortisation		21 532 164	34 412 347
Losses on disposal of property, plant and equipment		1 182 585	38 965
Fair value adjustments - forward exchange contracts		1 195 251	(25 284 046)
Interest received		(6 117 066)	(10 661 883)
Finance costs		147 546 063	64 082 281
Movement in inventory provision		25 972 480	28 550 213
Movement in expected credit losses		12 876 304	9 729 968
Movements in operating lease assets and accruals		(113 057)	597 120
Movements in share based payments liability		26 788 100	(7 295 657)
Movements in provisions		(20 472 875)	(11 185 664)
Notional interest on trade receivables and trade payables		(41 197 543)	(31 653 966)
Interest on lease liability		-	(1 330 850)
Movements in contract liabilities		18 588 557	-
Non-cash movements on loans to group companies		561 371 000	595 708 874
Non-cash movements on loans from group companies		(570 238 866)	(193 534 963)
Changes in working capital:			
Inventories		(308 386 081)	(420 494 309)
Trade and other receivables		(259 292 417)	(156 269 147)
Trade and other payables		153 532 930	213 408 270
Cash (used in) generated from operations		**(233 312 623)**	**199 607 969**
Interest received		6 117 066	10 661 882
Finance cost paid		(104 209 753)	(30 752 451)
Tax paid	27	(10 096 279)	(29 798 106)
Settlement of share based liability		(12 641 633)	-
Net cash (used in) generated from operating activities		**(354 143 222)**	**149 719 294**
Cash flows used in investing activities			
Purchase of property and equipment	3	(6 226 311)	(4 851 858)
Proceeds of sale property, plant and equipment	3	596 509	15 000
Purchase of intangible assets	5	(3 627 442)	(1 925 284)
Receipts from (advances to) loans receivable at amortised cost		632 664	2 190 937
Payments received of loans to group companies		3 444 836 626	265 899 346
Loans advanced to group companies		(4 224 595 698)	(543 388 120)
Net cash used in investing activities		**(788 383 652)**	**(282 059 979)**

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
Cash flows from (used in) financing activities			
Borrowings (repaid) / advanced		(300 000 000)	210 000 000
Additions to group loans		1 680 000 000	7 532 116
Repayment of group loans		(155 229 685)	(205 638 250)
Payment on lease liabilities		(13 789 863)	(12 151 426)
Net cash from (used in) financing activities		**1 210 980 452**	**(257 560)**
Total cash movement for the year		**68 453 578**	**(132 598 245)**
Cash at the beginning of the year		35 619 356	168 217 601
Total cash at end of the year	11	**104 072 934**	**35 619 356**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Provision for obsolete stock is calculated based on stock with a remaining shelf life of 6 months or less, and any products experiencing regulatory issues.

Fair value estimation

Derivatives are measured at fair value.

Observable market data is used as inputs to the extent that it is available.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture, and computer equipment are determined based on replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Refer to note 17 for the nature of provisions and estimation uncertainty.

Sales returns

The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets.

Inventories obsolescence

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory obsolescence to reflect its actual experience on a periodic basis.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Management has determined the incremental borrowing rate used to calculate the lease liability and the right-of-use asset, to be the borrowing rate offered to the group for its current borrowings as at the initiation of the lease.

This borrowing rate is the rate which is considered to be relevant to the company should they decide to purchase an asset of a similar nature to the right-of-use asset recognised.

Useful lives of intangible assets

Management assess the appropriateness of the useful lives of intangible assets at the end of each reporting period.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the amortisation charge.

Income taxes

There are numerous calculations and transactions for which the ultimate tax position is uncertain during the ordinary course of business. The company recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be payable. In determining whether an interpretation and/or application of the various tax rules may result in a dispute of which the outcome may not be favourable to the company, the company seeks, where relevant, expert advice to determine whether an unfavourable outcome is probable or possible.

Where payment is determined to be possible but not probable the tax exposure is disclosed as a contingent liability. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax in the period in which such determination is made.

Deferred tax assets - source of estimation uncertainty

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets ca be used. The company is required to make significant estimates in assessing whether future taxable profits will be available. Future taxable profits are determined based on business plans for individual subsidiaries in the company and the probable reversal of taxable temporary differences in 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 realized. Such reductions are reversed when the probability of future taxable profits improves. Refer to Note 6.

1.3 Property and equipment

Property and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

Property and equipment is recognised as an asset when:

- there is a present economic resource; and
- it is controlled by the entity as a result of past events.

Property and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Accounting Policies

1.3 Property and equipment (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	9 years
Motor vehicles	Straight line	5 years
IT equipment	Straight line	5 years
Leasehold improvements	Straight line	5 -10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

An intangible asset is recognised as an asset when:

- There is a present economic resource; and
- it is controlled by the entity as a result of past events.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Accounting Policies

1.4 Intangible assets (continued)

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3 years

1.5 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:
- Amortised cost (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to derivatives which are not part of a hedging relationship).

Note 32 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Classification

Loans to group companies (note 8) and loans receivable (note 9) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at transaction price as per IFRS9.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 32).

Accounting Policies

1.5 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 10).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other (losses) gains (note 22).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 32).

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Accounting Policies

1.5 Financial instruments (continued)

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 10.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 23).

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Non-hedging derivatives

Classification

Non-hedging derivatives are classified as mandatorily at fair value through profit or loss.

The company enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk and cash flow interest rate risk. Derivatives held by the company which are not in designated hedging relationships, include forward exchange contracts (Note 15).

Recognition and measurement

Derivatives are recognised when the company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses are included in other gains (losses) (note 22). Details of the valuation policies and processes are presented in note 33.

Borrowings and loans from group companies

Classification

Loans from group companies (note 8) and borrowings (note 14) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from group companies are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

Accounting Policies

1.5 Financial instruments (continued)

Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other (losses) gains (note 22).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management (note 32).

Trade and other payables

Classification

Trade and other payables (note 16), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 32 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other (losses) gains (note 22).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 32).

Cash and cash equivalents

Cash and cash equivalents are accounted for at amortised cost and bank overdrafts are accounted for as financial liabilities. Cash and cash equivalents comprise of current accounts, all of which are available for use by the company. Bank overdrafts are included within current liabilities on the statement of financial position, unless the company has a current legally enforceable right to set off the amounts and intends to settle on a net basis, or realise the asset and settle the liability simultaneously, in which case it is netted off against cash and cash equivalents on the statement of financial position.

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Accounting Policies

1.5 Financial instruments (continued)

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Accounting Policies

1.7 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the 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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. The benchmark for low value assets is R80 000 (present value of the lease payments discounted at the increment borrowing rate).

For these leases, the company recognises the lease payments as an operating expense (note 23) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 25).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

Accounting Policies

1.7 Leases (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

The right-of-use asset is calculated at the initial amount of the lease liability.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

All right-of-use assets which are depreciated over the lease term, the lease terms are presented in the following table:

Item	Depreciation method	Average lease term
Buildings	Straight line	2 -5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.8 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Accounting Policies

1.9 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

The company assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.10 Share capital and equity

Ordinary shares are recognised at issue price and classified as 'share capital' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Accounting Policies

1.11 Employee benefits (continued)

Share-based payments

The company recognises the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received.

The Phantom share scheme was established in order to entitle participants to payouts relating to the Cipla Limited share price on vesting date. The share scheme has been recognised as a cash-settled share-based payment scheme in accordance with IFRS. In accordance with the classification of the share-based payment scheme, the cost of goods and services received is recognised as an expense in the statement of profit and loss and comprehensive income, with a corresponding increase in liability.

The company measures the cost of these goods and services and the liability incurred with reference to the fair value of the liability.

The company measures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in the fair value of the liability recognised in profit and loss for the period.

1.12 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

1.13 Revenue

Revenue, net of logistic fees paid to independent wholesalers and excluding value added tax, comprises the total invoice value of goods derived from the supply of generic pharmaceutical products to provide treatment for a broad spectrum of acute and chronic conditions.

Revenue is measured based on the transaction price which is the amount of consideration which is expected to be received and in compliance with legislated pricing in the various regulated markets and excludes amounts collected on behalf of third parties. Revenue is recognised based on the completion of performance obligations and an assessment of when control is transferred to the customer.

The following indicators are used by the company in determining when control has passed to the customer:
- the company has a right to payment for the product or service;
- the customer has legal title to the product;
- the company has transferred physical possession of the product to the customer;
- the customer has the significant risk and rewards of ownership of the product; and
- the customer has accepted the product.

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon delivery to the customer.

Sale of pharmaceutical goods

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been dispatched to the specific location, the risks of obsolescence and loss have been transferred and the customer accepted the products in accordance with the sales contract. Revenue is recorded at the transaction price which is the amount of consideration which is expected to be received and in compliance with regulated pricing in regulated markets, net of logistic fees and value added tax. Revenue and receivables are recorded when the performance obligation has been satisfied and only the passage of time is required before payment is due.

Accounting Policies

1.14 Contract liabilities

The company operates a goods return policy where customers may return products sold as per the contractual terms and conditions. A contract liability is recognised at the point of sale until a predetermined time.

Contract liabilites are measured based on historical information and any recent trends that may suggest future claims could differ from historical amounts.

Claims to customers are expected to be settled in the next financial year.

1.15 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.16 Finance costs

Finance costs comprise interest expenses on borrowings, loans from group companies and lease liability interest expense. All finance costs are recognised in profit or loss using the effective interest method.

1.17 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- 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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

Certain new accounting standards and interpretations have been published that are effective for the current year. These standards are not considered to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	The impact of the amendment is not material.
• Definition of accounting estimates - Amendment to IAS 8	01 January 2023	The impact of the amendment is not material.
• Deferred tax related to assets and liabilities arising from a single transaction - Amendment to IAS 1	01 January 2023	The impact of the amendment is not material.
• Disclosure of accounting policies - Amendment to IAS 1 and IFRS Practice Statement 2	01 January 2023	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the company. The standards are effective for years beginning on or after 1 January 2025. These standards are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Non-current liabilities with covenants - Amendments to IAS 1	01 January 2024	Unlikely there will be a material impact
• Lack of Exchangeability - Amendments to IAS 21	01 January 2024	Unlikely there will be a material impact
• Supplier finance arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024	Unlikely there will be a material impact
• Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2024	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

3. Property and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	76 941 358	(56 955 090)	19 986 268	55 664 655	(44 698 743)	10 965 912
Furniture and fixtures	5 695 748	(3 289 824)	2 405 924	6 007 403	(3 275 327)	2 732 076
Motor vehicles	1 439 749	(765 155)	674 594	1 843 909	(785 428)	1 058 481
IT equipment	31 652 690	(19 282 624)	12 370 066	26 444 731	(14 828 224)	11 616 507
Leasehold improvements	8 539 761	(5 915 141)	2 624 620	7 951 165	(5 430 983)	2 520 182
Total	**124 269 306**	**(86 207 834)**	**38 061 472**	**97 911 863**	**(69 018 705)**	**28 893 158**

Reconciliation of property and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings*	10 965 912	21 276 703	-	(12 256 347)	19 986 268
Furniture and fixtures	2 732 076	406 555	(63 400)	(669 307)	2 405 924
Motor vehicles	1 058 481	-	(188 608)	(195 279)	674 594
IT equipment	11 616 507	5 231 158	(18 945)	(4 458 654)	12 370 066
Leasehold improvements	2 520 182	588 597	-	(484 159)	2 624 620
	28 893 158	**27 503 013**	**(270 953)**	**(18 063 746)**	**38 061 472**

Reconciliation of property and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	20 585 234	-	-	(9 619 322)	10 965 912
Furniture and fixtures	3 458 955	30 718	(43 196)	(714 401)	2 732 076
Motor vehicles	766 040	506 100	-	(213 659)	1 058 481
IT equipment	12 376 446	3 980 943	(173 839)	(4 567 043)	11 616 507
Leasehold improvements	2 784 194	334 097	-	(598 109)	2 520 182
	39 970 869	**4 851 858**	**(217 035)**	**(15 712 534)**	**28 893 158**

Net carrying amounts of leased assets

Buildings - Right of use asset	19 986 268	10 965 912
Leasehold improvements	2 624 620	2 520 182
	22 610 888	**13 486 094**

***Additions to Buildings**:
Additions to buildings of R21 276 703 for the current year were for the following:

During the current financial year, the lease for the Cape Town premises occupied by Medpro Pharmaceutica Proprietary Limited ended on 31 July 2023. The lease was extended for a further 2 year period ending 31 July 2025, resulting in a new right of use asset being recognised to the value of R19 809 665.

In addition, the lease for the Bloemfontein premises occupied by Medpro Pharmaceutica Proprietary Limited, ended on 30 September 2023. The lease was extended for a further 3 year period ending 30 September 2026, resulting in a new right of use asset being recognised to the value of R1 467 038.

During the current and prior year, no impairment of assets were recognised.

General notarial bond by Cipla Medpro South Africa Group in favour of FirstRand bank Ltd for R1 300 000 000 over all movable assets.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

3. Property and equipment (continued)

There were no changes to the useful lives and residual values of the assets in the current and prior year.

Capital commitments are shown in Note 28.

Insurance

Comprehensive insurance cover is taken out over plant and equipment.

Impairment tests for plant and equipment

The company reviews the carrying values of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

No indications of impairment were present based on the current and prior period review and therefore no impairment loss was recognised in the profit or loss for the company.

4. Leases (company as lessee)

The company has leases for its office buildings. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset. The company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 3).

Leases of property generally have a lease term ranging from 2 to 5 years.

Each lease generally imposes a restriction that, unless there is a contractual right for the company to sublet the asset to another party, the right-of-use asset can only be used by the company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the note 3 under the following line items:

Buildings	19 986 268	10 965 912
Leasehold improvements	2 624 620	2 520 182
	22 610 888	**13 486 094**

Additions to right-of-use assets

Buildings	21 276 703	-

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 23).

Buildings	12 256 347	9 619 322

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

4. Leases (company as lessee) (continued)

Other disclosures

Interest expense on lease liabilities	1 801 759	1 330 850
Leases of low value assets included in operating expenses	3 794 221	6 657 533

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	13 605 080	7 465 426
Two to five years	11 069 585	7 082 327
	24 674 665	14 547 753
Less finance charges component	(1 803 885)	(965 572)
	22 870 780	**13 582 181**
Non-current liabilities	10 711 374	6 675 175
Current liabilities	12 159 406	6 907 006
	22 870 780	**13 582 181**

Exposure to liquidity risk

Refer to note 32 Financial instruments and risk management for the details of liquidity risk exposure and management.

5. Intangible assets

	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	60 885 736	(57 258 931)	3 626 805	59 184 216	(54 208 296)	4 975 920

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	4 975 920	3 626 805	(1 507 502)	(3 468 418)	3 626 805

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	21 750 449	1 925 284	-	(18 699 813)	4 975 920

The company reviews the carrying values of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. During the current and prior year, no impairment of assets was recognised.

General notarial bond by Cipla Medpro South Africa Group in favour of FirstRand bank Ltd for R1 300 000 000 over all movable assets.

There were no changes to the useful lives and residual values of the assets in the current and prior year.

No indications of impairment were present based on the current and prior period review and therefore no impairment loss was recognised in the profit or loss for the company.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

6. Deferred tax

Deferred tax asset

Plant and equipment	(1 321 213)	(2 071 266)
Inventory	25 875 591	17 707 393
Operating leases	59 538	90 063
Employee benefit provisions	25 286 590	19 392 923
Impairment of trade and other receivables	4 890 880	2 804 919
IFRS 16 Right-of-use asset and lease liability	778 818	706 393
IFRIC 23 provision	2 513 406	2 513 406
Other*	5 102 083	(1 949 920)
Valuation of forward exchange contracts	-	(7 570 767)
Total deferred tax asset	**63 185 693**	**31 623 144**

* Other consists of prepayment, audit fee provisions and discounting of credit purchases

Reconciliation of deferred tax asset

At beginning of year	31 623 144	48 804 789
Plant and equipment	750 053	(316 337)
Inventory	8 168 199	(8 963 960)
Operating leases	(30 525)	251 286
Employee Benefit Provision	5 893 667	(2 083 186)
Impairment of trade and other receivables	2 085 961	1 469 414
IFRS 16 Right-of-use asset and lease liability	72 425	(773 732)
Other	14 622 769	604 079
Provision for voluntary severance package	-	(6 905 173)
Valuation of forward exchange contracts	-	(464 036)
	63 185 693	**31 623 144**

7. Inventories

Finished goods	1 353 888 003	1 046 522 014
Provision for obsolete inventory	(81 963 567)	(57 011 179)
	1 271 924 436	**989 510 835**

Inventory pledged as security

A notarial bond over the company's inventory of R1 271 924 436 (2023: R989 510 835) has been held as security for banking, loan facilities granted and future lines of credit.

Inventory amounting to R83 997 540 (2023: R94 166 897) were written down as an expense during the current year and is included in the cost of sales.

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Figures in Rand	2024	2023

8. Loans to group companies

Holding company		
Cipla Medpro South Africa Proprietary Limited	691 763 568	739 188 483
Fellow subsidiaries		
Cipla-Medpro Proprietary Limited	12 978 709	-
Cipla Medpro Distribution Centre Proprietary Limited	-	11 201 431
Cipla Medpro Manufacturing Proprietary Limited	328 266 214	1 203 286
Cipla Kenya Limited	53 870 674	48 420 019
Cipla Quality Chemical Industries Limited	-	81 265
Mirren Proprietary Limited	109 831 012	147 850 659
Cipla Select Proprietary Limited	6 396 529	36 773 489
	511 343 138	**245 530 149**

These loans are unsecured, interest free and are repayable on demand.

The company provided letters of support with regards to the amounts owing by Mirren Proprietary Limited, Cipla Medpro Manufacturing Proprietary Limited and Cipla Select Proprietary Limited. These letters of support are in favour of other creditors until these companies' assets, fairly valued, exceed its liabilities.

Split between non-current and current portions

Current assets	1 203 106 706	984 718 632

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below.

Credit rating framework

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default as all the related companies are held by the same holding entity that will repay any amounts should default occur.	Other

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8. Loans to group companies (continued)

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

2024

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Amortised cost
Loans to holding companies				
Cipla Medpro South Africa Proprietary Limited	Performing	Other	691 763 568	691 763 568

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Basis of loss allowance	Amortised cost
Loans to fellow subsidiaries				
Cipla-Medpro Proprietary Limited	Performing	Other	12 978 709	12 978 709
Cipla Medpro Manufacturing Proprietary Limited	Performing	Other	328 266 214	328 266 214
Cipla Kenya Limited	Performing	Other	53 870 674	53 870 674
Mirren Proprietary Limited	Performing	Other	109 831 012	109 831 012
Cipla Select Proprietary Limited	Performing	Other	6 396 529	6 396 529
			511 343 138	**511 343 138**

Loans to holding companies	691 763 568	691 763 568
Loans to fellow subsidiaries	511 343 138	511 343 138
	1 203 106 706	**1 203 106 706**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

8. Loans to group companies (continued)

2023

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Amortised cost
Loans to holding companies				
Cipla Medpro South Africa Proprietary Limited	Performing	Other	739 188 483	739 188 483

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Basis of loss allowance	Amortised cost
Loans to fellow subsidiaries				
Cipla Medpro Distribution Centre Proprietary Limited	Performing	Other	11 201 431	11 201 431
Cipla Medpro Manufacturing Proprietary Limited	Performing	Other	1 203 286	1 203 286
Cipla Kenya Limited	Performing	Other	48 420 019	48 420 019
Cipla Quality Chemical Industries Limited	Performing	Other	81 265	81 265
Mirren Proprietary Limited	Performing	Other	147 850 659	147 850 659
Cipla Select Proprietary Limited	Performing	Other	36 773 489	36 773 489
			245 530 149	**245 530 149**

Loans to holding companies	739 188 483	739 188 483
Loans to fellow subsidiaries	245 530 149	245 530 149
	984 718 632	**984 718 632**

Fair value of group loans receivable

Loans receivable are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

9. Loans receivable

Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:

Cipla Foundation	425 848	1 058 512

The loan is unsecured, interest-free and is repayable on demand.

10. Trade and other receivables

Financial instruments:		
Trade receivables - external parties	1 195 440 673	989 819 553
Trade receivables - related parties	959 536	20 389 655
Loss allowance	(30 190 619)	(17 314 314)
Trade receivables at amortised cost	1 166 209 590	992 894 894
Other receivable	115 682	-
Non-financial instruments:		
VAT	9 944 088	-
Prepayments	112 821 231	49 779 584
Total trade and other receivables	**1 289 090 591**	**1 042 674 478**

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	1 166 325 272	959 382 056
Non-financial instruments	122 765 319	49 779 584
	1 289 090 591	**1 042 674 478**

Trade and other receivables pledged as security

Trade receivables have been ceded to the bank as security for banking, loan facilities granted and future lines of credit.

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer balances are also covered by Credit Guarantee Insurance. Customer credit limits are in place and are reviewed and approved by credit management. The exposure to credit risk and the creditworthiness of customers, is continuously monitored. For purposes of internal credit risk management purposes, the company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off may still be subject to enforcement activities under the groups recovery procedures.

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Figures in Rand	2024	2023

10. Trade and other receivables (continued)

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

No loss allowance has been provided for related party balances which has been included in "not past due" as no loss is expected.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The loss allowance was determined as follows:

	2024	2024	2023	2023
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Private customers				
Not past due: 2.57% (2023: 1.62%)	726 336 473	(18 667 984)	583 441 759	(9 438 272)
Less than 30 days past due: 3.57% (2023: 2.26%)	254 965 425	(9 090 748)	216 474 370	(4 909 096)
31 - 60 days past due: 7.95% (2023: 5.55%)	90 733 273	(7 214 127)	75 929 825	(4 210 407)
61 - 90 days past due: 14.51% (2023: 20.79%)	30 523 460	(4 428 658)	15 647 107	(3 253 255)
91 - 120 days past due: 86.96% (2023: 33.72%)	10 552 235	(9 175 856)	21 897 364	(7 385 309)
More than 120 days past due: 86.96% (2023: 40.49%)	4 227 279	(3 675 895)	5 518 603	(2 234 538)
More than 150 days past due: 100% (2023: 100%)	79 062 064	(68 971 917)	55 956 388	(48 393 425)
Insured portion	-	96 931 960	-	67 638 157
Other: Imperial provision*	-	(5 897 394)	-	(5 128 169)
	1 196 400 209	**(30 190 619)**	**974 865 416**	**(17 314 314)**

*The amount represents a debt that is not insured and is fully provided for.

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for lease receivables:

Opening balance	(17 314 314)	(7 584 346)
Loss allowance recognised in profit	(12 876 305)	(9 729 968)
Closing balance	**(30 190 619)**	**(17 314 314)**

Exposure to currency risk

Refer to note 32 for details of currency risk management for trade receivables.

Fair value of trade and other receivables

Trade and other receivables are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	104 072 934	35 619 356

Nedbank Limited
The group has a multi-option facility comprising an asset based finance facility of R68 thousand (2023: R68 thousand) and a indirect banking facility R5.7 Million (2023: R5.7 Million) held with Nedbank Limited. Letter of guarantee to the amount of R40 000 for Cipla Medpro South Africa Proprietary Limited. These are secured in through cross guarantees by Cipla Medpro South Africa Proprietary Limited's local subsidiaries.

ABSA Bank Limited
The R39 million (2023: R39 million) general banking facility comprising foreign exchange contracts (FECs) as well as the R2.2 million (2023: R2.2 million) performance guarantee and credit card facility from ABSA Bank Limited granted to Medpro Pharmaceutica Proprietary Limited, is unsecured.

RMB Holdings Limited
The group has a multi-option facility comprising a general borrowing facility of R480 million (2023: R480 million), a long term borrowing facility of R720 million (2023: R720 million), corporate credit card facility of R170 000 (2023: R170 000) and a derivative facility of R50 million (2023: R50 million) held with FirstRand Bank Limited. These are secured in through cross guarantees by Cipla Medpro South Africa Proprietary Limited's local subsidiaries, cession of trade receivables, receivable insurances and claims of Cipla Medpro South Africa Proprietary Limited and Medpro Pharmaceutica Proprietary Limited and a notarial bond over group stock.

RMB Holdings has extended a letter of guarantee on behalf of Medpro Pharmaceutica to Capital Profound (Pty) Ltd to the amount of R5 781 485 in respect of a new lease deposit. Included in this amount is R2 155 951 for the lease liability of Cipla Medpro Distribution Centre Proprietary Limited. Refer to note 28 for details.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The exposure at default is considered to be the outstanding balance at year end as this is the amount that is exposed.

The company holds bank accounts with the following financial institutions:

Bank Facilities	**National Scale Rating Short Term**
First National Bank Limited	P-1.za
Nedbank Limited	P-1.za
ABSA Bank Limited	P-1.za
Rand Merchant Bank	P-1.za

The ratings for First National Bank, Nedbank Limite, ABSA Bank and Rand Merchant Bank were obtained from Moody's.

The ratings scores are based on the following broad investment grade definitions:

P1 Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short t-term debt obligations.
P2 Issuers (or supporting institutions) rated Prime-2 have a superior ability to repay short t-term debt obligations.
P3 Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short t-term debt obligations.

Based on the current ratings, the exposure to credit risk is stable, probability of default is therefore at 0%, thus indicating that the expected credit loss for cash and cash equivalents is immaterial.

The carrying amount of these assets approximates their fair values due to their short term maturities.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

12. Share capital

Authorised		
1 000 Ordinary shares of R1 each	1 000	1 000
Issued		
Ordinary	1 000	1 000

13. Loans from group companies

Holding company		
Cipla Limited	53 065 571	32 451 771

The loan is unsecured, interest free and is repayable on demand.

Fellow subsidiaries		
Cipla-Medpro Proprietary Limited[1]	-	804 348 601
Cipla Medpro Distribution Centre Proprietary Limited	2 775 361	-
Cipla Medpro South Africa Proprietary Limited[2]	1 735 490 890	-
Cipla Medpro Botswana Proprietary Limited	100	100
	1 738 266 351	**804 348 701**

[1] In the current year, Cipla-Medpro Proprietary Limited declared a dividend in specie of R800 000 000 by cession of the loan from Medpro Pharmaceutica Proprietary Limited.

[2] The loan from Cipla Medpro South Africa Proprietary Limited is unsecured and is repayable in tranches beginning 31 March 2026, with the full value to be repaid by 31 October 2029. The loan bears interest at 275 basis points higher than 3 months JIBAR rate.

All loans, except for the loan from Cipla Medpro South Africa Proprietary Limited as noted above, are unsecured, interest free and are repayable on demand.

Split between non-current and current portions

Non-current liabilities	1 735 490 890	-
Current liabilities	55 841 032	836 800 472
	1 791 331 922	**836 800 472**

Exposure to currency risk

Refer to note 32 Financial instruments and financial risk management for details of currency risk management for group loans payable.

Exposure to interest rate risk

Refer to note 32 Financial instruments and financial risk management for details of interest rate risk management for group loans receivable.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

13. Loans from group companies (continued)

Fair value of group loans payable

Group loans are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

14. Borrowings

Held at amortised cost		
FirstRand Bank Limited	210 000 000	510 000 000

The company repaid borrowings of R300m on 30 June 2023.

A R210m general banking facility (GBF) was obtained in the prior year. The GBF bears interest at rates linked to JIBAR rate and is repayable on demand.

The GBF is secured through guarantees by the company. Cipla Medpro South Africa Proprietary Limited, Cipla Medpro Manufacturing Proprietary Limited and Cipla-Medpro Proprietary Limited subordinated their claims against the company. There is a cession of trade receivables, receivables insurances and claims of Cipla Medpro South Africa Proprietary Limited and the company.

Exposure to liquidity risk

Refer to note 32 for details of liquidity risk exposure and management.

Exposure to interest rate risk

Refer to note 32 for details of interest rate risk management for borrowings.

15. Derivatives

Non-hedging derivatives		
Foreign exchange contract asset	1 471 731	2 666 982

2024:
9 245 916 USD at an average forward exchange rate of R18.98 and
2 654 453 EUR at an average forward exchange rate of R20.86.

2023:
10 046 982 USD at an average forward exchange rate of R17.95,
4 850 863 EUR at an average forward exchange rate of R18.82 and
366 630 GBP at an average forward exchange rate of R21.85.

Refer to note 33 for details of valuation policies and processes.

16. Trade and other payables

Financial instruments:		
Trade payables	190 456 207	139 950 969
Trade payables - related parties	873 902 784	776 006 400
Other payables	6 565 853	-
Accrued expenses	135 556 454	138 958 388
Non-financial instruments:		
Dividends tax payable (deemed)	2 368 455	-
VAT	-	64 056
	1 208 849 753	**1 054 979 813**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

16. Trade and other payables (continued)

Exposure to currency risk

Refer to note 32 for details of currency risk management for trade payables.

Exposure to liquidity risk

Refer to note 32 for details of liquidity risk exposure and management.

Fair value of trade and other payables

The carrying amounts of trade and other payables approximates their fair values due to their short term maturities.

17. Provisions

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Reclassified to contract liabilities	Total
Provision for annual bonus	48 676 850	61 072 222	(56 863 997)	-	52 885 075
Provision for leave pay	7 695 385	2 386 083	(791 813)	-	9 289 655
Provision for expired stock returns	26 275 370	-	-	(26 275 370)	-
	82 647 605	**63 458 305**	**(57 655 810)**	**(26 275 370)**	**62 174 730**

Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
Provision for audit fees	1 064 700	-	(1 064 700)	-
Provision for annual bonus	52 110 161	58 961 070	(62 394 381)	48 676 850
Provision for leave pay	8 526 547	1 517 476	(2 348 638)	7 695 385
Provision for expired stock returns	32 131 861	-	(5 856 491)	26 275 370
	93 833 269	**60 478 546**	**(71 664 210)**	**82 647 605**

Employee benefit provisions comprise of provision for annual bonus and provision for leave pay.

The provisions for expired stock returns was re-classified in the current year from provisions to contract liabilities. Refer to notes 18 and 35.

18. Contract liabilities

Contract liabilities comprise

Expired Stock Returns provision	18 588 557	-

Expired stock returns provision was re-classified from provisions to contracts liabilities in the current year. Refer to note 17 and 35.

Reconciliation of contract liabilities

Reclassified from provisions	26 275 370	-
Utilised during the year	(7 686 813)	-
	18 588 557	**-**

Notes to the Annual Financial Statements

18. Contract liabilities (continued)

Expired stock returns provision relates to stock in the channel which the company expects to be returned due to the stock being close to expiry.

Provision is made for right of return in respect of products sold as per the contractual terms and conditions. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior year.

19. Revenue

Sale of pharmaceutical products	4 243 207 059	3 752 082 403

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon delivery to the customer.

There were no unsatisfied performance obligations as at the current and prior year reporting date.

20. Cost of sales

Sale of goods	2 261 454 238	1 958 001 822

21. Other income

Sundry income	289 071	1 368 440

Included in sundry income is overheads recovered from group companies amounting to R289 071 (2023: R 368 440).

22. Other (losses) gains

Loss on disposals, scrappings and settlements			
Property, plant and equipment	3	(1 182 585)	(39 000)
Foreign exchange (losses) gains			
Net foreign exchange ((losses) gains		(4 777 561)	36 532 808
Total other (losses) gains		**(5 960 146)**	**36 493 808**

23. Operating profit

Operating profit for the year is stated after charging the following, amongst others:

Auditor's remuneration - external		
Audit fees	2 293 655	2 534 667
Remuneration, other than to employees		
Consulting and professional services	42 843 369	41 210 096
Employee costs		
Salaries, wages, bonuses and other benefits	466 096 448	444 504 036
Phantom share scheme	26 788 100	3 801 618
Total employee costs	**492 884 548**	**448 305 654**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
23. Operating profit (continued)		
Leases		
Leases of low value assets	3 794 221	6 657 532
Total lease expenses	**3 794 221**	**6 657 532**
Depreciation and amortisation		
Depreciation of property, plant and equipment	18 063 746	15 712 534
Amortisation of intangible assets	3 468 418	18 699 813
Total depreciation and amortisation	**21 532 164**	**34 412 347**
Movement in credit loss allowances		
Trade and other receivables	12 876 304	9 729 968
Expenses		
Royalty expense charge	45 678 220	30 527 649
24. Investment income		
Interest income		
Investments in financial assets:		
Bank and other cash	6 117 066	10 661 883
25. Finance costs		
Related party interest on financial liabilities	55 490 890	7 742 933
Interest on financial liabilities	41 197 543	23 113 556
Notional interest on extended credit terms	49 055 871	31 653 966
Interest expense - lease liabilities	1 801 759	1 330 850
Interest - Bank	-	147
Interest paid - other	-	240 829
Total finance costs	**147 546 063**	**64 082 281**
26. Taxation		
Major components of the tax expense		
Current		
Local income tax - current year	29 216 283	19 657 466
Local income tax - prior period under provision	1 174 360	506 854
Witholding tax	2 368 455	-
	32 759 098	**20 164 320**
Deferred		
Current year	(23 654 827)	17 181 645
Prior year	(7 907 722)	-
	(31 562 549)	**17 181 645**
	1 196 549	**37 345 965**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

26. Taxation (continued)

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27,00 %	27,00 %
Disallowable charges	262,68 %	0,26 %
Withholding tax	123,37 %	5,94 %
Tax relating to prior year	61,17 %	0,46 %
Deferred tax relating to prior year	(411,89)%	- %
Effective tax rate	**62,33 %**	**33,66 %**

27. Tax paid

Balance at beginning of the year	21 568 773	11 934 987
Tax for the year recognised in profit or loss	(32 759 098)	(20 164 320)
Balance at end of the year	1 094 046	(21 568 773)
	(10 096 279)	**(29 798 106)**

28. Commitments and contingencies

Capital commitments

At year end the company had purchases of plant and machinery of R368 605 (2023: R357 885) which had been contracted for.

The company has entered into a lease of an office building in the current financial year for an initial period period of 7 years commencing on 1 July 2025 with gross monthly rent payments of R1 028 689 escalated with 7.5% annually.

Contingent liabilities

During the current financial year a guarantee amounting to R3 625 534 has been put on hold with FirstRand Bank Limited on behalf of Medpro Pharmaceutica Proprietary Limited at the disposal of Rabie Property Group for the lease agreement of certain premises situated at Ratanga Precinct, Century City. The lease is expected to commence from July 2025, the guarantee will be released once written demand received from Rabie stating that the amount is due and payable.

In the prior year, the group disclosed a contingent liability relating to an ongoing audit conducted by The South African Revenue Services ("SARS") for the 2014, 2015 and 2016 financial years of assessment of the company. The company submitted a letter to SARS on 31 August 2018, requesting an Alternative Dispute Resolution ("ADR") for the 2014 year of assessment. SARS responded on 29 April 2019 accepting this request. The ADR was held between SARS and the company on 31 October 2019 and a settlement offer was agreed to and accounted for in the 2021 financial year. The parties could not reach agreement on the deductibility of stock provision.

SARS has now requested that a settlement offer be submitted regarding the matter of the deductibility of stock provision in order for it not to be referred to SARS tax court litigation department. A Settelement offer was submitted to SARS on 23 March 2023 which will result in a decrease in taxable income of R15 283 095 if accepted by SARS. As at the date of signing of these financial statements settlement negotiations are still ongoing.

Notes to the Annual Financial Statements

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29. Share based payments liability

Share Schemes implemented by the Ultimate Holding Company

Restricted Stock Units (RSU) Share Scheme

On 30 September 2016, a RSU share scheme was established which entitles participants to pay-outs relating to the Cipla Limited share price. The Nomination and Remuneration Committee of the Board of Cipla Limited administers the RSU Scheme and grants stock options to eligible employees. The share scheme has been recognised as a cash-settled share-based payment scheme in accordance with IFRS.

Share Schemes implemented by the Ultimate Holding Company

On 14 May 2021, a ESAR share scheme was established which entitles participants to pay-outs relating to the Cipla Limited share price, subject to an increase in the Cipla Limited share price above the ESAR grant price. The ESAR grant price is the volume weighted average price (VWAP) during the thirty calendar days immediately prior to the date of grant of the shares quoted on the recognized stock exchange in India, on which the shares of the Cipla Limited are listed. In the prior financial year, the share price of Cipla Limited was below the ESAR grant price of all unexercised ESAR's, accordingly no liability for ESAR share options has been raised in the prior financial year.

In the current financial year the share price of Cipla Ltd exceeded the grant price of unexercised ESAR's and a liability to the value of R9 440 758 has been raised (2023: RNil).

ESAR share options vest in a graded manner over a period of 3 years from the date of grant, the options can be exercised within a period of 5 years from the vesting date. The Nomination and Remuneration Committee of the Board of Cipla Limited administers the ESAR Scheme and grants share options to eligible employees. The share scheme has been recognised as a cash-settled share-based payment scheme in accordance with IFRS.

Share based payments liability	21 549 016	7 402 549

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

29. Share based payments liability (continued)

2024

Scheme Name	Offer date	Vesting period	Options outstanding at 31 March 2023	Options granted during 2024	Options forfeited during 2024	Options excercised during 2024	Options outstanding at 31 March 2024	Fair value as at 31 March 2024
RSU 23	2023/05/12	2 Years	-	29 369	-	-	29 369	3 902 550
ESAR 23	2023/05/12	3 Years	-	67 900	-	-	67 900	3 373 850
RSU 21	2021/05/14	2 Years	30 000	-	-	(30 000)	-	-
ESAR 21*	2021/05/14	3 Years	71 519	-	-	(50 363)	21 156	2 384 173
RSU 21	2022/05/10	2 Years	29 622	-	(667)	-	28 955	8 205 708
ESAR 22	2022/05/10	3 Years	61 815	-	(3 000)	(15 913)	42 902	3 682 735
Outstanding at end of the year			**192 956**	**97 269**	**(3 667)**	**(96 276)**	**190 282**	**21 549 016**

2023

Scheme Name	Offer date	Vesting period	Options outstanding at 31 March 2022	Options granted during 2023	Options forfeited during 2023	Options excercised during 2023	Options outstanding at 31 March 2023	Fair value as at 31 March 2023
RSU 20	2020/05/15	2 Years	56 701	-	-	(56 701)	-	-
RSU 21	2021/05/14	2 Years	34 346	-	(4 346)	-	30 000	5 027 413
ESAR 21	2021/05/14	3 Years	71 519	-	-	-	71 519	-
RSU 21	2022/05/10	2 Years	-	29 622	-	-	29 622	2 375 137
ESAR 22	2022/05/10	3 Years	-	61 815	-	-	61 815	-
Outstanding at end of the year			**162 566**	**91 437**	**(4 346)**	**(56 701)**	**192 956**	**7 402 550**

Fair value based on closing share price of Cipla Limited as at 31 March 2024 of INR 1496.95 (2023: INR 900.50), weighted average remaining months of the RSU share scheme is 7.5 months. For details on the related employee benefit expenses, refer to note 23.

Vesting of these options would be subject to continued employment with the company, its Holding company or Subsidiary company, as the case may be at the discretion of the company.

*Of the 50 363 ESAR 21 options exercised, 28 519 relate to options exercised during the prior year.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

30. Related parties

Relationships	
Ultimate holding company	Cipla Limited
Holding company	Cipla Medpro South Africa Proprietary Limited
Fellow Subsidiaries	Cipla Medpro Proprietary Limited Cipla Medpro Manufacturing Proprietary Limited Cipla Medpro Botswana Proprietary Limited Cipla Kenya Limited Cipla Medpro Distribution Centre Proprietary Limited Cipla Select Proprietary Limited Mirren Proprietary Limited Actor Proprietary Limited
Other related companies	Brandmed Proprietary Limited Cipla Empowerment Trust Cipla Australia
Directors	M W Daly JP Miller

Related party balances

Loan accounts - owing (to) by related parties		
Cipla Medpro South Africa Proprietary Limited	691 763 568	739 188 484
Cipla Medpro South Africa Proprietary Limited	(1 735 490 890)	-
Cipla Limited	(53 065 571)	(32 451 771)
	(1 096 792 893)	**706 736 713**
Loan accounts - owing (to) from fellow subsidiaries		
Cipla Medpro Proprietary Limited	12 978 709	(804 348 601)
Cipla Medpro Manufacturing Proprietary Limited	328 266 214	1 203 286
Cipla Medpro Botswana Proprietary Limited	(100)	(100)
Cipla Kenya Limited	53 870 674	48 420 019
Cipla Medpro Distribution Centre Proprietary Limited	(2 775 361)	11 201 431
Cipla Select Proprietary Limited	6 396 529	36 773 489
Cipla Quality Chemical Industries Limited	-	81 265
Mirren Proprietary Limited	109 831 012	147 850 659
	508 567 677	**(558 818 552)**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
30. Related parties (continued)		
Amounts included in trade and other receivables		
Cipla Australia	856 702	-
Cipla Select Proprietary Limited	102 834	-
Cipla Medpro Manufacturing Proprietary Limited	-	20 389 655
	959 536	**20 389 655**
Amounts included in trade and other payables		
Cipla Limited	(491 990 272)	(510 876 287)
Mirren Proprietary Limited	(10 601 024)	(58 618 031)
Cipla Quality Chemical Industries Limited	-	(8 960 807)
Cipla Medpro Manufacturing Proprietary Limited	(320 888 700)	(197 551 275)
Actor Proprietary Limited	(68 820 648)	-
Cipla Select Proprietary Limited	(1 967 449)	-
	(894 268 093)	**(776 006 400)**
Transactions with related parties		
Sales to related parties		
Cipla Select Proprietary Limited	(2 353 786)	(2 546 585)
Cipla Medpro Manufacturing Proprietary Limited	(4 935 889)	(17 730 134)
	(7 289 675)	**(20 276 719)**
Purchases from related parties		
Cipla Medpro South Africa Proprietary Limited	-	41 922 097
Cipla Limited	966 899 114	1 069 304 993
Mirren Proprietary Limited	235 551 819	204 269 477
Cipla Select Proprietary Limited	3 284 871	2 085 200
Cipla Medpro Manufacturing Proprietary Limited	872 724 491	853 163 683
Cipla Quality Chemical Industries Limited	38 519 442	121 067 488
Actor Proprietary Limited	59 165 401	-
	2 176 145 138	**2 291 812 938**
Royalties paid to (received from) related parties		
Cipla-Medpro Proprietary Limited	42 051 804	38 229 922
Cipla Medpro South Africa Proprietary Limited	(6 928 195)	(10 737 782)
Cipla Medpro Manufacturing Proprietary Limited	(2 581 142)	-
Actor Proprietary Limited	857 255	-
	33 399 722	**27 492 140**
Recoveries (received) paid to related parties		
Cipla Medpro South Africa Proprietary Limited	(6 692 610)	(3 930 213)
Cipla Medpro Distribution Centre Proprietary Limited	2 396 997	1 869 333
Cipla Kenya Limited	(5 450 655)	(6 217 223)
Cipla Limited	20 641 584	20 658 249
Cipla Medpro Manufacturing Proprietary Limited	(48 758 893)	-
Cipla Australia	(856 702)	-
Cipla Select Proprietary Limited	R (6 603 210)	R -
	(45 323 489)	**12 380 146**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

30. Related parties (continued)

Distribution fees paid to (received from) related parties		
Cipla Medpro South Africa Proprietary Limited	3 462 866	(4 754 216)
Cipla Medpro Distribution Centre Proprietary Limited	(140 105 859)	(113 635 007)
	(136 642 993)	**(118 389 223)**
Interest charged to (by) related party		
Meditab Holdings Limited	-	7 742 933
Cipla Medpro South Africa Proprietary Limited	55 490 890	-
	55 490 890	**7 742 933**

31. Directors' emoluments

Executive

2024

Directors' emoluments	Basic salary	Other benefits*	Retirement and medical benefits	Total
Executive				
For services as directors	45 569 609	504 763	2 351 094	48 425 466

2023

Directors' emoluments	Basic salary	Other benefits*	Retirement and medical benefits	Total
Executive				
For services as directors	62 894 156	775 585	2 852 859	66 522 600

The directors emoluments are for services rendered by the directors of the Cipla group.

* Other benefits comprise travel allowance, petrol and insurance, medical contributions paid by the company, group life and disability and the company contributions towards UIF and SDL.

In addition to their salaries, the group also used to provide non-cash benefits in the form of share options to directors and key personnel. This form of compensation has however ceased with the delisting of the company on 15 July 2013. Cipla Limited (Ultimate holding company in India) has granted employee stock options to its employees and directors of CMSA under its ESOP schemes (refer to note 22). On 30 September 2016, the old scheme was replaced with a new phantom share scheme. This share scheme entitles participants to payouts relating to the movement in the Cipla Limited share price on vesting date. Refer to note 28 for further information related to share-based payments.

Section 30 (4) to (6) of the Companies Act requires the company to disclose certain information in respect of remuneration for each director or individual holding any prescribed office in the company. A decision was taken by the directors of Cipla-Medpro Proprietary Limited not to disclose the executive directors' and prescribed officers' remuneration as required by the Companies Act due to the fact that the company is wholly owned subsidiary of Cipla Limited (ultimate holding company) and the shareholders are fully aware of the directors remuneration on an individual basis. Furthermore, directors are not remunerated for their services as directors, but rather remunerated solely for their services as employees of the company, hence management are of the view that Section 30 (4) to (6) does not apply.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

32. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Notes	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to group companies	8	-	1 203 106 706	1 203 106 706	1 203 106 706
Loans receivable	9	-	425 848	425 848	425 848
Derivatives - non-hedging	15	1 471 731	-	1 471 731	1 471 731
Trade and other receivables	10	-	1 166 325 272	1 166 325 272	1 166 325 272
Cash and cash equivalents	11	-	104 072 934	104 072 934	104 072 934
		1 471 731	**2 473 930 760**	**2 475 402 491**	**2 475 402 491**

2023

	Notes	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value
Loans to group companies	8	-	984 718 632	984 718 632	984 718 632
Loans receivable	9	-	1 058 512	1 058 512	1 058 512
Derivatives - non-hedging	15	2 666 982	-	2 666 982	2 666 982
Trade and other receivables	10	-	992 894 894	992 894 894	992 894 894
Cash and cash equivalents	11	-	35 619 356	35 619 356	35 619 356
		2 666 982	**2 014 291 394**	**2 016 958 376**	**2 016 958 376**

Categories of financial liabilities

2024

	Notes	Amortised cost	Total	Fair value
Trade and other payables	16	1 206 481 398	1 206 481 398	1 206 481 398
Loans from group companies	13	1 791 331 922	1 791 331 922	1 791 331 922
Borrowings	14	210 000 000	210 000 000	210 000 000
Lease liabilities	4	22 870 780	22 870 780	22 870 780
		3 230 684 100	**3 230 684 100**	**3 230 684 100**

2023

	Notes	Amortised cost	Total	Fair value
Trade and other payables	16	1 054 915 758	1 054 915 758	1 054 915 758
Loans from group companies	13	836 800 472	836 800 472	836 800 472
Borrowings	14	510 000 000	510 000 000	510 000 000
Lease liabilities	4	13 582 181	13 582 181	13 582 181
		2 415 298 411	**2 415 298 411**	**2 415 298 411**

Notes to the Annual Financial Statements

Figures in Rand		2024	2023

32. Financial instruments and risk management (continued)

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity. The group's targeted gearing ratio is 15% – 25%.

Borrowings	14	210 000 000	510 000 000
Cash and cash equivalents	11	(104 072 934)	(35 619 356)
Net borrowings		**105 927 066**	**474 380 644**
Equity		640 089 250	639 365 951
Gearing ratio		17 %	74 %

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. Since the take-over of the group by Cipla Limited in July 2013, a finance committee has been formed (on a group level), which feeds into the global finance committee of Cipla Limited, which in turn reports into the global Audit and Risk Committee. The group's finance committee's develops and monitors the group's risk management policies.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company's finance committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The finance committee is assisted in its oversight role by a co-sourced internal audit function composing an independent firm of internal auditors. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk committee.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans to group companies, loans receivable, debt instruments at fair value through other comprehensive income, trade and other receivables and cash and cash equivalents.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

32. Financial instruments and risk management (continued)

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

For derivative financial instruments, management engages with reputable financial institutions that have a sound credit rating.

Credit loss allowances for expected credit losses are recognised for all debt instruments. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

The company establishes a loss allowance that represents its estimate of the expected credit losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. This loss allowance is determined based on historical data of payment statistics for similar debtors.

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	8	1 203 106 706	-	1 203 106 706	984 718 632	-	984 718 632
Loans receivable	9	425 848	-	425 848	1 058 512	-	1 058 512
Derivatives	15	1 471 731	-	1 471 731	2 666 982	-	2 666 982
Trade and other receivables	10	1 196 400 209	(30 190 619)	1 166 209 590	1 010 209 208	(17 314 314)	992 894 894
Cash and cash equivalents	11	104 072 934	-	104 072 934	35 619 356	-	35 619 356
		2 505 477 428	**(30 190 619)**	**2 475 286 809**	**2 034 272 690**	**(17 314 314)**	**2 016 958 376**

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

32. Financial instruments and risk management (continued)

2024

	Note(s)	Less than 1 year	2 to 5 years	Total
Non-current liabilities				
Loans from group companies	13	-	1 735 490 890	1 735 490 890
Lease liabilities	4	-	11 069 585	11 069 585
Current liabilities				
Trade and other payables	16	1 206 481 398	-	1 206 481 398
Loans from group companies	13	55 841 032	-	55 841 032
Borrowings	14	210 000 000	-	210 000 000
Lease liabilities	4	13 605 080	-	13 605 080
		1 485 927 510	**1 746 560 475**	**3 232 487 985**

2023

	Note(s)	Less than 1 year	2 to 5 years	Total
Non-current liabilities				
Lease liabilities	4	-	7 085 327	7 085 327
Current liabilities				
Trade and other payables	16	1 054 915 757	-	1 054 915 757
Loans from group companies	13	836 800 472	-	836 800 472
Borrowings	14	510 000 000	-	510 000 000
Lease liabilities	4	7 465 426	-	7 465 426
		2 409 181 655	**7 085 327**	**2 416 266 982**

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily are US Dollars.

In prior periods, the company hedged approximately 80% of its estimated foreign currency exposure in respect of forecast purchases over the following six months, and trade and other payables denominated in a foreign currency. The company also used to hedge approximately 80% of all trade payables denominated in a foreign currency. This strategy has however been adjusted subsequent to the Cipla Limited takeover during 2013 and the group now, with the weak ZAR, prefers to purchase at the transaction date spot rate. The company continues to use FECs to economically hedge its foreign currency risk, with 6 month forward cover being taken out on all foreign purchases. When necessary, FECs are rolled over at maturity. A significant portion of the currency risk from the past no longer exists as the bulk of purchases from the main supplier, Cipla Limited (India), is now ZAR based.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Notes to the Annual Financial Statements

Figures in Rand		2024	2023

32. Financial instruments and risk management (continued)

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:			
Current assets:			
Trade and other receivables	10	107 845 183	18 444 925
Current liabilities:			
Trade and other payables	16	(151 587)	(4 730 266)
Net US Dollar exposure		**107 693 596**	**13 714 659**
Euro exposure:			
Current assets:			
Trade and other receivables	10	2 195 897	7 006 993
Current liabilities:			
Trade and other payables	16	-	(6 508 320)
Net Euro exposure		**2 195 897**	**498 673**
GBP exposure:			
Current assets:			
Trade and other receivables	10	-	8 035 246
INR exposure:			
Current assets:			
Trade and other receivables	10	158 939	-
Total net exposure to foreign currency in Rand		**110 048 432**	**22 248 578**

Sensitivity analysis

The sensitivity analysis assumes that all other variables, in particular interest rates, remain constant. A 10% strengthening of the ZAR against these foreign currencies would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Exchange rates

Rand per unit of foreign currency:		
US Dollar	18,930	17,810
Euro	20,491	19,320
GBP	-	21,920
INR	4,406	-

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

32. Financial instruments and risk management (continued)

Forward exchange contracts

2024

	Note	Contract rate	Market rate	Contract foreign currency amount	Contract Rand amount	Fair value of contract
Imports - goods						
Sell US Dollars		18,980	19,130	9 245 916	174 998 339	176 844 545
Sell Euro		20,860	20,790	2 654 453	55 268 500	55 189 080
	15				**230 266 839**	**232 033 625**

2023

	Note	Contract rate	Market rate	Contract foreign currency amount	Contract Rand amount	Fair value of contract
Imports - goods						
Sell US Dollars		17,950	17,000	4 256 810	76 409 740	75 813 786
Sell Euro		18,000	19,000	6 546 925	123 213 129	126 486 591
Sell GBP		21,000	21,000	366 630	8 010 866	8 036 530
	15				**207 633 735**	**210 336 907**

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2024	2024	2023	2023
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
US Dollar 10% (2023: 10%)	10 769 360	(10 769 360)	1 371 469	(1 371 469)
Euro 10% (2023: 10%)	219 590	(219 590)	49 862	(49 862)
GBP 10% (2023: 10%)	-	-	803 538	(803 538)
INR 10% (2023: 10%)	15 894	(15 894)	-	-
	11 004 844	**(11 004 844)**	**2 224 869**	**(2 224 869)**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

32. Financial instruments and risk management (continued)

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

Interest rate profile

The interest rate profile of financial instruments at the end of the reporting period was as follows:

	Note	Average effective interest rate		Carrying amount	
		2024	2023	2024	2023
Assets					
Cash and cash equivalents	11	8,00 %	5,00 %	104 072 934	35 619 356
Liabilities					
Loans from group companies - non current	13	11,13 %	- %	1 735 490 890	-
Loans from group companies - current	13	- %	- %	54 905 667	836 800 472
Borrowings	14	9,92 %	9,12 %	210 000 000	510 000 000
				2 000 396 557	**1 346 800 472**

Interest rate sensitivity analysis

An increase of 100 basis points in interest rates at the respective reporting dates would have decreased equity and decreased profit by the amounts shown below for the financial liabilities and assets listed. A 100 basis point decrease in interest rates at the respective reporting dates would have an equal but opposite effect on the financial liabilities and assets listed. This analysis assumes that all other variables remain constant.

	2024	2024	2023	2023
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Cash and cash equivalents 1% (2023: 1%)	1 040 729	(1 040 729)	356 194	(356 194)
Borrowings 1% (2023: 1%)	2 100 000	(2 100 000)	5 100 000	(5 100 000)
Loan from group company 1% (2023: 1%)	17 354 909	(17 354 909)	8 368 005	(8 368 005)
	20 495 638	**(20 495 638)**	**13 824 199**	**(13 824 199)**

33. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Notes to the Annual Financial Statements

Figures in Rand		2024	2023

33. Fair value information (continued)

Levels of fair value measurements

Level 1

Recurring fair value measurements

Assets	Note		
Non-hedging derivatives	15		
Foreign exchange contracts		1 471 731	2 666 982
Total		**1 471 731**	**2 666 982**

Valuation techniques

Level 1

Market comparison technique:
The fair values are based on broker quotes.

No changes have been made to the valuation technique.

34. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Finance cost	Other non-cash movements	Cash inflows	Cash outflows	Closing balance
Borrowings	510 000 000	-	-	-	(300 000 000)	210 000 000
Lease liabilities	13 582 181	1 801 759	21 276 703	-	(13 789 863)	22 870 780
Loans from group companies	836 800 472	55 490 890	(625 729 755)	1 680 000 000	(155 229 685)	1 791 331 922
Total liabilities from financing activities	**1 360 382 653**	**57 292 649**	**(604 453 052)**	**1 680 000 000**	**(469 019 548)**	**2 024 202 702**

Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	Finance cost	Other non-cash movements	Cash inflows	Cash outflows	Closing balance
Borrowings	300 000 000	-	-	210 000 000	-	510 000 000
Lease liabilities	26 067 175	1 330 850	(1 664 418)	-	(12 151 426)	13 582 181
Loans from group companies	1 228 745 155	-	(193 534 963)	-	(198 409 720)	836 800 472
Total liabilities from financing activities	**1 554 812 330**	**1 330 850**	**(195 199 381)**	**210 000 000**	**(210 561 146)**	**1 360 382 653**

Notes to the Annual Financial Statements

35. Reclassification

Certain provsions have been reclassified in the current year in order to improve the classification and presentation of the amounts presented in the annual financial statements, as detailed below.

Reclassification of provision for expired stock returns from provisions to contract liabilities

An amount of R18 588 557 has been reclassified from provisions to contract liabilites on a prospective basis on the Statement of Financial Position. This reclassification is not material to the financial statements in the prior year. Consequently, the correction was implemented solely in the 2024 financial period. Refer to notes 17 and 18.

36. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

37. Events after the reporting period

There is no matter or circumstance which is material to the financial affairs of the company, which has occurred between 31 March 2024 and the date of approval of the annual financial statements, that has not been otherwise dealt with in the annual financial statements.

Mirren (Pty) Limited

Financial Statements for Financial Year 2023-24

Mirren Proprietary Limited
(Registration number 1983/001128/07)
Annual Financial Statements
for the year ended 31 March 2024

Mirren Proprietary Limited

(Registration number 1983/001128/07)
Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Pharmaceutical manufacturing and distribution
Directors	M W Daly P J Miller
Registered office	18 Golden Drive Morehill Benoni 1501
Holding company	Cipla Medpro South Africa Proprietary Limited incorporated in South Africa
Ultimate holding company	Cipla Limited incorporated in India
Bankers	Standard Bank of South Africa First National Bank
Auditors	SNG Grant Thornton Chartered Accountants (SA) Registered Auditors South African member firm of Grant Thornton International
Company registration number	1983/001128/07
Preparer	The annual financial statements were independently compiled by: Accounting and Financial Advisory (Pty) Ltd
Issued	03 May 2024

Mirren Proprietary Limited

(Registration number 1983/001128/07)
Annual Financial Statements for the year ended 31 March 2024

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Directors' Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the annual financial statements of the company comprising the statement of financial position at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Finance Reporting Standards Council (FRSC), and the requirements of the Companies Act of South Africa (Companies Act). In addition, the directors are responsible for preparing the directors' report.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates. The directors are of the opinion that the information contained in the annual financial statements fairly presents the financial position at year end and the financial performance and cash flows of the company for the year then ended. The directors have taken the responsibility for ensuring that accurate and complete accounting records are kept enabling the company to satisfy their obligation with respect to the preparation of the annual financial statements.

The directors are also responsible for such internal control as the directors determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors have reviewed the company's budget and cash flow forecast for the period of twelve months after signing date of this report and, in light of this review, the current financial position and existing borrowing facilities, the going concern basis has been adopted in preparing the company's annual financial statements. The directors have no reason to believe that the company will not be a going concern in the year ahead. These annual financial statements support the viability of the company.

The auditors are responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework. A copy of the auditors report is presented on pages 6 to 8.

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The annual financial statements set out on pages 9 to 39, were approved by the board of directors on 03 May 2024 and were signed on their behalf by:

Approval of annual financial statements

P J Miller **M W Daly**

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the company for the year ended 31 March 2024.

1. Nature of business

Mirren Proprietary Limited (the company) was incorporated in South Africa with interests in the pharmaceutical industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Authorised and issued share capital

There have been no changes to the authorised or issued share capital during the current or prior year.

4. Dividends

No dividend was declared or paid to the shareholder during the current or prior year.

5. Directorate

The directors in office at the date of this report are as follows:

Directors
M W Daly
P J Miller

6. Directors' interests in contracts

During the current and prior year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

7. Holding company

The company's holding company is Cipla Medpro South Africa Proprietary Limited which holds 100% (2023: 100%) of the company's equity.

Cipla Medpro South Africa Proprietary Limited is incorporated in South Africa.

8. Ultimate holding company

The company's ultimate holding company is Cipla Limited which is incorporated in India.

9. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Directors' Report

10. Going concern

Herewith management's assessment of the going concern assumption for the company. The assumptions involve making a judgement, as at 31 March 2024, about the future outcome of events or conditions which are inherent in the business.

The company incurred a net profit for the year ended 31 March 2024 of R3 321 386 (2023: R11 060 038) and, as at that date its total current liabilities exceeded its total current assets by R78 999 806 (2023: R71 067 066).

As at 31 March 2024, the company's total assets exceeds the total liabilities by R54 522 532 (2023: R51 201 146) and the company is assessed as solvent with no prospects to discontinuing operations. Significant liabilities that form part of the current liabilities relates to the intercompany loans amounting to R109 831 012 (2023: R147 850 659), and the group will continue to provide support which will ensure that the company will continue manufacturing operations for the foreseeable future.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. This basis presumes that the company will continue to receive the support of its holding company and that the realisation of the assets and settlement of liabilities will occur in the ordinary course of business.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company.

11. Auditors

SNG Grant Thornton continued in office as auditors for the company for 2024.

12. Secretary

Kilgetty Statutory Services Proprietary Limited provided secretarial services for the year under review.

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Independent Auditor's Report

To the Shareholders of Mirren Proprietary Limited

Qualified Opinion

We have audited the financial statements of Mirren Proprietary Limited set out on pages 9 to 39 which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Mirren Proprietary Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for qualified opinion

Directors' emoluments

Section 30(4) to (6) of the Companies Act requires the company to disclose certain information in respect of the remuneration of each director and each individual holding a prescribed office in the company. The disclosures have not been provided for each director or prescribed officer, for the reason provided in note 23. While this is a breach of the requirements of the Companies Act, it does not affect our opinion in accordance with the International Financial Reporting Standards.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Mirren Proprietary Limited Annual Financial Statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information 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 an audit opinion or 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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

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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 the directors 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.

SizweNtsalubaGobodo Grant Thornton Inc.
PIDP de Villiers
Director

Registered Auditor
IRBA registration number: 492493

3 May 2024

2 Edam Avenue
Waterval East Ext. 37
Rustenburg
North-West

Mirren Proprietary Limited

(Registration number 1983/001128/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	116 958 744	104 624 727
Deferred tax	4	16 563 594	17 643 485
		133 522 338	**122 268 212**
Current Assets			
Inventories	5	35 888 137	34 068 638
Trade and other receivables	6	18 737 224	77 092 761
Cash and cash equivalents	7	3 212 449	5 051 857
		57 837 810	**116 213 256**
Total Assets		**191 360 148**	**238 481 468**
Equity and Liabilities			
Equity			
Share capital	8	1 500	1 500
Retained income		54 521 032	51 199 646
		54 522 532	**51 201 146**
Liabilities			
Current Liabilities			
Trade and other payables	9	23 215 786	35 768 129
Loans from group companies	10	109 831 012	147 850 659
Current tax payable		258 590	656 476
Provisions	11	3 532 228	3 005 058
		136 837 616	**187 280 322**
Total Equity and Liabilities		**191 360 148**	**238 481 468**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2024	2023
Revenue	12	235 744 329	205 380 928
Cost of sales	13	(183 775 882)	(160 217 700)
Gross profit		**51 968 447**	**45 163 228**
Other income	14	502 905	810 890
Other gains	15	206 091	(373 477)
Selling and distribution expenses		(13 835 938)	(12 914 715)
Administrative expenses		(6 480 321)	(4 863 989)
Other operating expenses		(27 549 085)	(13 297 586)
Operating profit	16	**4 812 099**	**14 524 351**
Investment income	17	103 773	675 090
Finance costs	18	(28 555)	(27)
Profit before taxation		**4 887 317**	**15 199 414**
Taxation	19	(1 565 931)	(4 139 376)
Profit for the year		**3 321 386**	**11 060 038**
Other comprehensive income		-	-
Total comprehensive income for the year		**3 321 386**	**11 060 038**

Mirren Proprietary Limited

(Registration number 1983/001128/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 April 2022	**1 500**	**40 139 608**	**40 141 108**
Profit for the year	-	11 060 038	11 060 038
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**11 060 038**	**11 060 038**
Balance at 01 April 2023	**1 500**	**51 199 646**	**51 201 146**
Profit for the year	-	3 321 386	3 321 386
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**3 321 386**	**3 321 386**
Balance at 31 March 2024	**1 500**	**54 521 032**	**54 522 532**
Note	8		

Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows generated from (used in) operating activities			
Profit before taxation		4 887 317	15 199 414
Adjustments for:			
Depreciation		9 522 526	9 076 514
Loss on disposal of property, plant and equipment		1 871 958	1 275 576
Fair value adjustments - FECs		-	(79 150)
Interest received		(103 773)	(675 090)
Finance costs		28 555	27
Movements in provisions		527 170	1 239 351
Movements in stock provisions		(856 123)	14 521 878
Non-cash movement in loans from group companies		1 680 353	(3 422 698)
Non-cash movement in loans to group companies		-	1 983 511
Impairment losses and reversals		(662 351)	-
Non-cash movement tax paid	20	(540 751)	-
Changes in working capital:			
Inventories		(963 376)	(18 351 912)
Trade and other receivables		56 736 107	(62 749 597)
Trade and other payables		(10 270 563)	19 746 657
Cash generated from (used in) operations		**61 857 049**	**(22 235 519)**
Interest income		103 773	675 090
Finance costs		(28 555)	(27)
Tax received (paid)	20	(343 174)	3 285 884
Net cash from (used in) operating activities		**61 589 093**	**(18 274 572)**
Cash flows used in investing activities			
Purchase of property, plant and equipment	3	(23 728 501)	(10 683 860)
Proceeds on sale of property, plant and equipment	3	-	1 222 901
Proceeds from group companies		-	6 402 511
Net cash used in investing activities		**(23 728 501)**	**(3 058 448)**
Cash flows from financing activities			
Loans advanced from group companies		5 000 000	39 267 001
Loans repaid to group companies	25	(44 700 000)	(14 190 992)
Net cash from financing activities		**(39 700 000)**	**25 076 009**
Total cash movement for the year		**(1 839 408)**	**3 742 989**
Cash at the beginning of the year		5 051 857	1 308 868
Total cash at end of the year	7	**3 212 449**	**5 051 857**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Provision for obsolete stock is calculated based on stock with a remaining shelf life of 3 months or less, and any products experiencing regulatory issues.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture, buildings and computer equipment are determined based on Group replacement policies for the various assets.

Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 11.

Deferred taxation asset

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The company is required to make significant estimates in assessing whether future taxable profits will be available. Future taxable profits are determined based on business plans for the company and the probable reversal of taxable temporary differences in 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. Such reductions are reversed when the probability of future taxable profits improves. Refer to note 4.

1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Accounting Policies

1.3 Property, plant and equipment (continued)
The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	30 years
Plant, equipment & fixtures	Straight line	3- 10 years
Furniture	Straight line	3 -5 years
Motor vehicles	Straight line	4 years
IT equipment	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Land is not depreciated.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost

Note 24 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Accounting Policies

1.4 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at transaction price as per IFRS 9.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 17).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other gains (losses) (note 15).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 24).

Accounting Policies

1.4 Financial instruments (continued)

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

In terms of IFRS 15 par 63 the company has elected to apply the practical expedient as no significant financing component exists for trade and other receivables.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

Details of the provision matrix is presented in note 6.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 16).

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Any recoveries made are recognised in profit or loss. Trade receivables which have been written off are not subject to enforcement activities.

Borrowings and loans from group companies

Classification

Loans from group companies (note 10) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from group companies are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value less transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables

Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Accounting Policies

1.4 Financial instruments (continued)

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value less transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 24 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other gains (losses) (note 15).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 24).

Cash and cash equivalents

Cash and cash equivalents are accounted for at amortised cost and bank overdrafts are accounted for as financial liabilities.

Cash and cash equivalents comprise current account, money market account and deposits held on call, all of which are available for use by the company. Bank overdrafts are included within current liabilities on the statement of financial position, unless the company has a current legally enforceable right to set off the amounts and intends to settle on a net basis, or realise the asset and settle the liability simultaneously, in which case it is netted off against cash and cash equivalents on the statement of financial position.

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Accounting Policies

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average basis for raw materials. However, the finished goods are measured at standard cost on the First-in-First-out (FIFO) basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Accounting Policies

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The company assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

Ordinary shares are recognised at issue price and classified as 'share capital' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Accounting Policies

1.10 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

1.11 Revenue

Revenue, net of logistic fees paid to independent wholesalers and excluding value added tax, comprises the total invoice value of goods derived from the supply of generic pharmaceutical products to provide treatment for a broad spectrum of acute and chronic conditions.

Revenue is measured based on the transaction price which is the amount of consideration which is expected to be received and in compliance with legislated pricing in the various regulated markets and excludes amounts collected on behalf of third parties. Revenue is recognised based on the completion of performance obligations and an assessment of when control is transferred to the customer.

The following indicators are used by the company in determining when control has passed to the customer:
- the company has a right to payment for the product or service;
- the customer has legal title to the product;
- the company has transferred physical possession of the product to the customer;
- the customer has the significant risk and rewards of ownership of the product; and
- the customer has accepted the product.

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon when the goods are loaded onto and the transport vehicle leaves the premises of the company.

Sale of pharmaceutical goods

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon when the goods are loaded onto and the transport vehicle leaves the premises of the company. Delivery occurs when the products have been dispatched to the specific location, the risks of obsolescence and loss have been transferred and the customer accepted the products in accordance with the sales contract. Revenue is recorded at the transaction price which is the amount of consideration which is expected to be received and in compliance with regulated pricing in regulated markets and value added tax. Revenue and receivables are recorded when the performance obligation has been satisfied and only the passage of time is required before payment is due.

A contract payable is recognized for consideration received in respect of unsatisfied performance obligations.

Accounting Policies

1.12 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- 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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

Certain new accounting standards and interpretations have been published that are effective for the current year. These standards are not considered to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	The impact of the amendment is not material.
• Definition of accounting estimates - Amendment to IAS 8	01 January 2023	The impact of the amendment is not material.
• Deferred tax related to assets and liabilities arising from a single transaction - Amendment to IAS 1	01 January 2023	The impact of the amendment is not material.
• Disclosure of accounting policies - Amendment to IAS 1 and IFRS Practice Statement 2	01 January 2023	The impact of the amendment is not material.
• Lack of Exchangeability - Amendments to IAS 21		

2.2 Standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the company. The standards are effective for years beginning on or after 1 January 2024. These standards are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Non-current liabilities with covenants - Amendments to IAS 1	01 January 2024	The impact of the amendment is not material.
• Lack of Exchangeability - Amendments to IAS 21	01 January 2024	The impact of the amendment is not material.
• Supplier finance arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024	The impact of the amendments is not material.
• Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2024	The impact of the amendments is not material.

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2024			2023		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture	1 532 641	(1 061 906)	470 735	1 254 318	(907 043)	347 275
IT equipment	2 408 116	(1 842 609)	565 507	2 342 000	(1 708 694)	633 306
Land	484 429	-	484 429	484 429	-	484 429
Buildings	70 776 227	(8 848 752)	61 927 475	70 356 725	(6 467 192)	63 889 533
Motor vehicles	727 366	(716 647)	10 719	727 366	(716 647)	10 719
Plant, equipment & fixtures	97 762 053	(60 014 503)	37 747 550	84 468 267	(53 162 315)	31 305 952
Plant, buildings and equipment WIP	15 752 329	-	15 752 329	7 953 513	-	7 953 513
Total	**189 443 161**	**(72 484 417)**	**116 958 744**	**167 586 618**	**(62 961 891)**	**104 624 727**

Reconciliation of property, plant and equipment - 2024

	Opening balance	**Additions**	**Disposals**	**Transfers**	**Depreciation**	**Total**
Furniture	347 275	278 324	-	-	(154 864)	470 735
IT equipment	633 306	66 116	-	-	(133 915)	565 507
Land	484 429	-	-	-	-	484 429
Buildings	63 889 533	289 838	-	129 663	(2 381 559)	61 927 475
Motor vehicles	10 719	-	-	-	-	10 719
Plant, equipment and fixtures	31 305 952	11 613 727	-	1 680 059	(6 852 188)	37 747 550
Plant, buildings and equipment WIP	7 953 513	11 480 496	(1 871 958)	(1 809 722)	-	15 752 329
	104 624 727	**23 728 501**	**(1 871 958)**	**-**	**(9 522 526)**	**116 958 744**

Reconciliation of property, plant and equipment - 2023

	Opening balance	**Additions**	**Disposals**	**Transfers**	**Depreciation**	**Total**
Furniture and fixtures	498 031	-	-	-	(150 756)	347 275
IT equipment	408 176	401 011	-	-	(175 881)	633 306
Land	484 429	-	-	-	-	484 429
Buildings	51 780 030	121 718	-	14 085 224	(2 097 439)	63 889 533
Motor vehicles	10 719	-	-	-	-	10 719
Plant and equipment	36 508 327	2 207 618	(2 498 477)	1 740 922	(6 652 438)	31 305 952
Plant, buildings and equipment WIP	15 826 146	7 953 513	-	(15 826 146)	-	7 953 513
	105 515 858	**10 683 860**	**(2 498 477)**	**-**	**(9 076 514)**	**104 624 727**

Insurance

Comprehensive insurance cover is taken out over property, plant and equipment.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

3. Property, plant and equipment (continued)

Details of properties

Property 1

Land value: R 104 429		
- Purchase price: 1 December 2005	6 830 726	6 830 726
- Additions since purchase or valuation	822 695	822 695
- Capitalised expenditure	2 757 142	2 757 142
- Additions 2019	40 295 900	40 295 900
- Write off due to damages	(1 030 613)	(1 030 613)
- Additions 2020	6 496 908	6 496 908
- Additions 2022	81 455	81 455
- Additions 2023	121 718	121 718
- Additions 2024	419 501	-
	56 795 432	**56 375 931**

36/1 Golden Drive Morehill Ext.8 Benoni Erf C23 00800000890

- Purchase price: 1 December 2005	380 000	380 000

Erf 891 Morehill EXT 8 Township & ERF 892

- Purchase price: 1 December 2005	14 085 224	14 085 224

Useful lives and residual values
No changes were made to the estimated useful lives and residual values based on the current period review.

Impairment assessment
No indications of impairment were present based on the current year and prior review and therefore no impairment loss was recognised in the profit or loss for the company.

Pledged as collateral
General notarial bond by Cipla Medpro South Africa Group in favour of FirstRand bank Ltd for R1 300 000 000 over all movable assets.

4. Deferred tax

Deferred tax asset

Deferred tax on temporary differences	16 563 594	17 643 485

Reconciliation of deferred tax asset

At beginning of year	17 643 485	20 543 851
Property, plant and equipment	(1 366 305)	(476 483)
Provision for employee benefits	106 908	361 790
Provision for obsolete inventory	(1 875 123)	2 337 023
Provision for audit fees	(760 517)	(9 720)
Provision for bad debts	(134 126)	-
Other	837 829	-
Tax losses carried forward	2 111 443	(4 872 620)
Provision for voluntary severance packages	-	(240 356)
	16 563 594	**17 643 485**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

5. Inventories

Raw materials, components	48 936 114	48 209 010
Work in progress	3 108 552	5 014 227
Finished goods	4 422 736	2 280 788
	56 467 402	55 504 025
Provision for inventories	(20 579 265)	(21 435 387)
	35 888 137	**34 068 638**

Inventory pledged as security

A notarial bond over the company's inventory of R35 888 137 (2023: R34 068 637) has been held as security for banking, loan facilities granted and future lines of credit for the group.

Inventory amounting to R15 260 704 (2023: R492 035) were written down as an expense and included in cost of sales.

6. Trade and other receivables

Financial instruments:		
Trade receivables - external parties	75 811	4 965 710
Trade receivables - related parties	11 405 062	59 184 775
Loss allowance	-	(662 351)
Trade receivables at amortised cost	11 480 873	63 488 134
Other receivable	257 643	-
Non-financial instruments:		
Prepayments	6 998 708	13 604 627
Total trade and other receivables	**18 737 224**	**77 092 761**

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	11 738 516	63 488 134
Non-financial instruments	6 998 708	13 604 627
	18 737 224	**77 092 761**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with intercompany customers. Intercompany debtors are assessed for creditworthiness and further secured by the holding company and fellow subsidiaries. Any default will be subordinated by the holding company, therefore mitigating the company's credit risk exposure. Customer credit limits are in place and are reviewed and approved by credit management. The exposure to credit risk and the creditworthiness of customers, is continuously monitored. For purposes of internal credit risk management purposes, the company considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

6. Trade and other receivables (continued)

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities under the company's recovery procedures.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

No loss allowance has been provided for private customers "Not past due" or "Less than 30 days past due" as the amount is owed by a related party and they have no historical loss ratio and no future loss is expected.

Only tender and private customers which arose before the company was purchased by Cipla Medpro South Africa Proprietary Limited, has been provided for in the prior year.

The company's loss allowance provision for the current year is R Nil (2023: R662 351).

	2024	2024	2023	2023
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Private customers				
Not past due: 0% (2023: 0%)	86 670 042	-	59 658 333	-
Less than 30 days past due: 0% (2023: 0%)	(3 240 330)	-	(3 651 862)	-
31 - 60 days past due: 0% (2023: 0%)	(6 303 754)	-	3 160 901	-
61 - 90 days past due: 0% (2023: 0%)	(22 000 000)	-	(8 941 193)	-
91 - 120 days past due: 0% (2023: 0%)	(9 639 958)	-	(1 774)	-
More than 150 days past due: 0% (2023: 0%)	(19 430 781)	-	8 960 371	-
More than 180 days past due: 0% (2023: 60%)	(14 574 346)	-	364 361	(220 418)
	11 480 873	**-**	**59 549 137**	**(220 418)**
Tender customers				
More than 120 days past due: 0% (2023: 100%)	-	-	441 933	(441 933)
Total	**11 480 873**	**-**	**59 991 070**	**(662 351)**

Exposure to currency risk

Refer to note 24 for details of currency risk management for trade receivables.

Fair value of trade and other receivables

Trade and other receivables are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	3 212 449	5 051 857

Expected Credit risk cash and cash equivalents
The exposure at default is considered to be the outstanding balance at year end as this is the amount that is exposed.

The company holds bank accounts with the following financial institutions:

Bank Facilities	**National Scale Rating Short Term**
Standard Bank	P-1.za
First National Bank	P-1.za

The ratings for Standard Bank and First National Bank were obtained from Moody's.

The ratings scores are based on the following broad investment grade definitions:

P1 Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short t-term debt obligations.
P2 Issuers (or supporting institutions) rated Prime-2 have a superior ability to repay short t-term debt obligations.
P3 Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short t-term debt obligations.

Based on the current ratings, the exposure to credit risk is stable, probability of default is therefore at 0%, thus indicating that the expected credit loss for cash and cash equivalents is immaterial.

None of the items classified as cash and cash equivalents have been pledged as collateral/provided as security.

The carrying amounts of these assets approximate their fair values.

Standard Bank facilities
The company has a multi-option facility comprising a guarantee by the bank of R2 000 (2023: R2 000) and corporate credit card facility of R160 000 (2023: R160 000) held with Standard Bank Limited. These are secured through a collateral on the unrestricted pledge of call deposit of the company.

8. Share capital

Authorised		
4 000 Ordinary shares of R1 each	4 000	4 000
Issued		
1 500 Ordinary shares of R1 each	1 500	1 500

9. Trade and other payables

Financial instruments:		
Trade payables	12 077 629	22 950 826
Trade payables - related parties	4 510 347	1 605 999
Accrued expenses	2 915 712	2 305 738
Other payables	930 025	709 619
Non-financial instruments:		
VAT	2 782 073	8 195 947
	23 215 786	**35 768 129**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

9. Trade and other payables (continued)

Exposure to currency risk

Refer to note 24 Financial instruments and financial risk management for details of currency risk management for trade payables.

Fair value of trade and other payables

The carrying amount of trade and other payables approximates their fair value.

10. Loans from group companies

Fellow subsidiaries

Medpro Pharmaceutica Proprietary Limited	109 831 012	147 850 659

The loan is unsecured, interest free and repayable on demand.

Medpro Pharmaceutica provided a letter of support where they confirm and undertake that Medpro Pharmaceutica will continue to provide financial support and assistance to maintain capital and liquidity levels. Medpro Pharmaceutica further confirmed that they will not demand repayment of this loan from the company for as long as its fairly valued assets are exceeded by its fairly valued liabilities.

Fair value of group loans payable

The carrying amounts of group loans payable approximates their fair value, due to their short-term maturities.

11. Provisions

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Total
Provision for bonus	1 764 676	1 161 000	(1 491 144)	1 434 532
Provision for leave pay	1 240 382	857 314	-	2 097 696
	3 005 058	**2 018 314**	**(1 491 144)**	**3 532 228**

Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
Provision for audit fees	216 000	-	(216 000)	-
Provision for bonus	1 000 492	2 370 553	(1 606 369)	1 764 676
Provision for leave pay	549 215	761 803	(70 636)	1 240 382
	1 765 707	**3 132 356**	**(1 893 005)**	**3 005 058**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

11. Provisions (continued)

The leave pay and bonus provision relates to short-term employee benefits which are those payable within 12 months after services is rendered, such as paid vacation leave and sick leave, bonuses and other non-monetary benefits such as medical care.

The expected cost of compensated absences is recognized as an expense as the employees render services that increase their entitlement when the absence occurs.

The leave pay and bonus provision represents management's best estimate of the company's liability in less than one period, based on factual information.

Uncertainty relating to provision relates to the uncertain timing that the employee will make use of their leave.
Uncertainty relating to bonus provision is that the employee needs to be in employment of the entity on the day of their employment anniversary in order to qualify for the bonus.

Uncertainty relating to management bonuses relates to the fact that management receives bonuses linked to company performance and therefore future performance of the entity is projected and not yet final.

12. Revenue

Sale of pharmaceutical products	235 744 329	205 380 928

Revenue is recognised at a point in time when control of the pharmaceutical products supplied has transferred, upon when the goods are loaded onto and the transport vehicle leaves the premises of the company.

There were no unsatisfied performance obligations as at the current and prior year reporting date.

13. Cost of sales

Sale of goods	98 165 528	97 275 474
Manufactured goods:		
Employee costs	40 800 990	35 213 121
Depreciation and impairment	9 310 073	8 775 179
Manufacturing expenses	35 499 291	18 953 926
	183 775 882	**160 217 700**

14. Other income

Fees earned	502 905	810 890

15. Other gains (losses)

Loss on disposals			
Property, plant and equipment	3	-	(1 275 576)
Foreign exchange gains (losses)			
Foreign exchange gains		206 091	902 099
Total other gains (losses)		**206 091**	**(373 477)**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
16. Operating profit		
Operating profit for the year is stated after charging the following, amongst others:		
Auditor's remuneration - external		
Audit fees	471 600	304 991
Remuneration, other than to employees		
Consulting and professional services	3 371 497	1 002 936
Employee costs		
Salaries, wages, bonuses and other benefits	48 172 601	44 350 005
Other short-term costs	25 850	22 556
Retirement benefit plans: defined contribution expense	1 760 872	1 526 767
Retirement benefit plans: defined benefit expense	150 241	274 622
Total employee costs	**50 109 564**	**46 173 950**
Less: Employee costs included in cost of merchandise sold and inventories	(40 800 990)	(35 251 070)
Total employee costs expensed	**9 308 574**	**10 922 880**
Rentals		
Premises	224 023	544 553
Equipment	-	95 350
	224 023	639 903
Depreciation		
Depreciation of property, plant and equipment	9 522 526	9 076 514
Less: Depreciation included in cost of merchandise sold and inventories	(9 310 073)	(8 775 179)
Total depreciation expensed	**212 453**	**301 335**
17. Investment income		
Interest income		
Investments in financial assets:		
Bank and other cash	103 773	664 014
Other financial assets	-	11 076
Total interest income	**103 773**	**675 090**
18. Finance costs		
Tax authorities	28 555	27

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

19. Taxation

Major components of the tax expense

Current		
Local income tax - current year	-	1 239 010
Local income tax - prior years	486 039	-
	486 039	**1 239 010**
Deferred		
Originating temporary differences	1 079 892	2 900 366
	1 565 931	**4 139 376**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27,00 %	27,00 %
Non-deductible expenses	0,16 %	(1,08)%
Deferred tax adjustment	(5,06)%	1,38 %
Local income tax - prior years	9,94 %	- %
	32,04 %	**27,30 %**

20. Tax (paid) refunded

Balance at beginning of the year	(656 476)	3 868 418
Tax for the year recognised in profit or loss	(486 039)	(1 239 010)
Balance at end of the year	258 590	656 476
	(883 925)	**3 285 884**

21. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Property, plant and equipment	1 189 592	10 002 003

This committed expenditure relates to property and will be financed by available bank facilities, retained profits, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

22. Related parties

Relationships

Ultimate holding company	Cipla Limited
Holding company	Cipla Medpro South Africa Proprietary Limited
Fellow Subsidiaries	Medpro Pharmaceutica Proprietary Limited Cipla Medpro Manufacturing Proprietary Limited Cipla Kenya Limited Cipla-Medpro Proprietary Limited Cipla Select Proprietary Limited Cipla Medpro Distribution Centre Proprietary Limited The Cipla Empowerment Trust Cipla Dibcare Proprietary Limited Cape to Cairo Exports Proprietary Limited Cipla Medpro Botswana Proprietary Limited Actor Proprietary Limited
Members of key management	M W Daly P J Miller

Transactions with related parties, except where otherwise noted, are conducted on an arm's length basis and on the same payment terms as those transacted with third parties. None of the balances are secured.

Related party balances

Loan account - owing to related party		
Medpro Pharmaceutica Proprietary Limited	(109 831 012)	(147 850 659)
Amounts included in Trade payables regarding related parties		
Cipla Limited	(4 510 347)	(1 605 999)
Amounts included in Trade receivables regarding related parties		
Medpro Pharmaceutica Proprietary Limited	10 601 024	58 618 031
Cipla Medpro Manufacturing Proprietary Limited	804 038	506 021
	11 405 062	**59 124 052**

Related party transactions

Sales to related parties		
Medpro Pharmaceutica Proprietary Limited	(235 551 819)	(204 269 477)
Purchases from related parties		
Cipla Limited	973 600	573 893
Recoveries paid to related parties		
Cipla Limited	2 991 865	-

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

23. Directors' emoluments

Section 30 (4) to (6) of the Companies Act requires the company to disclose certain information in respect of remuneration for each director or individual holding any prescribed office in the company. A decision was taken by the directors of Cipla-Medpro Proprietary Limited not to disclose the executive directors' and prescribed officers' remuneration as required by the Companies Act since the company is a wholly owned subsidiary of Cipla Limited (ultimate holding company) and the shareholders are fully aware of the directors remuneration on an individual basis. Furthermore, directors are not remunerated for their services as directors, but rather remunerated solely for their services as employees of a fellow subsidiary company, hence management are of the view that Section 30 (4) to (6) does not apply. In the current and prior year, no director emoluments were paid from this company.

24. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Notes	Amortised cost	Total	Fair value
Trade and other receivables	6	11 738 516	11 738 516	11 738 516
Cash and cash equivalents	7	3 212 449	3 212 449	3 212 449
		14 950 965	**14 950 965**	**14 950 965**

2023

	Notes	Amortised cost	Total	Fair value
Trade and other receivables	6	63 488 134	63 488 134	63 488 134
Cash and cash equivalents	7	5 051 857	5 051 857	5 051 857
		68 539 991	**68 539 991**	**68 539 991**

Categories of financial liabilities

2024

	Notes	Amortised cost	Total	Fair value
Trade and other payables	9	20 433 713	20 433 713	20 433 713
Loans from group companies	10	109 831 012	109 831 012	109 831 012
		130 264 725	**130 264 725**	**130 264 725**

2023

	Notes	Amortised cost	Total	Fair value
Trade and other payables	9	27 572 182	27 572 182	27 572 182
Loans from group companies	10	147 850 659	147 850 659	147 850 659
		175 422 841	**175 422 841**	**175 422 841**

Notes to the Annual Financial Statements

Figures in Rand		2024	2023

24. Financial instruments and risk management (continued)

Capital risk management

The company's objective when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the loans from group companies disclosed in note 10, cash and cash equivalents disclosed in note 7, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the company monitors cash flow on the basis of the gearing ratio. This ratio is calculated as borrowings less cash available divided by total capital employed. Total capital employed is calculated as 'Equity' as shown in the Statement of financial position plus long-term debt. The group's targeted gearing ratio is 15% - 25%.

There are no externally imposed capital requirements.

There have been no changes to what the company manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The carrying amounts of financial instruments carried as amortised cost approximates their fair value.

The gearing ratio is determined taking into account only interest bearing debt.

The capital structure and gearing ratio of the company at the reporting date was as follows:

Cash and cash equivalents	7	(3 212 449)	(5 051 857)
Equity		54 522 532	48 373 885
Gearing ratio		(6)%	(10)%

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, fair value interest rate risk and price risk).

Credit risk

The company is subject to credit risk on loan receivables, trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

Management evaluated credit risk relating to customer on an ongoing basis. If customers are independently rated these ratings are used. Otherwise if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

24. Financial instruments and risk management (continued)

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Trade and other receivables	6	11 480 873	-	11 480 873	64 150 485	(662 351)	63 488 134
Cash and cash equivalents	7	3 212 449	-	3 212 449	5 051 857	-	5 051 857
		14 693 322	**-**	**14 693 322**	**69 202 342**	**(662 351)**	**68 539 991**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short-term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

2024

		Less than 1 year	**Total**	**Carrying amount**
Current liabilities				
Trade and other payables	9	20 433 713	20 433 713	20 433 713
Loans from group companies	10	109 831 012	109 831 012	109 831 012
		(130 264 725)	**(130 264 725)**	**(130 264 725)**

2023

		Less than 1 year	**Total**	**Carrying amount**
Current liabilities				
Trade and other payables	9	27 572 182	27 572 182	27 572 182
Loans from group companies	10	147 850 659	147 850 659	147 850 659
		(175 422 841)	**(175 422 841)**	**(175 422 841)**

Notes to the Annual Financial Statements

Figures in Rand		2024	2023

24. Financial instruments and risk management (continued)

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily are US Dollars, Euros and British pound.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:			
Current assets:			
Trade and other receivables		736 847	-
Current liabilities:			
Trade and other payables	9	(4 212 844)	(2 739 801)
Net US Dollar exposure		**(3 475 997)**	**(2 739 801)**
Euro exposure:			
Current assets:			
Trade and other receivables		147 594	-
Current liabilities:			
Trade and other payables	9	(650 561)	(12 959 237)
Net Euro exposure		**(502 967)**	**(12 959 237)**
INR exposure:			
Current liabilities:			
Trade and other payables	9	(74 200)	-
Total net exposure to foreign currency in Rand		**(4 053 164)**	**(15 699 038)**

Exchange rates

The following closing exchange rates were applied at reporting date:

Rand per unit of foreign currency:		
US Dollar	18,930	17,810
Euro	20,490	19,320
INR	4,406	-

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

24. Financial instruments and risk management (continued)

Foreign currency sensitivity analysis

A 10% weakening and strengthening of the Rand against the above currencies at 31 March 2024 would have a (decrease)/increase in profit before taxation by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2024	2024	2023	2023
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Trade and other receivables (USD)	73 685	(73 685)	-	-
Trade and other payables (USD)	(421 284)	421 284	(273 980)	273 980
Trade and other receivable (EUR)	14 759	(14 759)	-	-
Trade and other payables (EUR)	(65 056)	65 056	(1 295 924)	1 295 924
Trade and other payables (INR)	(7 420)	7 420	-	-
	(405 316)	**405 316**	**(1 569 904)**	**1 569 904**

Interest rate risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk.

There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:
» Changes in market interest rates affect the interest income or expense of variable interest financial instruments; and
» Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at their fair value.

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant.

Under these assumptions, a 10% increase or (decrease) in market interest rates at 31 March 2024 would increase or (decrease) company profit before tax by approximately R321 245 (2023: R505 186).

The interest rate profile of interest bearing financial instruments at the end of the reporting period were as follows:

	2024	2024	2023	2023
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Cash and cash equivalents	321 245	(321 245)	505 186	(505 186)

Notes to the Annual Financial Statements

25. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 2024

	Opening balance	Loans advanced from group companies	Loans repaid to group companies	Other non-cash movements	Total movement for the year	Closing balance
Loans from group companies	(147 850 659)	(5 000 000)	44 700 000	(1 680 353)	38 019 647	(109 831 012)

Reconciliation of liabilities arising from financing activities - 2023

	Opening balance	Loans advanced from group companies	Loans repaid to group companies	Other non-cash movements	Total movement for the year	Closing balance
Loans from group companies	(126 197 348)	(39 267 001)	14 190 992	3 422 698	(21 653 311)	(147 850 659)

26. Going concern

Herewith management's assessment of the going concern assumption for the company. The assumptions involve making a judgement, as at 31 March 2024, about the future outcome of events or conditions which are inherent in the business.

The company incurred a net profit for the year ended 31 March 2024 of R3 321 386 (2023: R11 060 038) and, as at that date its total current liabilities exceeded its total current assets by R78 999 806 (2023: R71 067 066).

As at 31 March 2024, the company's total assets exceeds the total liabilities by R54 522 532 (2023: R51 201 146) and the company is assessed as solvent with no prospects to discontinuing operations. Significant liabilities that form part of the current liabilities relates to the intercompany loans amounting to R109 831 012 (2023: R147 850 659), and the group will continue to provide support which will ensure that the company will continue manufacturing operations for the foreseeable future.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. This basis presumes that the company will continue to receive the support of its holding company and that the realisation of the assets and settlement of liabilities will occur in the ordinary course of business.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company.

27. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Actor Pharma (Pty) Limited

Financial Statements for Financial Year 2023-24

ACTOR PHARMA (PTY) LTD

(Registration number 2008/008787/07)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

Actor Pharma (Pty) Ltd

(Registration number: 2008/008787/07)
Annual Financial Statements for the year ended 29 February 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Trading in pharmaceutical consumer and over the counter products
Directors	MW Daly JP Miller
Registered office	Unit 7 Royal Palm Business Estate 646 Washington Street Halfway House Midrand 1685
Business address	Unit 7 Royal Palm Business Estate 646 Washington Street Halfway House Midrand 1685
Postal address	PO Box 7408 Halfway House Midrand 1685
Holding company	Cipla Medpro South Africa (Pty) Ltd incorporated in South Africa
Auditors	PKF Octagon Inc
Tax reference number	9329709167
Preparer	These annual financial statements were prepared under the supervision of: S Pretorius
Issued	16 July 2024

Actor Pharma (Pty) Ltd

(Registration number: 2008/008787/07)
Annual Financial Statements for the year ended 29 February 2024

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholders:

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Statement of Comprehensive Income	9
Statement of Changes in Equity	10
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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 28 February 2025 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 6.

The annual financial statements set out on pages 8 to 22, which have been prepared on the going concern basis, were approved by the board of directors on 16 July 2024 and were signed by:

MW Daly

JP Miller

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Actor Pharma (Pty) Ltd for the year ended 29 February 2024.

1. Nature of business

Actor Pharma (Pty) Ltd was incorporated in South Africa with interests in the pharmaceutical industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

	2024	2023
Authorised	**Number of shares**	
Ordinary shares	1 000	1 000

	2024	2023	2024	2023
Issued	**R**	**R**	**Number of shares**	
Ordinary shares	1 000	1 000	1 000	1 000

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

No dividends were declared for the financial year ended 28 February 2023.

Dividends were declared in South African currency during the year. These dividends equated to a total of R35 000 000 (2023:R-).

5. Directors

The directors in office at the date of this report are as follows:

Directors	Changes
MR Blane	Resigned 07 February 2024
DP Marescia	Resigned 07 February 2024
MW Daly	Appointed 07 February 2024
JP Miller	Appointed 07 February 2024

6. Plant and equipment

There was no change in the nature of the plant and equipment of the company or in the policy regarding their use.

At 29 February 2024 the company's investment in plant and equipment amounted to R160 828 (2023:R335 657).

7. Holding company

On 07 February 2024 Cipla Medpro South Africa (Pty) Ltd aqcuired 100% shareholding in Actor Pharma (Pty) Ltd. Cipla Medpro South Africa (Pty) Ltd is incorporated in South Africa.

Directors' Report

8. Events after the reporting period

Subsequent to the reporting period, the Board of Directors has made the decision to wind down the Company. The exact date of winding down has not yet been determined.

Additionally, the Company has decided to change its financial year-end from the 28th of February to the 31st of March. The rationale behind this change is to better align the Company's reporting period with the Group's reporting period.

Apart from the events disclosed above, the directors are not aware of any other material events subsequent to the reporting period.

9. Going concern

The financial statements have been prepared assuming the company will continue as a going concern. However, the Board of Directors has decided that it will wind down its operations in the foreseeable future as the company will integrate into the new holding company Cipla Medpro South Africa (Pty) Ltd's group operations. There is no definitive plan in place as at 16 July 2024. The exact date of winding down has not been determined, but the Company's management has committed to this course of action.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Litigation statement

The company is not currently involved in any claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

11. Auditors

PKF Octagon Inc. continued in office as auditors for the company for 2024.

12. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on 16 July 2024. No authority was given to anyone to amend the annual financial statements after the date of issue.

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Independent Auditor's Report

To the shareholders of Actor Pharma (Pty) Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Actor Pharma (Pty) Ltd set out on pages 8 to 22, which comprise the statement of financial position as at 29 February 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Actor Pharma (Pty) Ltd as at 29 February 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Material uncertainty

We draw attention to note 23 and 24 of the financial statements, which indicates that the Board of Directors have made the decision to wind down the company in the foreseeable future as the company will integrate into the new group's operations. The exact date of winding down has not yet been determined. Our opinion is not modified in respect of this matter.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Actor Pharma Proprietary Limited Annual Financial Statements for the year ended 29 February 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The other information 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 an audit opinion or 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 in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PKF Octagon Inc. is a member of PKF South Africa, the network of member firms of PKF South Africa (RF) (Pty) Limited, and PKF Global, the network of member firms of PKF International Limited. Each member firm is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s) of PKF South Africa or PKF Global.

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Statement of Financial Position as at 29 February 2024

Figures in Rand	Notes	2024	2023
Assets			
Non-Current Assets			
Plant and equipment	2	160 828	335 657
Deferred tax	3	327 944	-
		488 772	**335 657**
Current Assets			
Inventories	4	9 180 324	53 459 094
Loans to shareholders	5	-	30 890 889
Trade and other receivables	6	81 945 166	50 722 480
Cash and cash equivalents	7	22 048 726	4 692 597
		113 174 216	**139 765 060**
Total Assets		**113 662 988**	**140 100 717**
Equity and Liabilities			
Equity			
Share capital	8	1 000	1 000
Retained income		91 078 502	92 681 440
		91 079 502	**92 682 440**
Liabilities			
Non-Current Liabilities			
Deferred tax	3	-	637 383
Current Liabilities			
Trade and other payables	9	21 138 577	45 973 091
Current tax payable		1 444 909	807 803
		22 583 486	**46 780 894**
Total Liabilities		**22 583 486**	**47 418 277**
Total Equity and Liabilities		**113 662 988**	**140 100 717**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue	10	333 858 877	277 089 641
Cost of sales	11	(167 366 641)	(125 821 099)
Gross profit		**166 492 236**	**151 268 542**
Other income	12	8 818 402	8 681 647
Operating expenses		(129 636 619)	(123 658 440)
Operating profit	13	**45 674 019**	**36 291 749**
Investment revenue	14	100 453	111 050
Finance costs	15	(15 133)	(49 908)
Profit before taxation		**45 759 339**	**36 352 891**
Taxation	16	(12 362 277)	(10 178 779)
Profit for the year		**33 397 062**	**26 174 112**

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 March 2022	**1 000**	**66 507 328**	**66 508 328**
Profit for the year	**-**	**26 174 112**	**26 174 112**
Balance at 01 March 2023	**1 000**	**92 681 440**	**92 682 440**
Profit for the year	**-**	**33 397 062**	**33 397 062**
Dividends	-	(35 000 000)	(35 000 000)
Total changes	**-**	**(35 000 000)**	**(35 000 000)**
Balance at 29 February 2024	**1 000**	**91 078 502**	**91 079 502**
Note	8		

Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows from operating activities			
Cash (used in) generated from operations	17	(929 582)	32 883 557
Interest income		100 453	111 050
Finance costs		(15 133)	(49 908)
Tax paid	18	(12 690 498)	(8 773 455)
Net cash from operating activities		**(13 534 760)**	**24 171 244**
Cash flows from investing activities			
Purchase of plant and equipment	2	-	(142 520)
Cash flows from financing activities			
Proceeds from shareholders loan		231 341 042	172 350 065
Repayment of shareholders loan		(200 450 154)	(198 209 384)
Net cash from financing activities		**30 890 889**	**(25 859 319)**
Total cash movement for the year		**17 356 129**	**(1 830 595)**
Cash at the beginning of the year		4 692 597	6 523 192
Total cash at end of the year	7	**22 048 726**	**4 692 597**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, the directors determined that the useful lives of certain items of surveillance equipment should be shortened, due to developments in technology.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated selling price less costs to complete and sell. Where an impairment is necessary, inventory items are written down to selling price less costs to compete and sell. The write down is included in cost of sales, note 11.

1.2 Plant and equipment

An item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes costs incurred initially to acquire or construct an item of plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of plant and equipment, the carrying amount of the replaced part is derecognised.

Plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the plant and equipment as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years

If major components of an item of plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gain and losses on disposals are recognised in profit or loss.

Accounting Policies

1.2 Plant and equipment (continued)

When indicators are present that the useful lives and residual values of items of plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of plant and equipment, determined as the difference between net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Accounting Policies

1.4 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

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

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Accounting Policies

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.10 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.11 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.12 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

2. Plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	2 844 160	(2 818 214)	25 946	2 844 160	(2 776 607)	67 553
Motor vehicles	280 395	(280 395)	-	290 540	(290 540)	-
Office equipment	417 186	(362 012)	55 174	700 548	(629 505)	71 043
IT equipment	887 523	(807 815)	79 708	1 210 452	(1 013 391)	197 061
Total	**4 429 264**	**(4 268 436)**	**160 828**	**5 045 700**	**(4 710 043)**	**335 657**

Reconciliation of plant and equipment - 2024

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	67 553	(41 607)	25 946
Office equipment	71 043	(15 870)	55 174
IT equipment	197 061	(117 353)	79 708
	335 657	**(174 830)**	**160 828**

Reconciliation of plant and equipment - 2023

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	162 782	13 084	(108 313)	67 553
Office equipment	103 125	-	(32 082)	71 043
IT equipment	261 726	129 436	(194 101)	197 061
	527 633	**142 520**	**(334 496)**	**335 657**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

3. Deferred tax

The major components of the deferred tax balance are as follows:

Deferred tax asset		
Arising as a result of temporary differences on:		
Accruals	190 632	519 169
Income received in advance	-	846
Allowance for credit losses	381 580	-
Total deferred tax asset	**572 212**	**520 015**
Deferred tax liability		
Arising as a result of temporary differences on:		
Allowance for credit losses	-	(774 204)
Prepayments	(244 268)	(383 194)
Total deferred tax liability	**(244 268)**	**(1 157 398)**
Deferred tax asset	572 212	520 015
Deferred tax liability	(244 268)	(1 157 398)
Total net deferred tax asset (liability)	**327 944**	**(637 383)**
Reconciliation of deferred tax asset/(liability)		
At beginning of year	(637 383)	80 278
Recognised in profit or loss:		
Movement in temporary differences on prepayments	138 926	(397 387)
Movement in temporary differences on accruals	(328 537)	364 187
Movement in temporary difference on allowance for credit losses	1 155 783	(708 945)
Movement in temporary difference on income received in advance	(845)	877
Recognised in other comprehensive income:		
Rate change adjustment	-	23 607
At end of year	**327 944**	**(637 383)**

4. Inventories

Finished goods	8 631 233	49 282 469
Inventories in transit	1 306 110	5 184 607
	9 937 343	54 467 076
Inventories write-downs	(757 019)	(1 007 982)
	9 180 324	**53 459 094**

5. Loans to shareholders

Actor Holdings (Pty) Ltd	-	30 890 889

The above loan is unsecured, bears no interest and has no fixed terms of repayment.

6. Trade and other receivables

Trade receivables	81 167 892	49 033 759
Prepayments	904 696	1 419 238
Other receivables	(127 422)	269 483
	81 945 166	**50 722 480**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	87 900	89 622
Bank balances	21 960 826	4 602 975
	22 048 726	**4 692 597**
Cards	360 000	300 000
Guarantees	268 700	266 700
Letter of credit	-	1 200 000

The Standard Bank call account and credit agreement facilities were pledged as security over the facilities provided at an unrestricted amount in both the current and prior years.

Unrestricted surety has been provided by the direct and indirect shareholders over the facilities granted to the company in both the current and prior years.

8. Share capital

Authorised		
1 000 Ordinary shares of R1 each	1 000	1 000
Issued		
1000 Ordinary shares of R1 each	1 000	1 000

9. Trade and other payables

Trade payables	10 969 718	27 270 382
Amounts received in advance	-	3 132
VAT	6 249 497	383 820
Other payables	3 213 316	17 317 283
Accrued leave pay	408 546	731 174
Accrued expense	297 500	267 300
	21 138 577	**45 973 091**

10. Revenue

Sale of goods	333 858 877	277 089 641

11. Cost of sales

Sale of goods		
Cost of goods sold	167 366 641	125 821 099

12. Other income

Administration and management fees received	2 427 195	3 323 408
Recoveries	1 605	-
Distribution fees	6 389 602	5 358 239
	8 818 402	**8 681 647**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

13. Operating profit

Operating profit for the year is stated after accounting for the following:

Operating lease charges		
Premises		
• Contractual amounts	2 762 959	2 684 861
Equipment		
• Contractual amounts	143 031	120 839
Lease rentals on operating lease - 1		
• Contractual amounts	3 909	-
	2 909 899	**2 805 700**
Depreciation on plant and equipment	174 830	334 496
Employee costs	45 063 344	44 408 209
Advertising	5 456 899	8 258 994
Data and marketing fees	55 361 691	52 181 745
Delivery expenses	2 014 091	2 520 017
Motor vehicle expenses	3 835 156	3 815 832
Consulting and professional fees	6 031 766	693 436

14. Investment revenue

Interest revenue		
Bank	100 453	111 050

15. Finance costs

Bank	15 133	46 045
Late payment of tax	-	3 863
	15 133	**49 908**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

16. Taxation

Major components of the tax expense

Current taxation		
South African normal tax - year	13 327 604	9 455 423
South African normal tax - prior period (over) under provision	-	5 695
	13 327 604	**9 461 118**
Deferred taxation		
South African deferred tax - current year	(965 327)	717 661
	12 362 277	**10 178 779**

Reconciliation of the tax expense

Accounting profit	45 759 339	36 352 891
Tax at the applicable tax rate of 27% (2023: 28%)	12 354 966	10 178 809
Non-deductible expenses		
Interest and penalties	-	1 082
Donations	7 256	16 800
	7 256	**17 882**
Other		
Change in tax rate	-	(23 607)
Prior period (over) under provisions in current tax	-	5 695
	-	**(17 912)**
	12 362 222	**10 178 779**

17. Cash (used in) generated from operations

Profit before taxation	45 759 339	36 352 891
Adjustments for:		
Depreciation and amortisation	174 830	334 496
Interest received	(100 453)	(111 050)
Finance costs	15 133	49 908
Movement in dividends declared	(35 000 000)	-
Adjustments for allowance for doubtful debts	(1 112 565)	1 146 411
Inventory write down	(250 963)	(1 015 597)
Movement in provisions	(14 399 526)	4 085 156
Changes in working capital:		
Inventories	44 529 733	(8 589 481)
Trade and other receivables	(30 110 122)	(1 302 072)
Trade and other payables	(10 434 988)	1 932 895
	(929 582)	**32 883 557**

18. Tax paid

Balance at beginning of the year	(807 803)	(120 140)
Current tax for the year recognised in loss	(13 327 604)	(9 461 118)
Balance at end of the year	1 444 909	807 803
	(12 690 498)	**(8 773 455)**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

19. Auditor's remuneration

Fees	498 400	286 868

20. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due		
- within one year	2 286 779	2 163 948
- in second to fifth year inclusive	737 236	2 907 212
	3 024 015	**5 071 160**

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

21. Related parties

Relationships

Holding company	Cipla Medpro South Africa (Pty) Ltd
Fellow subsidary of ultimate holding company	Gen-Eye (Pty) Ltd
	Alpha Pharm (Pty) Ltd
Members of key manangement	Mr Blane
	DP Marescia

Related party balances and transactions with other related parties

Related party balances

Loan accounts - Owing (to) by related parties		
Actor Holding (Pty) Ltd	-	30 890 889
Amounts included in trade and other receivables regarding related parties		
Alpha Pharm (Pty) Ltd	2 940 859	3 595 382
Gen-Eye (Pty) ltd	270 769	906 403
Cipla Medpro South Africa (Pty) Ltd	58 306 682	-
Amounts included in trade and other payables regarding related parties		
Alpha Pharm (Pty) Ltd	319 702	406 510
Gen-Eye (Pty) Ltd	969 102	3 738 747

Related party transactions

Purchases from (sales to) related parties		
Alpha Pharm (Pty) Ltd	4 090 165	3 970 800
Alpha Pharm (Pty) Ltd	(28 423 879)	(34 012 991)
Gen-Eye (Pty) Ltd	(665 370)	(8 531 854)
Cipla Medpro South Africa (Pty) Ltd	(50 701 462)	-
	(75 700 546)	**(38 574 045)**
Administration fees paid to (received from) related parties		
Gen-Eye (Pty) Ltd	2 802 232	3 308 336
Management fees paid to related parties		
Actor Holding (Pty) Ltd	-	3 398 774

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

22. Directors' emoluments

Executive

2024

Directors' emoluments	Basic salary	Other benefits	Provident fund	Total
Services as director or prescribed officer				
MR Blane	3 815 453	1 301 180	720 728	5 837 361
DP Marescia	3 183 408	1 277 242	615 592	5 076 242

2023

Directors' emoluments	Basic salary	Other benefits	Provident fund	Total
Services as director or prescribed officer				
MR Blane	3 463 727	827 433	662 857	4 954 017
DP Marescia	2 936 289	783 096	564 504	4 283 889

23. Going concern

The financial statements have been prepared assuming the company will continue as a going concern. However, the Board of Directors has decided that it will wind down its operations in the forseeable future as the company will integrate into the new holding company Cipla Medpro South Africa (Pty) Ltd's group operations. There is no definitive plan in place as at 16 July 2024. The exact date of winding down has not been determined, but the Company's management has committed to this course of action.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

24. Events after the reporting period

Subsequent to the reporting period, the Board of Directors has made the decision to wind down the Company. The exact date of winding down has not yet been determined.

Additionally, the Company has decided to change its financial year-end from the 28th of February to the 31st of March. The rationale behind this change is to better align the Company's reporting period with the Group's reporting period.

Apart from the events disclosed above, the directors are not aware of any other material events subsequent to the reporting period.

Cipla Medpro Botswana (Pty) Limited

Financial Statements for Financial Year 2023-24

Cipla Medpro Botswana Proprietary Limited
(Registration number CO2011/4086)
Annual Financial Statements
for the year ended 31 March 2024

Cipla Medpro Botswana Proprietary Limited

(Registration number CO2011/4086)
Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Dormant
Directors	MW Daly S Khan
Registered office	P.O. Box 40185 Gaborone
Holding company	Cipla Medpro South Africa Proprietary Limited incorporated in South Africa
Ultimate holding company	Cipla Limited incorporated in India
Auditors	Grant Thornton Botswana Registered Auditors Grant Thornton Botswana is a member firm of Grant Thornton International
Preparer	The annual financial statements were independently compiled by: Accounting and Financial Advisory (Pty) Ltd
Company registration number	CO2011/4086
Published	03 May 2024

Cipla Medpro Botswana Proprietary Limited

(Registration number CO2011/4086)
Annual Financial Statements for the year ended 31 March 2024

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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Independent Auditors' Report	4 - 5
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Accounting Policies	7
Notes to the Annual Financial Statements	8 - 9

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of Botswana to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The directors are satisfied that the company has or had access to adequate resources to continue in operational existence for the year to 31 March 2024 and the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 9, which have been prepared on the going concern basis, were approved by the board of directors on 03 May 2024 and was signed by:

MW Daly

S Khan

Gaborone

Grant Thornton

Chartered Accountants

Grant Thornton
Acumen Park, Plot 50370
Fairgrounds, Gaborone
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Gaborone, Botswana

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twitter.com/GrantThorntonBW

Independent Auditor's Report

To the shareholders of Cipla Medpro Botswana (Proprietary) Limited

Opinion

We have audited the financial statements of Cipla Medpro Botswana (Proprietary) Limited set out on pages 6 to 9, which comprise the statement of financial position as at 31 March 2024, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of, the financial position of Cipla Medpro Botswana (Proprietary) Limited as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (Part A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors for the annual financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

GRANT THORNTON CHARTERED ACCOUNTANTS GABORONE

Botswana Accountancy Oversight Authority registration number: FAP 005 2023 (Audit Firm of Public Interest Entity)
Botswana Institute of Chartered Accountants membership number: MeFBW11013 (Non-Audit)

Partners
Kalyanaraman Vijay (Managing), Aswin Vaidyanathan*, Madhavan Venkatachary*, Anthony Quashie, Sunny K Mulakulam*, Aparna Vijay* (*Indian)

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Grant Thornton

Independent Auditor's Report

Auditor's responsibility for the audit of the annual 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 is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, 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, international omissions, misrepresentations, or 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exits related to events or conditions that ma 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 the auditor's report. However, future events or conditions many 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 the directors 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.

GRANT THORNTON

Grant Thornton
Firm of Certified Auditors
Practicing Member : Aswin Vaidyanathan
(CAP 0016 2024)

10 MAY 2024
Gaborone

Statement of Financial Position as at 31 March 2024

Figures in Pula	Note(s)	2024	2023
Assets			
Current Assets			
Loan to group company	2	100	100
Total Assets		**100**	**100**
Equity and Liabilities			
Equity			
Share capital	3	100	100

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards).

The annual financial statements have been prepared on the historical cost basis, except where otherwise indicated.

The annual financial statements are presented in Botswana Pula, which is the company's functional currency.

The accounting policies set out below have been applied consistently to all periods presented in these annual financial statements.

1.1 Financial instruments

Classification

Non-derivative financial instruments

Non-derivative financial instruments comprise only of loans to group companies.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

Financial assets at amortised cost

Loans to group companies are held within a business model whose objective it is to collect the contractual cash flows and have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial measurement, loans to group companies are measured at amortised cost using the effective interest method, less any accumulated impairment losses.

Loans to group companies

These include loans to fellow subsidiaries and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are subsequently measured at amortised cost.

1.2 Stated capital and equity

Ordinary shares are classified as equity and carried at original cost. Incremental costs directly attributable to the issue of new shares are recognised as a deduction from equity, net of any tax effects.

Notes to the Annual Financial Statements

Figures in Pula	2024	2023

2. Loan to group company

Fellow subsidiary

Medpro Pharmaceutica Proprietary Limited	100	100

The loan is unsecured and interest free. The loan has no fixed terms of repayment.

Credit quality of loan from group company

The credit quality of the loan from Medpro Pharmaceutica Proprietary Limited has been assessed with reference to a review of detailed profit forecasts of the company, and management assesses the ability of the company to repay the loan as high.

Fair value of loan from group company

The amount has been classified as a current liability, and the carrying value therefore approximates its fair value.

3. Share capital

Issued		
100 Ordinary shares at no par value	100	100

4. Taxation

No provision has been made for tax as the company has no taxable income.

5. Related parties

Relationships	
Ultimate holding company	Cipla Limited
Holding company	Cipla-Medpro South Africa Proprietary Limited
Fellow subsidiaries	Cipla Dibcare Proprietary Limited Cape to Cairo exports Proprietary Limited Cipla-Medpro Distribution Centre Proprietary Limited Limited Cipla Medpro Manufacturing Proprietary Limited Cipla-Medpro Proprietary Limited Cipla Select Proprietary Limited Medpro Pharmaceutica Proprietary Limited Mirren Proprietary Limited Cipla Kenya Limited

Related party balances

Loan accounts - owing by related parties		
Medpro Pharmaceutical Proprietary limited	100	100

Figures in Pula	2024	2023

6. Statements of comprehensive income, cash flows and changes in equity

The company did not trade during the year under review and therefore the Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity have not been presented.

7. Events after the reporting period

There is no matter or circumstance which is material to the financial affairs of the company, which has occurred between 31 March 2024 and the date of the approval of the annual financial statements, that has not been otherwise dealt with in the annual financial statements.

Cipla Kenya Limited

Financial Statements for Financial Year 2023-24

Cipla Kenya Limited
(Registration number CPR/2012/86193)
Annual Financial statements
for the year ended 31 March 2024

Cipla Kenya Limited

(Registration number CPR/2012/86193)
Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	Kenya
Directors	Joan Wakori Paul Miller Mark Daly Kaustubh Deshpande Catherine Kagai Megha Bhat
Registered office	Nivina Towers Westlands Road Nairobi
Postal address	P.O. Box 46986 Nairobi
Holding company	Cipla Medpro South Africa Proprietary Limited incorporated in the Republic of South Africa
Ultimate holding company	Cipla Limited incorporated in India
Principal Banker	Standard Chartered Bank Limited P.O. Box 30003-00100, Nairobi
Independent Auditor	Grant Thornton LLP Certified Public Accountant (Kenya) 5th Floor, Avocado Towers Muthithi Road, Westlands P.O. Box 45669-00100 Nairobi
Secretary	Mutual Registrars Associates Certified Public Secretaries (K) 5th Floor, Avocado Towers Muthithi Road, Westlands P.O. Box 45669-00100 Nairobi
Company registration number	CPR/2012/86193
Tax reference number	P 054103118M
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Kenyan Companies Act, 2015 and the International Financial Reporting Standards (IFRS)
Preparer	The annual financial statements were independently compiled by Accounting and Financial Advisory (Pty) Ltd
Published	03 May 2024

Cipla Kenya Limited

(Registration number CPR/2012/86193)
Annual Financial Statements for the year ended 31 March 2024

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Published

03 May 2024

Directors' Report

The directors submit their report together with the audited annual financial statements for the year ended 31 March 2024.

1. Principal activities

The company is engaged in the marketing and distribution of pharmaceutical products and operates principally in Kenya.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015. The accounting policies have been applied consistently compared to the prior year.

Company revenue increased by 22% from KES 747,367,247 in the prior year to KES 915 108 088 for the year ended 31 March 2024.

Company cash flows from operating activities increased by 26% from KES 83 443 873 in the prior year to KES 105 376 568 for the year ended 31 March 2024.

The above movement for the financial results for the year ended 31 March 2024 have been attributed to the following:

Economic Environment

Macro-economic and operating environmental highlights
The Kenyan market was characterised with economic turbulence occasioned by cost of living pressures, currency devaluation, rising interest rates and tax increases that adversely affected trade.

Operational highlights
In the 2022 - 2023 financial year, Sub-Sahara Africa launched three new products, strengthening its position in the acute pain therapeutic area, and making a successful entry in the rapidly diabetes market with an innovative fixed-dose treatment solution. Additionally, the business launched a single-dose treatment for recurrent UTI, a significant challenge in Africa. In the 2023 - 2024 financial year, the business launched its first diabetes product, initiating its' growth journey in the chronic therapeutic category of cardiovascular and diabetes, the fastest growing therapy area in the Sub-Sahara Africa markets.

Currency devaluations of the Kenya shilling (KES) against the United States dollar (USD) necessitated upward price adjustments across our products.

Business strategy
In the current year, Cipla Kenya continued to make significant progress in realising its 5 in 5 strategies of capturing 5% market share across five primary care therapeutic areas. According to IQVIA, Cipla delivered market-beating growth in Kenya, with a corporate ranking of 7, driven by capturing more than 10% Market Share in Gastro, Pain, and Respiratory therapies, demonstrating the soundness of the strategy.

Cipla remains committed to bringing innovative treatment solutions to the patients in Kenya while achieving its strategic goals. Through digitised innovation in asthma and COPD diagnosis, we aim to drive improved access to early diagnosis of respiratory diseases and as a result further solidify our strong market share in the respiratory segment.

Looking ahead, Cipla is well positioned to continue to drive its rapid growth and expansions in the 2024 - 2025 financial year through the hard work delivered by the team in setting the foundation and driving a culture of execution excellence.

Principle Risks
The fluctuation of Kenya shilling against USD is a growing risk, a devaluation of the currency is a key inflationary risk we are exposed to as a business.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

Directors' Report

4. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the company may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the company may pass on the payment of dividends.

No dividend was declared for the current and prior year.

5. Directorate

The directors in office at the date of this report are as follows:

Directors

Joan Wakori	
Paul Miller	
Mark Daly	
Kaustubh Deshpande	
Catherine Kagai	Appointed 1 November 2023
Megha Bhat	Appointed 1 November 2023

6. Holding company

The Company's Holding Company is Cipla Medpro South Africa Proprietary Limited which holds 100% of Shareholding and is incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Cipla Limited which is incorporated in India.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Statement of disclosure to the company's auditor

With respect to each person who is a director on the day that this report is approved:
- there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

10. Terms of appointment of the independent auditor

Grant Thornton LLP continues in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

The annual financial statements set out on pages 9 to 40, which have been prepared on the going concern basis, were approved and signed by the board of directors on 03 May 2024:

Approval of annual financial statements

Mark Daly
03 May 2024

Catherine Kagai
03 May 2024

Statement of Directors' Responsibilities

The Kenyan Companies Act, 2015 requires the directors to prepare annual financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors accept responsibility for the preparation and presentation of these annual financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- designing, implementing and maintaining such internal controls as they determine necessary to enable the presentation of annual financial statements that are free of material misstatement, whether due to fraud or error;
- selecting suitable accounting policies and applying them consistently; and
- making accounting estimates and judgements that are reasonable in the circumstances.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

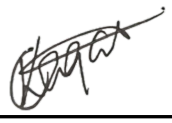
The directors acknowledge that the independent audit of the annual financial statements does not relieve them of their responsibilities.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 6 to 8.

Approved and signed by the board of directors on 03 May 2024:

Approval of financial statements

Mark Daly



Catherine Kagai

Grant Thornton

INDEPENDENT AUDITOR'S REPORT

To The Members of Cipla Kenya Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the accompanying annual financial statements of Cipla Kenya Limited set out on pages 9 to 40, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Cipla Kenya Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report as required by the Kenyan Companies Act, 2015, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the annual financial statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Member of Grant Thornton International Limited

In preparing the annual financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting.

Auditors' responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

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Grant Thornton

Report on other matters prescribed by the Kenyan Companies Act, 2015

As required by the Kenyan Companies Act, 2015, we report to you based on our audit, that in our opinion, the information given in the report of the directors on page 3 - 5 is consistent with the annual financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA Elizabeth Muhindi, Practicing Certificate No 2123.

Grant Thornton LLP
Certified Public Accountants

For and on behalf of Grant Thornton LLP
Certified Public Accountants (Kenya)
Nairobi.

Date: 6TH MAY, 2024

C/255/0324/AUD

Member of Grant Thornton International Limited

Statement of Profit or Loss and Other Comprehensive Income

Figures in Shillings	Notes	2024	2023
Revenue	3	915 108 088	747 367 247
Cost of sales	4	(251 270 597)	(135 494 526)
Gross profit		**663 837 491**	**611 872 721**
Other operating income	5	177 993 959	128 329 170
Net movement in expected credit loss	6	6 724 663	(5 532 524)
Operating expenses		(833 801 524)	(711 765 704)
Operating profit	6	**14 754 589**	**22 903 663**
Finance costs	7	(2 515 164)	(3 059 942)
Profit before taxation		**12 239 425**	**19 843 721**
Taxation	8	(16 729 874)	(15 327 508)
Total comprehensive (loss) income for the year		**(4 490 449)**	**4 516 213**

Cipla Kenya Limited

(Registration number CPR/2012/86193)
Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

Figures in Shillings	Notes	2024	2023
Assets			
Non-Current Assets			
Property and equipment	9	28 057 812	31 832 153
Intangible assets	10	7 406 438	-
Deferred tax	11	16 652 698	19 708 070
		52 116 948	**51 540 223**
Current Assets			
Inventories	12	152 989 545	123 404 266
Loans to group companies	13	236 049 499	211 656 224
Trade and other receivables	14	243 104 693	246 956 011
Current tax receivable	15	29 870 029	24 008 811
Cash and cash equivalents	16	276 336 070	199 140 525
		938 349 836	**805 165 837**
Total Assets		**990 466 784**	**856 706 060**
Equity and Liabilities			
Equity			
Share capital	17	100 000	100 000
Retained income		39 185 709	43 676 158
		39 285 709	**43 776 158**
Liabilities			
Non-Current Liabilities			
Lease liabilities	18	12 068 355	16 970 368
Current Liabilities			
Trade and other payables	19	162 921 228	63 580 908
Loans from group companies	20	709 492 790	696 582 705
Lease liabilities	18	4 902 013	4 280 661
Contract liabilities	22	15 000 000	-
Provisions	21	46 796 689	31 515 260
		939 112 720	**795 959 534**
Total Liabilities		**951 181 075**	**812 929 902**
Total Equity and Liabilities		**990 466 784**	**856 706 060**

The annual financial statements and the notes on pages 3 to 40, were approved by the board of directors on the 03 May 2024 and were signed on its behalf by:

Mark Daly **Catherine Kagai**

Statement of Changes in Equity

Figures in Shillings	Share capital	Retained income	Total equity
Balance at 01 April 2022	**100 000**	**39 159 945**	**39 259 945**
Profit for the year	-	4 516 213	4 516 213
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**4 516 213**	**4 516 213**
Balance at 01 April 2023	**100 000**	**43 676 158**	**43 776 158**
Loss for the year	-	(4 490 449)	(4 490 449)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(4 490 449)**	**(4 490 449)**
Balance at 31 March 2024	**100 000**	**39 185 709**	**39 285 709**
Note	17		

Statement of Cash Flows

Figures in Shillings	Note	2024	2023
Cash flows from operating activities			
Profit before taxation		12 239 425	19 843 721
Adjustments for:			
Depreciation and amortisation	6	8 785 075	7 450 548
Finance costs	7	2 515 164	3 012 890
Impairment losses and reversals		(6 724 663)	5 532 524
Movements in provisions	21	18 034 117	(7 092 963)
Interest on lease liability	7	(2 515 164)	(3 012 890)
Gain on sale of property and equipment		-	(61 130)
Movements in contract liabilities		12 247 312	-
Non-cash movement with group companies		12 910 085	-
Non-cash movement to group companies		98 927 243	-
Changes in working capital:			
Inventories		(29 585 279)	(83 707 090)
Trade and other receivables		(10 017 389)	119 706 036
Trade and other payables		119 933 690	29 980 970
Cash generated from operations		**236 749 616**	**91 652 616**
Tax paid	23	(19 535 720)	(8 208 744)
Net cash generated from operating activities		**217 213 896**	**83 443 872**
Cash flows used in investing activities			
Purchase of property and equipment	9	(4 187 797)	(5 623 499)
Proceeds on sale of property and equipment	9	-	160 234
Purchase of other intangible assets	10	(8 229 375)	-
Net movement in loans with group companies		-	72 119 813
Net cash used in investing activities		**(12 417 172)**	**66 656 548**
Cash flows from financing activities			
Net movement in loans from group companies	13	(123 320 518)	(22 018 333)
Payment on lease liabilities	18	(4 280 661)	(3 485 110)
Net cash from financing activities		**(127 601 179)**	**(25 503 443)**
Cash movement for the year		**77 195 545**	**124 596 977**
Cash at the beginning of the year		199 140 525	74 543 548
Cash at the end of the year	16	**276 336 070**	**199 140 525**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Useful lives of property and equipment

Management assess the appropriateness of the useful lives of property and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

1.2 Property and equipment

Property and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Accounting Policies

1.2 Property and equipment (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings right-of-use asset	Straight line	2 years
Furniture and fixtures	Straight line	9 years
IT equipment	Straight line	5 years
Leasehold improvements	Straight line	10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on equipment when there is an indicator that they may be impaired. When the carrying amount of an item of equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3 years

Accounting Policies

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Financial liabilities:

- Amortised cost.

Note 24 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 14).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Accounting Policies

1.4 Financial instruments (continued)

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 14.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in operating expenses in profit or loss as a movement in credit loss allowance (note 6).

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 14) and the financial instruments and risk management note (note 24).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 19), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Accounting Policies

1.4 Financial instruments (continued)

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 7).

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Shillings equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 24).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Accounting Policies

1.4 Financial instruments (continued)

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax losses can be utilised.

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Accounting Policies

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the 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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 6) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 7).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Accounting Policies

1.6 Leases (continued)

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property and equipment. Refer to the accounting policy for property and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

Accounting Policies

1.8 Impairment of non-financial assets (continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.10 Employee benefits

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company’s obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.11 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

Accounting Policies

1.12 Revenue from contracts with customers

The company recognises revenue from the sales of pharmaceutical products.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer. All revenues are recognised at a point in time.

1.13 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- 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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Shillings by applying to the foreign currency amount the exchange rate between the Shillings and the foreign currency at the date of the cash flow.

Figures in Shillings	2024	2023

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

Certain new accounting standards and interpretations have been published that are effective for the current year. These standards are not considered to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

- Deferred tax related to assets and liabilities arising from a single transaction - Amendment to IAS 12
- Definition of accounting estimates - Amendment to IAS 8
- Disclosure of accounting policies - Amendment to IAS 1 and IFRS Practice Statement 2

2.2 Standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 reporting periods and have not been early adopted by the company. The standards are effective for years beginning on or after 1 January 2025. These standards are not expected to have a material impact on the company in the current or future reporting periods and on forseeable future transactions.

- Classification of Liabilities as Current or Non-Current Amendments to IAS 1
- Lease liability in Sale and Leaseback - Amendments to IFRS 16
- Supplier finance arrangements - Amendments to IAS 7 and IFRS 7
- Non-current liabilities with covenants - Amendments to IAS 1
- Lack of Exchangeability - Amendments to IAS 21

2.3 Standards and interpretations not yet effective and not yet adopted

IFRS Sustainability Disclosure Standards

In June 2023, the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards

- IFRS S2 - General Requirements for Disclosure of Sustainability-related Financial Information (General Requirements standard)
- IFRS S2 - Climate-related Disclosures (Climate standard)

IFRS1 and IFRS S2 are effective for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted. This is subject to the adoption of the standards by local jurisdictions.

Notes to the Annual Financial Statements

Figures in Shillings	2024	2023

3. Revenue

Revenue from contracts with customers		
Sale of goods	927 355 400	748 718 228
Provision for expired stock returns	(12 247 312)	(1 350 981)
	915 108 088	**747 367 247**

4. Cost of sales

Sale of goods	236 392 519	132 979 235
Inventories lost or written off	14 878 078	2 515 291
	251 270 597	**135 494 526**

5. Other income

Intercompany recharges*	143 150 971	135 378 853
Gain on sale of property and equipment	-	61 130
Net foreign exchange gains (losses) #	34 842 988	(7 110 813)
	177 993 959	**128 329 170**

*Intercompany recharges are calculated on the basis of the proportional time spent by the company's director and commercial staff on the operations of other regions in Sub-Saharan Africa, outside of Kenya. This proportional percentage is applied to the expenses incurred relating to the employment of the director and commercial staff, with a mark-up of 5%.

# Foreign exchange gains (losses)		
Realised	104 809 583	(4 085 363)
Unrealised	(69 966 595)	(3 025 450)
	34 842 988	**(7 110 813)**

6. Operating profit

Operating profit for the year is stated after charging the following, amongst others:

Auditor's remuneration - external		
Audit fees	3 877 582	2 125 700
Remuneration, other than to employees		
Consulting and professional services	68 556 984	88 353 022
Employee costs		
Salaries, wages, bonuses and other benefits	384 605 051	259 447 082
Staff bursaries	206 382	26 250
Long term incentive scheme	-	1 702 637
Total employee costs	**384 811 433**	**261 175 969**
Leases		
Variable lease payments	2 887 855	8 037 167
Total lease expenses	**2 887 855**	**8 037 167**

Notes to the Annual Financial Statements

Figures in Shillings	2024	2023

6. Operating profit (continued)

Depreciation and amortisation		
Depreciation of property and equipment	3 369 106	2 857 516
Depreciation of right-of-use assets	4 593 032	4 593 032
Amortisation of intangible assets	822 937	-
Total depreciation and amortisation	**8 785 075**	**7 450 548**

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Changes in inventories of finished goods and work in progress	251 270 597	135 494 526
Employee costs	384 811 433	261 175 969
Lease expenses	2 887 855	8 037 167
Depreciation and amortisation	8 785 075	7 450 548
Other expenses*	437 317 161	435 102 020
	1 085 072 121	**847 260 230**

*Other expenses relate to advertising and marketing costs (including sponsorships), data/logistic fees, travel expenses, license fees, conference/congress fees, motor vehicle expenses, transport and frieght charges.

7. Finance costs

Interest expense on lease liabilities	2 515 164	3 012 890
Interest expense - other	-	47 052
Total finance costs	**2 515 164**	**3 059 942**

8. Taxation

Major components of the tax expense

Current		
Local income tax - current year	813 667	3 228 181
Foreign income tax or withholding tax - current year	12 860 835	8 208 744
	13 674 502	**11 436 925**
Deferred		
Current year	3 055 372	3 890 583
	16 729 874	**15 327 508**

Figures in Shillings	2024	2023

8. Taxation (continued)

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	12 239 425	19 843 721
Tax at the applicable tax rate of 30% (2023: 30%)	3 671 828	5 953 116
Tax effect of adjustments on taxable income		
Non-deductible expenses	(2 858 160)	(1 691 004)
Withholding tax	12 860 835	8 208 744
Deferred tax effect	3 055 371	3 890 583
Losses carried forward	-	(1 033 931)
	16 729 874	**15 327 508**

9. Property and equipment

	2024			2023		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Buildings right-of-use asset	27 558 189	(14 161 848)	13 396 341	27 558 189	(9 568 816)	17 989 373
Furniture and fixtures	2 341 814	(1 374 427)	967 387	2 341 814	(1 114 471)	1 227 343
IT equipment	17 488 654	(8 998 750)	8 489 904	13 300 857	(6 546 970)	6 753 887
Leasehold improvements	6 559 144	(1 354 964)	5 204 180	6 559 144	(697 594)	5 861 550
Total	**53 947 801**	**(25 889 989)**	**28 057 812**	**49 760 004**	**(17 927 851)**	**31 832 153**

Reconciliation of property and equipment - 2024

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Buildings right-of-use asset	17 989 373	-	-	(4 593 032)	13 396 341
Furniture and fixtures	1 227 343	-	-	(259 956)	967 387
IT equipment	6 753 887	4 187 797	-	(2 451 780)	8 489 904
Leasehold improvements	5 861 550	-	-	(657 370)	5 204 180
	31 832 153	**4 187 797**	**-**	**(7 962 138)**	**28 057 812**

Reconciliation of property and equipment - 2023

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Buildings right-of-use asset	22 582 405	-	-	(4 593 032)	17 989 373
Furniture and fixtures	1 487 298	-	-	(259 955)	1 227 343
IT equipment	4 901 928	3 891 252	(99 102)	(1 940 191)	6 753 887
Leasehold improvements	4 786 673	1 732 247	-	(657 370)	5 861 550
	33 758 304	**5 623 499**	**(99 102)**	**(7 450 548)**	**31 832 153**

Notes to the Annual Financial Statements

Figures in Shillings	2024	2023

10. Intangible assets

	2024			2023		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Computer software	8 229 375	(822 937)	7 406 438	-	-	-

Reconciliation of intangible assets - 2024

	Opening balance	**Additions**	**Amortisation**	**Total**
Computer software	-	8 229 375	(822 937)	7 406 438

11. Deferred tax

Deferred tax asset

Deferred tax asset	16 652 698	19 708 070

Reconciliation of deferred tax asset

At 1st April	19 708 070	23 598 653
Equipment	(382 210)	(7 011)
Unrealised exchange gain	(12 586 140)	(6 476 902)
Provisions	9 819 267	3 306 952
Leased asset	93 711	320 309
Assessed loss	-	(1 033 931)
At 31st March	**16 652 698**	**19 708 070**

12. Inventories

Finished goods	173 914 150	135 154 745
Provisions for inventory obsolescence and/or write-downs	(20 924 605)	(11 750 479)
	152 989 545	**123 404 266**

13. Loans to group companies

Ultimate Holding company

Cipla Limited	236 049 499	211 656 224

Loan is unsecured, interest free and repayable on demand.

Split between non-current and current portions

Current assets	236 049 499	211 656 224

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due. Refer to note 24 for further information related to the credit risk management of the company.

Figures in Shillings	2024	2023

13. Loans to group companies (continued)

Credit rating framework

For purposes of determining the credit loss allowances, management determine the credit rating grades of each loan at the end of the reporting period. These ratings are determined either externally through ratings agencies or internally where external ratings are not available.

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available. The abbreviation "ECL" is used to depict "expected credit losses."

Internal credit grade	Description	Basis for recognising expected credit losses
Performing	Low risk of default and no amounts are past due	12m ECL
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit impaired)
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

2024

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loan to ultimate holding company				
Cipla Limited	12m ECL	236 049 499	-	236 049 499

2023

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loan to holding company				
Cipla Limited	12m ECL	211 656 224	-	211 656 224

Based on the assessment above, the loan was noted to have an immaterial credit risk and hence not adjusted for impairment losses.

Management believes that the holding company has a solid reputation and sufficient reserves to settle the loan on demand.

Notes to the Annual Financial Statements

Figures in Shillings	2024	2023

14. Trade and other receivables

Financial instruments:		
Trade receivables	207 541 690	189 964 815
Trade receivables - related parties	32 851 104	46 480 502
Expected Credit loss Allowance	(5 437 761)	(12 162 424)
Trade receivables at amortised cost	234 955 033	224 282 893
Non-financial instruments:		
VAT Recoverable	-	5 960 066
Prepayments	8 149 660	16 713 052
Total trade and other receivables	**243 104 693**	**246 956 011**

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	234 955 033	224 282 893
Non-financial instruments	8 149 660	22 673 118
	243 104 693	**246 956 011**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Trade receivables arise from both wholesale and retail sales. The customer base for retail trade is large and widespread, with a result that there is no specific significant concentration of credit risk from these trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

Figures in Shillings	2024	2023

14. Trade and other receivables (continued)

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

The loss allowance provision is determined as follows:

	2024	2024	2023	2023
Expected credit loss rate:	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Less than 30 days past due: 0.03% (2023: 0.29%)	197 459 763	(62 988)	57 996 061	166 917
31 - 120 days past due: 1.78% (2023: 0.18%)	23 246 723	659 919	47 021 782	(85 628)
More than 120 days past due: 4.91% (2023: 19.29%)	19 686 308	288 997	84 946 972	(7 892 836)
Provision for bad debt: 100% (2023: 100%)	-	(6 323 689)	-	(4 350 876)
Total	**240 392 794**	**(5 437 761)**	**189 964 815**	**(12 162 423)**

15. Current tax receivable

Provisional taxes paid during the period amount to KES 3 496 368 (2023: KES Nil).

Current tax receivable balance at 1st April	(24 008 811)	(27 236 992)
Current tax for the year recognised in profit and loss	813 667	3 228 181
Taxation paid for 2023 financial year	(3 178 517)	-
Provisional taxes paid during the period	(3 496 368)	-
Current tax receivable balance at 31st March	**(29 870 029)**	**(24 008 811)**

16. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	276 336 070	199 140 525

The Company has policies under which it places its cash with reputable commercial banks. Banking transactions are operated and maintained with Standard Chartered bank with a credit rating of A (As per Moody's). Based on this, no impairment has been done on the bank balance for the year ended 31st March 2024.

17. Share capital

Authorised		
100 Ordinary shares of KES 1,000 each	100 000	100 000
Issued		
100 Ordinary shares of KES 1,000 each	100 000	100 000

All shares are fully paid.

Figures in Shillings	2024	2023

18. Leases (company as lessee)

Details pertaining to leasing arrangements, where the company is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Buildings right-of-use assets	13 396 341	17 989 373
Leasehold improvements	5 204 180	5 851 550
	18 600 521	**23 840 923**

Additions to right-of-use assets

Leasehold improvements	-	1 732 247

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 6), as well as depreciation which has been capitalised to the cost of other assets.

Buildings right of use assets	4 593 032	4 593 032
Leasehold improvements	657 370	657 370
	5 250 402	**5 250 402**

Other disclosures

Interest expense on lease liabilities	2 515 164	3 012 890

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	6 822 900	6 795 822
One to two years	13 702 657	20 525 559
	20 525 557	27 321 381
Less finance cost	(3 555 189)	(6 070 352)
	16 970 368	**21 251 029**
Non-current liabilities	12 068 355	16 970 368
Current liabilities	4 902 013	4 280 661
	16 970 368	**21 251 029**

Exposure to liquidity risk

Refer to note 24 Financial instruments and risk management for the details of liquidity risk exposure and management.

Figures in Shillings	2024	2023

19. Trade and other payables

Financial instruments:

Trade payables	36 379 004	28 182 904
Other Liabilities	2 975 051	2 689 219
Payroll liabilities	14 072 873	5 181 408
Accrued liabilities	109 494 300	27 527 377
	162 921 228	**63 580 908**

Exposure to liquidity risk

Refer to note 24 Financial instruments and financial risk management for details of liquidity risk exposure and management.

20. Loans from group companies

Fellow subsidiaries

Cipla-Medpro Distribution Centre Proprietary Limited	3 723 292	3 980 732
Medpro Pharmaceutica Proprietary Limited	375 769 498	361 101 973
Meditab Holdings Limited	330 000 000	331 500 000
	709 492 790	**696 582 705**

All loans are unsecured, bear no interest and are repayable on demand. There are no fixed terms of repayment.

Split between non-current and current portions

Current liabilities	709 492 790	696 582 705

Exposure to liquidity risk

The credit quality of loans to group companies, other than those who have received letters of support, have been assessed with reference to a review of detailed profit forecasts of the companies, and management assesses the ability of the companies to repay the loans as high.

21. Provisions

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Reclassified to contract liabilities	Total
Audit fee provsion	2 386 800	2 468 400	(2 386 800)	-	2 468 400
Bonus provision	19 083 318	38 128 291	(22 911 156)	-	34 300 453
Leave pay provision	7 292 454	3 203 238	(467 856)	-	10 027 836
Provision for expired stock returns	2 752 688	-	-	(2 752 688)	-
	31 515 260	**43 799 929**	**(25 765 812)**	**(2 752 688)**	**46 796 689**

Figures in Shillings	2024	2023

21. Provisions (continued)

Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
Audit fee provsion	1 772 540	2 386 800	(1 772 540)	2 386 800
Bonus provision	22 394 502	19 125 735	(22 436 919)	19 083 318
Leave pay provision	10 652 673	4 683 988	(8 044 207)	7 292 454
Provision for expired stock returns	1 401 707	1 350 981	-	2 752 688
	36 221 422	**27 547 504**	**(32 253 666)**	**31 515 260**

The provisions for expired stock returns was re-classified in the current year from provisions to contract liabilities. Refer to notes 22 and 28.

22. Contract liabilities

Contract liabilities comprise

Expired Stock Returns provision	15 000 000	-

Expired stock returns provision was re-classified from provisions to contracts liabilities in the current year. Refer to note 21 and 28.

Reconciliation of contract liabilities

Reclassified from provisions	2 752 688	-
Utilised during the year	(3 752 688)	-
Additional provision raised	16 000 000	-
	15 000 000	**-**

Expired stock returns provision relates to stock in the channel which the company expects to be returned due to being close to expiry.

Provision is made for right of return in respect of products sold as per the contractual terms and conditions. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior year.

23. Tax paid

Balance at 1st April	24 008 811	27 236 992
Current tax for the year recognised in profit or loss	(813 667)	(3 228 181)
Withholding taxes paid during the year	(12 860 835)	(8 208 744)
Balance at 31st March	(29 870 029)	(24 008 811)
	(19 535 720)	**(8 208 744)**

Figures in Shillings	2024	2023

24. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Notes	Amortised cost	Total	Fair value
Loans to group companies	13	236 049 499	236 049 499	236 049 499
Trade and other receivables	14	234 955 033	234 955 033	234 955 033
Cash and cash equivalents	16	276 336 070	276 336 070	276 336 070
		747 340 602	**747 340 602**	**747 340 602**

2023

	Notes	Amortised cost	Total	Fair value
Loans to group companies	13	211 656 224	211 656 224	211 656 224
Trade and other receivables	14	224 282 893	224 282 893	224 282 893
Cash and cash equivalents	16	199 140 525	199 140 525	199 140 525
		635 079 642	**635 079 642**	**635 079 642**

The above financial assets are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

Categories of financial liabilities

2024

	Notes	Amortised cost	Total	Fair value
Trade and other payables	19	162 921 228	162 921 228	162 921 228
Loans from group companies	20	709 492 790	709 492 790	709 492 790
Lease liabilities	18	16 970 368	16 970 368	16 970 368
Provisions (audit fee provision)	21	17 468 400	17 468 400	17 468 400
Contract liabilities	22	15 000 000	15 000 000	15 000 000
		921 852 786	**921 852 786**	**921 852 786**

2023

	Notes	Amortised cost	Total	Fair value
Trade and other payables	19	63 580 908	63 580 908	63 580 908
Loans from group companies	20	696 582 705	696 582 705	696 582 705
Lease liabilities	18	21 251 029	21 251 029	21 251 029
Provisions (audit fee provision)	21	5 139 488	5 139 488	5 139 488
		786 554 130	**786 554 130**	**786 554 130**

Figures in Shillings	2024	2023

24. Financial instruments and risk management (continued)

The above financial liabilities are carried at amortised cost, with the fair value being approximated by such carrying values due to their short-term maturities.

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk; interest risk).

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on trade and other receivables, loans to group companies and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

24. Financial instruments and risk management (continued)

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables and contract assets IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables and contract assets.

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans to group companies	13	236 049 499	-	236 049 499	211 656 224	-	211 656 224
Trade and other receivables	14	240 392 794	(5 437 761)	234 955 033	229 823 157	(12 162 424)	217 660 733
Cash and cash equivalents	16	276 336 070	-	276 336 070	199 140 525	-	199 140 525
		752 778 363	**(5 437 761)**	**747 340 602**	**640 619 906**	**(12 162 424)**	**628 457 482**

Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2024

		Less than 1 year	**1 to 5 years**	**Total**	**Carrying amount**
Non-current liabilities					
Lease liabilities	18	-	12 068 355	12 068 355	12 068 355
Current liabilities					
Trade and other payables		162 921 228	-	162 921 228	162 921 228
Loans from group companies	20	709 492 790	-	709 492 790	709 492 790
Lease liabilities	18	4 902 013	-	4 902 013	4 902 013
Provisions	21	46 796 689	-	46 796 689	46 796 689
Contract liabilities	22	15 000 000	-	15 000 000	15 000 000

Figures in Shillings		2024	2023

24. Financial instruments and risk management (continued)

2023

		Less than 1 year	1 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities		-	16 970 368	16 970 368	16 970 368
Current liabilities					
Trade and other payables	19	65 967 708	-	65 967 708	63 580 908
Loans from group companies	20	696 582 705	-	696 582 705	696 582 705
Lease liabilities	18	4 280 661	-	4 280 661	4 280 661
Provisions	22	31 515 260	-	31 515 260	31 515 260

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily are US Dollar.

Exposure in Kenyan Shillings

The net carrying amounts, in Shillings, of the various exposures, are denominated in the following currencies. The amounts have been presented in Shillings by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:			
Non-current assets:			
Loans to group companies		209 273 867	196 666 076
Current assets:			
Trade and other receivables	14	32 851 104	56 099 535
Cash and cash equivalents	16	1 709 549	10 779 075
Current liabilities:			
Trade and other payables	19	7 680 223	6 477 921
Loans from group companies		330 000 000	331 500 000
Net US Dollar exposure		**581 514 743**	**601 522 607**
ZAR exposure:			
Non-current assets:			
Loans to group companies		379 492 789	365 082 705
Net exposure to foreign currency in KES		**961 007 532**	**966 605 312**

Notes to the Annual Financial Statements

Figures in Shillings	2024	2023

24. Financial instruments and risk management (continued)

Interest rate risk

The company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Company

At 31 March 2024, if the interest rate had been 2,000% per annum (2023: 2,000%) higher or lower during the period, with all other variables held constant, profit or loss for the year would have been KES 5 526 721 (2023: KES 3 982 811) lower and KES 5 526 721 (2023: KES 3 982 811) higher.

25. Related parties disclosures

Relationships

Ultimate holding company	Cipla Limited
Holding company	Cipla Medpro South Africa Proprietary Limited
Fellow subsidiaries	Cipla Medpro Manufacturing Proprietary Limited Cipla Medpro Distribution Centre Proprietary Limited Cipla-Medpro Proprietary Limited Cipla-Medpro Proprietary Limited Cipla Quality Chemicals Industries Limited Meditab Holdings Limited Medpro Pharmaceutica Proprietary Limited Mirren Proprietary Limited Actor Proprietary Limited
Members of key management	Joan Wakori Paul Miller Mark Daly Kaustubh Deshpande Catherine Kagai Megha Bhat

Notes to the Annual Financial Statements

Figures in Shillings	2024	2023
25. Related parties disclosures (continued)		
Related party balances		
Loan accounts - Owing by related parties		
Cipla Limited	236 049 499	211 656 224
Loan accounts - Owing to related parties		
Cipla-Medpro Distribution Centre Proprietary Limited	(3 723 292)	(3 980 732)
Medpro Pharmaceutica Proprietary Limited	(375 769 498)	(361 101 973)
Meditab Holdings Limited	(330 000 000)	(331 500 000)
	(709 492 790)	(696 582 705)
Amounts included in Trade Receivables regarding related parties		
Cipla Limited	32 851 104	46 480 502
Related party transactions		
Sales to related parties		
Cipla Quality Chemicals Industries Limited	1 059 142	328 020
Purchases from related parties		
Cipla Limited	230 191 998	156 672 563
	230 191 998	156 672 563
Administration fees paid to (received from) related parties		
Cipla Limited	7 116 325	1 742 099
Medpro Pharmaceutica Proprietary Limited	14 667 525	28 594 585
	21 783 850	30 336 684
Regulatory fees charged to related parties		
Cipla Limited	11 894 648	9 555 401
Commission received from related parties		
Cipla Limited	143 150 971	135 369 042
Compensation to directors and other key management		
Compensation received during the year	54 695 399	43 271 781

26. Commitments

There were no commitments as at 31 March 2024 (2023: KES Nil).

27. Contingencies

During the current year the Kenya Revenue Authorities ("KRA") issued additional assessments as a result of audits carried out. These are as follows:

- Financial year 2018 KRA raised an assessment of KES 49 109 964 with penalities and interest of KES 29 465 978. The company issued a letter of objection on 12 January 2024. Further documents and explanations were requested and an objection decision was issued by KRA on 8 March 2024, whereby the assessment was decreased to KES 31 596 856. The company have lodged an appeal against the full amount as it believes the KRA has no reasonable grounds for its decision.
- Financial year 2021 KRA raised an assessement of KES 21 632 944 with interest of KES 9 085 836. An objection has been raised during March 2024 as the company believes that the KRA has no reasonable grounds for this assessment.
- Denied 2022 Income Tax refund of KES 26 593 801. A notice of appeal has been lodged against this denied refund. As at reporting date the company believes that the KRA has no reasonable grounds to deny this refund. KRA also raised an additional assessement of KES 86 989 818 with interest of KES 18 118 805, An objection has been raised against this during March 2024 as the company believes that the KRA has no reasonable grounds for this assessment.

There were no contingencies during the prior year.

28. Reclassification

Certain comparative figures have been reclassified in order to improve the classification and presentation of the amounts presented in the annual financial statements, as detailed below.

Reclassification of provision for expired stock returns from provisions to contract liabilities

An amount of KES 15 000 000 has been reclassified from provisions to contract liabilites on a prospective basis on the Statement of Financial Position. Refer to notes 21 and 22.

29. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

For the year ended 31 March 2024 the company's total current liabilities exceeded its total current assets by KES 762 884 (2023: total current assets exceeded its total current liabilities by KES 9 206 303). As at 31 March 2024, the company is assessed as solvent with no prospects to discontinuing operations. Significant liability that form part of the current liabilities related to the intercompany loans amounting to KES 709 492 790 (2023: KES 696 582 705), and the fact that continuous support will be provided by group to ensure that the company will continue its operations.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

30. Events after the reporting period

There is no matter or circumstance which is material to the financial affairs of the company, which has occurred between the 31 March 2024 and the date of the approval of the annual financial statements, that has not been otherwise dealt with in the annual financial statements.

InvaGen Pharmaceuticals Inc.

Financial Statements for Financial Year 2023-24

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Independent Auditor's Report

To the Members of InvaGen Pharmaceuticals Inc.

Report on the Audit of the Special Purpose Financial Statements

Opinion

1. We have audited the accompanying special purpose financial statements of **InvaGen Pharmaceuticals Inc.** ('the Company'), which comprise the Statement of Financial Position as at **31 March 2024**, the Statement of Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the special purpose financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Financial Statements gives a true and fair view of financial position of the Company as at 31 March 2024, and its financial performance, its cash flows and the changes in equity for the year then ended in accordance with the IFRS Accounting Standards issued by International Accounting Standards Board ('IASB').

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose 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') and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Special Purpose Financial Statements

4. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the preparation and presentation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the IFRS Accounting Standards issued by IASB. This responsibility also includes maintenance of adequate accounting records 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 special purpose financial statements that, give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the special purpose financial statements, the Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Standards on Auditing 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 Special Purpose Financial Statements.

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

   - Identify and assess the risks of material misstatement of the Special Purpose 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 but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to Special Purpose Financial Statements 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 Board of Directors' 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 Special Purpose 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; and

   - Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

8. 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.

Restriction on distribution and use

9. The accompanying Special Purpose Financial Statements have been prepared by the Company's Board of Directors solely to enable the management of the Cipla Limited, the Ultimate Holding Company, in the preparation of its consolidated financial statements for the year ended 31 March 2024 and accordingly, these Special Purpose Financial Statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCG1509

Place: Mumbai
Date: 7 May 2024

Invagen Pharmaceuticals, Inc.
Statement of Financial Position as at 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	59,649,720	48,415,568
Right of use asset	4.1	8,353,065	5,815,046
Capital work-in-progress	5	18,002,774	3,533,881
Goodwill	6	241,463,469	241,463,469
Intangible assets	7	8,016,643	3,895,948
Intangible assets under development	8	8,600,000	5,483,466
Non-current investment	9	17,645,386	58,500,001
Current tax assets (net)	11	5,352,153	5,597,819
Other long term financial assets	12.1	236,917	212,395
Other non-current assets	12.2	4,653,906	8,679,503
Total non-current assets		**371,974,033**	**381,597,096**
Current assets			
Inventories	13	39,507,326	44,960,006
Trade receivables (net)	14	28,983,859	25,838,714
Cash and cash equivalents	15	2,960,865	4,197,540
Other short term financial assets	16	-	10,065,530
Other current assets	17	1,752,092	1,259,204
Total current assets		**73,204,142**	**86,320,994**
Total assets		**445,178,175**	**467,918,090**
Equity and liabilities			
Equity			
Share capital (including securities premium)	17.1	612,900,100	605,500,100
Retained earnings	17.2	(254,445,451)	(204,392,117)
Total equity		**358,454,649**	**401,107,983**
Non-current liabilities			
Lease liabilities	4.1	7,454,890	5,275,887
Other financial liabilities	18	1,000,000	-
Provision	19	631,119	557,255
Deferred tax liabilities (net)	11	3,351,101	10,066,239
Total non current liabilities		**12,437,110**	**15,899,381**
Current liabilities			
Trade payables	19.1	56,144,806	42,021,978
Lease liabilities	4.1	1,577,629	980,714
Other financial liabilities	20	11,597,672	6,848,333
Other current liabilities	20.1	4,498,415	647,052
Provisions	21	467,894	412,649
Total current liabilities		**74,286,416**	**50,910,726**
Total liabilities		**86,723,526**	**66,810,107**
Total equity and liabilities		**445,178,175**	**467,918,090**

Note 1 to 41 annexed hereto form an intergral part of the special purpose financial statements

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 07 May 2024

For and on behalf of the **Board of Directors**

Deepak Agarwal
Director and Chief Financial Officer

Place: New Jersey
Date: 07 May 2024

Srinivas Mallavarapu
Director

Place: New Jersey
Date: 07 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Invagen Pharmaceuticals, Inc.
Statement of Comprehensive Income for the year ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	Notes	For year ended 31 March 2024	For year ended 31 March 2023
Income			
Revenue from operations	22	139,008,821	169,062,330
Other income	23	21,582,832	3,245,127
		160,591,653	172,307,457
Expenses			
Cost of materials consumed	24	55,057,178	74,007,597
Changes in inventories of finished goods and work-in-process	25	1,779,045	1,448,536
Employee benefit expenses	26	60,846,858	58,925,939
Depreciation, impairment and amortisation expense	27	11,160,184	26,600,269
Other expenses	28	34,853,281	31,500,737
		163,696,546	192,483,078
Operating loss		(3,104,893)	(20,175,621)
Finance costs	29	(395,766)	(290,341)
Finance income	30	188,115	35,379
Loss before exceptional items and tax		(3,312,544)	(20,430,583)
Exceptional item			
Impairment of investment in subsidiaries	31	54,754,614	-
Loss before tax		(58,067,158)	(20,430,583)
Tax expenses			
Current tax	11	(1,298,686)	(3,017,575)
Deferred tax	11	(6,715,138)	(4,689,192)
Total tax expense		(8,013,824)	(7,706,767)
Loss for the year (A)		(50,053,334)	(12,723,816)
Other comprehensive income for the year, net of tax (B)		-	-
Total comprehensive loss for the year, net of tax (A+B)		(50,053,334)	(12,723,816)
Earnings per equity share (nominal value of shares of $ 0.01 each)			
Basic and diluted earnings per ordinary share ($)	32	(485.955)	(123.532)

Note 1 to 41 annexed hereto form an intergral part of the special purpose financial statements

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 07 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Deepak Agarwal
Director and Chief Financial Officer

Place: New Jersey
Date: 07 May 2024

Srinivas Mallavarapu
Director

Place: New Jersey
Date: 07 May 2024

Invagen Pharmaceuticals, Inc.
Cash Flow Statement for the year ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	For year ended 31 March 2024	For year ended 31 March 2023
Cash flow from operating activities		
Loss before tax and exceptional items	(3,312,544)	(20,430,583)
Adjustments to reconcile loss before tax to net cash generated from operating activities		
Depreciation, impairment and amortisation expenses	11,160,184	26,600,269
Provision for expected credit loss	33,002	9,210
Finance cost	395,766	280,341
Dividend income	(19,999,167)	-
Interest income	(99,017)	(35,379)
Interest income on income tax refund	(89,098)	-
Sundry balances written off	(949,266)	(36,814)
Reversal of impairment of investment in associate (Refer Note 10)	(634,399)	(3,208,313)
	(13,494,539)	3,188,731
Changes in operating assets and liabilities		
Decrease in inventories	5,452,680	15,098,450
(Increase) in trade receivables	(3,178,147)	(8,993,342)
Decrease in other assets	38,776,784	468,894
Increase in trade payables	15,072,094	2,664,096
Increase/(decrease) in other liabilities and provisions	1,158,569	(1,036,300)
Cash generated from operating activities before taxes	43,787,461	11,380,529
Taxes (paid)/refunds received (net)	(23,875,352)	570,904
Net cash generated from operating activities	19,912,109	11,951,433
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work in progress, intangible asset under development, capital advances and capital payables)	(33,999,698)	(11,722,349)
Interest received	99,017	35,379
Dividend income	19,999,167	-
Investment in subsidiaries	(13,900,000)	(10,000,000)
Proceeds from sale of investment	634,399	3,208,313
Net cash used in investing activities	(27,167,115)	(18,478,657)
Cash flow from financing activities		
Proceeds from issues of shares	7,400,000	6,000,000
Finance cost paid	-	(25,211)
Interest paid on lease liability	(395,766)	(285,130)
Payment of lease liability	(985,903)	(585,984)
Net cash generated from financing activities	6,018,331	5,123,675
Net decrease in cash and cash equivalents	(1,236,675)	(1,403,549)
Cash and cash equivalents at the beginning of the year	4,197,540	5,601,089
Cash and cash equivalents at the end of the year (Refer Note 15)	2,960,865	4,197,540
Components of cash and cash equivalents		
Balance with banks on current account	2,959,688	4,192,317
Cash on hand	1,177	5,223
Total cash and cash equivalents	2,960,865	4,197,540

Note 1 to 41 annexed hereto form an intergral part of the special purpose financial statements

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner

Membership No: 508835

Place: Mumbai
Date: 07 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Deepak Agarwal
Director and Chief Financial Officer

Place: New Jersey
Date: 07 May 2024

Srinivas Mallavarapu
Director

Place: New Jersey
Date: 07 May 2024

Invagen Pharmaceuticals, Inc.
Statement of Changes in Equity for the year ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	Attributable to equity holders		Total equity
	Authorized Share capital (200 shares of $ 0.01 each)	Other equity	
	Issued capital (103 shares of $ 0.01 each including premium)	Retained earnings	
Balance at 1 April 2022	**599,500,100**	**(191,668,301)**	**407,831,799**
Loss for the year	-	(12,723,816)	(12,723,816)
Capital introduced during the year (Refer note below)	6,000,000	-	6,000,000
Balance at 31 March 2023	**605,500,100**	**(204,392,117)**	**401,107,983**
Loss for the year	-	(50,053,334)	(50,053,334)
Capital introduced during the year (Refer note below)	7,400,000	-	7,400,000
Balance at 31 March 2024	**612,900,100**	**(254,445,451)**	**358,454,649**

Share capital represents the nominal (par) value of shares that have been issued and includes securities premium account which is used to record the premium on issue of shares. This reserves is utilised in accordance with the provision of respective geographical local laws.

Other equity includes retained earnings which represent the Company's undistributed losses.

Note:.
Pursuant to written resolution passed by the board of directors dated 30 August 2023, the Corporation has accepted USD 7,400,000 from Cipla (EU) Limited, parent entity, towards additional paid in capital of the Corporation for onwards capital contribution in Cipla Technologies LLC, USA, wholly owned subsidiary of the Corporation. No additional shares were issued against the aforesaid contribution.
During the previous financial year, pursuant to written resolution passed by the board of directors dated 31 May 2022, the Corporation has accepted USD 6,000,000 from Cipla (EU) Limited, parent entity, towards additional paid in capital of the Corporation for onwards capital contribution in Cipla Technologies LLC, USA, wholly owned subsidiary of the Corporation. No additional shares were issued against aforesaid contribution.

Note 1 to 41 annexed hereto form an intergral part of the special purpose financial statements

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner

Membership No: 508835

Place: Mumbai
Date: 07 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Invagen Pharmaceuticals, Inc. Finance

For and on behalf of the **Board of Directors**

Deepak Agarwal
Director and Chief
Financial Officer

Place: New Jersey
Date: 07 May 2024

Srinivas Mallavarapu
Director

Place: New Jersey
Date: 07 May 2024

1. Corporate Information

InvaGen Pharmaceuticals. Inc. ("Invagen' or 'The Company") is a New York State corporation that was incorporated on November 21, 2003. InvaGen's headquarters are located in Hauppauge, New York. InvaGen is engaged in the manufacturing, marketing and distribution of generic prescriptions medicines. The Company is a direct subsidiary of Cipla (EU) Limited and an indirect subsidiary of Cipla Limited (a public company in India).

2.1 Basis of preparation of Special Purpose financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

They have been prepared under the assumption that the Company operates on a going concern basis.

These financial statements correspond to the classification provisions contained in IAS 1 (revised), "Presentation of Special Purpose Financial Statements". Accounting policies have been applied consistently to all periods presented in these financial statements except where a remission to an existing accounting standard required a change in the accounting policy hereto in use. The Special Purpose financial statements comprise the Statement of Financial Position as of 31 March 2024 with comparative Statement of Financial Position as on 31 March 2023; the Statement of Comprehensive Income; the Statement of Changes in Equity; and the Statement of Cash Flows for the years ended 31 March 2024 with comparatives for the year ended 31 March 2023.

These special purpose financial statements have been prepared by the Company's management solely to enable the management of the Cipla Limited, the Ultimate Holding Company, in the preparation of its consolidated financial statements for the year ended 31 March 2024 and accordingly, these special purpose financial statements may not be suitable for any other purpose.

2.2.1 Basis of measurement

These Special Purpose financial statements have been prepared on accrual basis and under historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

2.2.2 Fuctional and presentation currency

The financial statements of the Company are presented in currency units USD, which is also the functional currency of the Company.

2.3.1 New Standards adopted as at 1 April 2023

Other Standards and amendments that are effective for the first time in the current year and could be applicable to the Company are:

- IFRS 17 'Insurance Contracts'
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

These accounting pronouncements which have become effective from 1 April 2023 and have therefore been adopted do not have a significant impact on the Company's special purpose financial statements.

2.3.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's special purpose financial statements.

Invagen Pharmaceuticals Inc.

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3. Accounting policies and estimates

3.1 Material accounting policy information

3.1.1 Revenue

Revenue arises mainly from the sale of products.

To determine whether to recognise revenue, the Company follows a 5-step process:

a) Identifying the contract with a customer
b) Identifying the performance obligations
c) Determining the transaction price
d) Allocating the transaction price to the performance obligations
e) Recognising revenue when/as performance obligations are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

The Company receives revenue for supply of goods to external customers against orders received. The majority of contracts that the Company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products.

Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation The transaction price of goods sold and services rendered is net of estimated incentives, returns, chargeback, rebates, sales tax and applicable trade discounts, allowances, Indirect Tax and amounts collected on behalf of third parties. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Other Operating income is recognized on accrual basis on performance of services as defined in the contractual terms.

Other Income is recognised on accrual basis.

Interest income is recognized on an accrual basis taking into account the interest rates applicable to the financials assets.

3.1.2 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred. Expenditure for returns is recognised when the Company incurs an obligation, which is typically when the related goods are sold.

3.1.3 **Goodwill**

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment on annual basis.

3.1.4 **Other intangible assets**

(i) Recognition and measurement

Intangible assets such as Computer Software, Product Related Intangibles acquired separately are measured on initial recognition at cost. Internally generated intangibles including research cost are not capitalised and the related expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

(ii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals and registration of products for overseas markets is charged to the profit or loss.

(iii) Amortization

Finite lived intangible assets which are subject to amortisation over the estimated useful life of the assets are as mentioned below:

Description	Expected useful life (years)
Product related intangibles	2-12
Software	3

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognized.

Payments to in-license products and compounds from third parties generally taking the form of up-front payments and milestones are capitalised and amortised, generally on a straight-line basis, over their useful economic lives from when the asset is available for use, not exceeding 15 years.

Intangible assets under development includes cost of software that is under implementation and product related intangibles acquired at the time merger and is not ready for intended use.

(iv) Intangible assets under development

Acquired research and development intangible assets that are under development are recognised as In-Process Research and Development assets ("IPR&D") or Intangible assets under development. IPR&D assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Subsequent expenditure on an In-Process Research or Development project acquired separately or in a business combination and recognised as an intangible asset is:

- recognised as an expense when incurred, if it is research expenditure;
- capitalised if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

3.1.5 **Property, plant and equipment (PPE)**

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. When parts of an item of property, plant and equipment have significant cost in relation to total cost and different useful lives, they are accounted for as separate items of property, plant and equipment. Profits and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized. The costs of repairs and maintenance are recognised in profit or loss as incurred.

Capital work in progress

Capital work-in-progress includes cost of property, plant and equipment that are not ready for their intended use.

Invagen Pharmaceuticals, Inc. Financial

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Depreciation

Depreciation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment.

The following useful lives are used in the calculation of depreciation:

Property, plant and equipment	Expected useful life (years)
Buildings	27
Vehicles	5
Plant and equipment	7 to 15
Computers	5
Furniture and fixtures	7 to 10

Leasehold improvements are amortized over the shorter of the lease term or their useful lives, unless it is reasonably certain that the company will obtain the ownership by the end of the lease term.

3.1.6 Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

3.1.7 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

(i) Company as a lessee

The lease asset classes primarily consist of leases for office spaces and warehouse facilities. The rental contracts for offices are typically negotiated for terms of between 3 and 5 years and some of these have extension terms. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

Some lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices and servicing. The Company has elected to not separate its leases for offices into lease and non-lease components and instead accounts for these contracts as a single lease component. For its other leases, the lease components are split into their lease and non-lease components based on their relative stand-alone prices.

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At lease commencement date, the Company recognises a right-of-use asset and a lease liability in its statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Companywould have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Company.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Company's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of office equipment such as desks, chairs, and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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3.1.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets other than Interest rate swap categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Equity investments

All equity investments are measured at fair value. Equity instruments which are held for trading classified as FVTPL. For all other equity insturments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

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Impairment of non-financial assets and goodwill

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Defined benefit plans

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

Provisions and Liabilities

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances which may be subject to change. In case for which actual cash outflow will take place over more than one year in the future and hence the carrying amounts of provisions and liabilities are regularly reviewed and adjusted to take into account the changing circumstances and other factors that influence the provisions and liabilities.

Leases

IFRS 116 *"Leases"* requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Inventories

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

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3.1.9 Fair value measurements

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3.1.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.1.11 Inventories

Inventories of raw materials and packing materials are valued at cost or net realisable value, after providing for obsolescenence, if any. However, these items are considered to be realisable at cost, if the finished product, in which they will be used are expected to be sold at or above cost.

Inventories of finished goods are valued at cost or net realisable value, whichever is lower. Cost of work-in-process and finished goods include the cost of materials consumed, labour and manufacturing overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Company periodically reviews its inventories to determine whether any inventories have become obsolete or have declined in value, and records a charge to operations for known and estimated inventory obsolescence. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

3.1.12 Share capital

Share capital represents the nominal (par) value of shares that have been issued. Other components of equity include retained earnings includes all current and prior period retained profits.

3.1.13 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.
For the purpose of these Special Purpose financial statements, provision for tax is arrived at by considering the consolidated profit and loss for the reporting period, since for the income tax assessment of the USA operations i.e Invagen Pharmaceuticals, Inc., Cipla USA, Inc., Cipla Technologies LLC (now merged with Cipla USA Inc.) Exelan Pharmaceuticals, Inc. and Madison Pharmaceutical Inc. (dissolved w.e.f. 28 April 2023) is assessed as single assessee under Internal Revenue Service.

Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Though the Company has considered all these issues in estimating its income taxes, there could be an unfavourable resolution of such issues that may affect results of the Company's operations.

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Deferred income Tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for all deductible and taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amount in Special Purpose financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of transaction.

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

Deferred income tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The Company recognizes deferred tax liabilities for all taxable temporary differences except those associated with the investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

3.1.14 Employee benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

The Company has a 401(k) plan that provides defined contribution retirement benefits for all the employees. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the Internal Revenue Code. The Company's contributions to the plan are at the discretion of the Board.

Obligations for contributions to 401(k) plan are recognized as an employee benefit expense in profit or loss as incurred.

ii. Compensated absences

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the statement of profit or loss in the period in which they occur.

3.1.15 Provisions and other payables

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required from the Company and a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in statement of profit or loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary. Other payables are stated at their nominal value.

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3.1.16 Provisions, contingent assets and contingent liabilities

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

3.1.17 Research and development

Expenses on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in profit or loss.

Development activities involve a plan or design for the production of new or substantially improved products. Development expenditures is capitalised only if development costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Development expenditure, not meeting the aforementioned criteria is recognised in profit or loss as incurred. The expenditure capitalised includes the cost of materials and other costs directly attributable to preparing the asset for its intended use.

Payments to in-license products and compounds from third parties generally taking the form of up-front payments and milestones are capitalised and amortised, generally on a straight-line basis, over their useful economic lives from when the asset is available for use, not exceeding 15 years.

3.1.18 Use of judgement and estimates

The preparation of Special Purpose financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the Special Purpose financial statements is included in the following notes:

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Valuation of investment in subsidiaries and associates

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequent measurement

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

• there is an economic relationship between the hedged item and the hedging instrument
• the effect of credit risk does not dominate the value changes that result from that economic relationship
• the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

The Company has designated interest rate swap contracts as hedging instruments in cash flow hedge relationships. These arrangements have been entered into to mitigate interest rate risk arising from variable rate borrowings.

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4. Property, plant and equipment

Particulars	Freehold land	Buildings	Lease Hold Improvements	Plant and equipment	Computers	Furniture and Fixtures	Vehicles	Total
Gross carrying value								
At 1 April 2022	1,072,000	19,514,864	21,113,218	51,832,729	1,940,820	1,624,637	146,208	97,244,476
Additions	-	3,607,271	-	3,449,468	104,473	83,799	-	7,245,011
Disposals	-	-	-	-	-	-	-	-
At 31 March 2023	1,072,000	23,122,135	21,113,218	55,282,197	2,045,293	1,708,436	146,208	104,489,487
Additions	-	7,105,264	627,844	10,968,689	794,409	112,961	11,360	19,620,527
Disposals	-	-	-	(53,734)	-	-	-	(53,734)
At 31 March 2024	1,072,000	30,227,399	21,741,062	66,197,152	2,839,702	1,821,397	157,568	124,056,280
Accumulated depreciation								
At 1 April 2022	-	3,917,870	10,533,317	31,818,796	1,253,259	765,289	146,208	48,434,739
Charge for the year	-	594,954	852,110	5,725,312	286,828	179,976	-	7,639,180
Disposals	-	-	-	-	-	-	-	-
At 31 March 2023	-	4,512,824	11,385,427	37,544,108	1,540,087	945,265	146,208	56,073,919
Charge for the year	-	722,779	852,621	5,956,829	238,264	180,053	2,086	7,952,632
Disposals	-	-	-	(53,734)	-	-	-	(53,734)
Impairment (refer note below)	-	-	-	411,399	4,975	17,369	-	433,743
At 31 March 2024	-	5,235,603	12,238,048	43,858,602	1,783,326	1,142,687	148,294	64,406,560
Net carrying value								
At 31 March 2023	1,072,000	18,609,311	9,727,791	17,738,089	505,206	763,171	-	48,415,568
At 31 March 2024	1,072,000	24,991,796	9,503,014	22,338,550	1,056,376	678,710	9,274	59,649,720

Note: During the year ended, physical veification of tangible assets was carried out and on the basis of physical verification report, impairment of USD 433,743 was taken on tangible assets.

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4.1 Leases

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2024:

Particulars	Category of ROU assets	
	Building	Total
Gross carrying value		
At 1 April 2022	6,956,454	6,956,454
Additions	792,232	792,232
Disposals	-	-
At 31 March 2023	7,748,686	7,748,686
Additions	3,761,821	3,761,821
Disposals	-	-
At 31 March 2024	11,510,507	11,510,507
Accumulated depreciation		
At 1 April 2022	1,196,015	1,196,015
Charge for the year	710,655	710,655
Adjustments	26,970	26,970
Disposals	-	-
At 31 March 2023	1,933,640	1,933,640
Charge for the year	1,223,802	1,223,802
Disposals	-	-
At 31 March 2024	3,157,442	3,157,442
Net carrying value		
At 31 March 2023	5,815,046	5,815,046
At 31 March 2024	8,353,065	8,353,065

The weighted average incremental borrowing rate applied to lease liabilities is 4.5% (previous year 4.5%)

The following is the break-up of current and non-current lease liabilities as of 31 March 2024 and 31 March 2023:

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease liabilities	1,577,629	980,714
Non-current lease liabilities	7,454,890	5,275,887
Total	9,032,519	6,256,601

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The following is the movement in lease liabilities during the year ended 31 March 2024:

Particulars	Amount
Balance as of 1 April 2022	6,050,353
Lease liability recognised in the current year	792,232
Interest cost on lease liability	265,130
Payment of lease liabilities	851,114
Balance as at 31 March 2023	6,256,601
Lease liability recognised in the current year	3,761,821
Interest cost on lease liability	395,766
Payment of lease liabilities	1,381,669
Balance as at 31 March 2024	9,032,519

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2024 on an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	1,613,540	1,001,333
One to five years	6,654,448	4,157,486
More than five years	2,232,747	2,159,317
Total	10,500,735	7,318,136
Less: Finance component	(1,468,216)	(1,061,535)
Total	9,032,519	6,256,601

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Lease expense recorded for short-term leases was USD 293,908 for the year ended 31 March 2024 (March 2023 - USD 261,807), as the company has elected not to a recognised a lease liability for short term leases or for lease of low value assets, payments under such leases are expensed on straight line basis.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of comprehensive income.

5. Capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	3,533,881	2,102,942
Add: Additions during the year	33,985,994	8,675,950
Add: Impairment reversal (Net) during the year (refer note 27)	103,426	-
Less: Capitalised during the year	(19,620,527)	(7,245,011)
Closing balance	18,002,774	3,533,881

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6. Goodwill

Particulars	As at 31 March 2024	As at 31 March 2023
Gross Carrying value - opening	241,463,469	241,463,469
Gross Carrying value - closing	241,463,469	241,463,469

The goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using pre-tax Budgeted EBITDA projections of the next 5 years and the Terminal Value at the end of the 5 year which is considered by the Management as a reasonable period.

These assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external/internal sources of information.

Key assumptions on which the Company has based its determination of value in use (VIU) include

(a) Estimated cash flows for five years based on approved internal management budgets with extrapolation for the remaining period, wherever such budgets were shorter than five years period. The Company projected revenue, operating margins and cash flows for a period of five years, and applied a perpetual long-term growth rate thereafter. In arriving at its forecasts, the Company considered past experience, economic trends and inflation as well as industry and market trends. The projections also took into account factors such as the expected impact from new products and expansion from existing clients businesses and efficiency initiatives, and the maturity of the markets in which each business operates.

(b) Terminal value arrived by extrapolating last forecasted year cash flows to perpetuity using constant long-term growth rate of 2% (previous year 0%). This long-term growth rates take into consideration external macro-economic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.

(c) The discount rates used 12% (31 March 2023: 12.5%) are based on weighted average cost of capital of a comparable market participant, which are adjusted for specific country risks.
During the year, the testing did not result in any impairment in the carrying amount of goodwill. Further, the Company believes that any reasonably possible change in key assumption on which recoverable amounts based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of each cash-generating unit.

(d) **Sensitivity:** Reasonable sensitivities in key assumptions consequent to the change in estimated growth rate and discount rate is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

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7. Intangible assets

Particulars	Software	Product marketing rights	Total
Gross carrying value			
At 1 April 2022	632,963	245,128,560	245,761,523
Additions	88,331	-	88,331
At 31 March 2023	721,294	245,128,560	245,849,854
Additions	290,662	5,483,466	5,774,128
At 31 March 2024	1,011,956	250,612,026	251,623,982
Accumulated impairment and amortisation			
At 1 April 2022	527,443	223,904,348	224,431,791
Charge for the year	76,406	13,742,830	13,819,236
Impairment (refer note 27)	-	3,702,879	3,702,879
At 31 March 2023	603,849	241,350,057	241,953,906
Charge for the year	89,535	1,563,898	1,653,433
At 31 March 2024	693,384	242,913,955	243,607,339
Net carrying value			
At 31 March 2023	117,445	3,778,503	3,895,948
At 31 March 2024	318,572	7,698,071	8,016,643

8. Intangible assets under development

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	5,483,466	6,211,785
Add: Additions during the year	8,600,000	-
Less: Capitalised during the year	(5,483,466)	-
Less: Impairment (Refer note 27)	-	(728,319)
Closing balance	8,600,000	5,483,466

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9. **Non current investments**

Particulars	As at 31 March 2024	As at 31 March 2023
Investments valued at cost		
Investment in equity shares of subsidiaries (unquoted)		
Exelan Pharmaceuticals, Inc. (500,000 shares of USD 1 each)	500,000	500,000
Cipla USA, Inc. (refer Note below)	13,490,378	2,400,000
Madison Pharmaceuticals Inc. (100 shares of USD 0.0001 each)	-	1
Cipla Technologies LLC (refer Note below) *#	-	47,100,000
Cipla Therapeutics LLC ((100 shares of USD 0.01 each) (refer Note 10)*	3,655,008	8,500,000
	17,645,386	58,500,001
Aggregate book value of unquoted investments	17,645,386	58,500,001
*Aggregate value of impairment (net)	54,754,614	-

Note: Pursuant to Title 8, Section 264(c) of the Delaware General Corporation Law and Title 6, Section 18-209 of the Delaware Limited Liability Company Act, subsidiaries of the Company, Cipla USA Inc and Cipla Technologies LLC executed the Certificate of Merger, wherein Cipla Technologies LLC merged with and into Cipla USA Inc, effective 31 March 2024.

Investments in Cipla Technologies LLC are not demonstrated in number of shares.

Movement in Investment made in Cipla Technologies LLC during the current year	
Opening balance	47,100,000
Additional investment made during the year	7,400,000
Impairment charged during the year (refer note 31)	(43,409,622)
Transfer of investment balance to Cipla USA Inc. on account of merger	(11,090,378)
Closing balance	-

10 The Company pursuant to resolution passed by its board of directors has invested in its wholly owned subsidiary Cipla Therapeutics LLC, USA by way of contribution to capital. Below is the list of capital contribution made by Company during the-year.

Date of Contribution	For the year ended March 2024	For the year ended March 2023
May 18, 2023	1,000,000	-
June 22, 2023	2,500,000	-
October 31, 2023	500,000	-
December 5, 2023	500,000	-
January 26, 2024	1,000,000	-
March 29, 2024	1,000,000	-
May 2, 2022	-	1,000,000
June 28, 2022	-	1,000,000
October 12, 2022	-	1,000,000
February 9, 2023	-	1,000,000
	6,500,000	4,000,000

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11. Current tax assets (net)

a) The major components of tax expenses for the year ended:

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax assets (net of provision)	5,352,153	5,597,819
	5,352,153	5,597,819

b) Deferred tax liabilities (net)

Particulars	1 April 23	Recognized in Statement of profit and loss	Recognized in Other Comprehensive Income	31 March 24
Deferred tax assets (Gross)				
Provision for inventories	144,972	320,627	-	465,599
Provision for employee benefits	630,760	233,508	-	864,268
Allowance for expected credit loss	6,238	7,217	-	13,455
R&D Expenses	1,220,548	2,944,060	-	4,164,608
Others	(1,197,376)	(1,386,536)	-	(2,583,912)
	805,142	2,118,876	-	2,924,018
Deferred tax liabilities (Gross)				
Depreciation, impairment and amortization expenses	10,871,381	(4,596,262)	-	6,275,119
	10,871,381	(4,596,262)	-	6,275,119
Deferred tax liabilities (net)	10,066,239	(6,715,138)	-	3,351,101

Particulars	1 April 22	Recognized in Statement of profit and loss	Recognized in Other Comprehensive Income	31 March 23
Deferred tax assets (Gross)				
Provision for inventories	390,390	(245,418)	-	144,972
Provision for employee benefits	795,162	(164,402)	-	630,760
Allowance for expected credit loss	4,153	2,085	-	6,238
R&D Expenses	-	1,220,548		1,220,548
Others	149,105	(1,346,481)	-	(1,197,376)
	1,338,810	(533,668)	-	805,142
Deferred tax liabilities (Gross)				
Depreciation, impairment and amortization expenses	16,094,241	(5,222,860)	-	10,871,381
	16,094,241	(5,222,860)	-	10,871,381
Deferred tax liabilities (net)	14,755,431	(4,689,192)	-	10,066,239

c) Income tax expense reported in profit or loss

Particulars	As at 31 March 2024	As at 31 March 2023
Current taxes	(1,298,686)	(3,017,575)
Deferred taxes	(6,715,138)	(4,689,192)
	(8,013,824)	(7,706,767)

d) Income tax (income)/expense reported in other comprehensive income

Particulars	As at 31 March 2024	As at 31 March 2023
Tax income/(expense)	-	-
	-	-

e) Reconciliation of effective tax rate

Particulars	As at 31 March 2024	As at 31 March 2023
Loss before tax	(58,067,158)	(20,430,583)
Applicable income tax on profit at respective locations applicable tax rates	24.00%	24.83%
Tax at enacted rate	(13,936,118)	(5,072,914)
Reconciliation		
Tax on permanent differences		
Tax on dividend received deduction	(132,536)	(56,620)
Impairment of investment in affiliates	(4,199,825)	-
Difference in current and deferred tax rates for the year	11,365,245	(718,795)
Research and development cess utilised	(1,188,246)	(628,201)
Others	(500,000)	(500,000)
	577,656	(730,237)
Effective tax rate	(8,013,824)	(7,706,767)
	13.80%	37.72%

f) Unabsorbed capital loss on which deferred tax has not been recognised 31 March 2024 : 31,158,039 31,791,687
(There being no reasonable certainty for the Company to utilize such capital losses in the foreseeable future, and hence no deferred tax asset has been created on such capital losses)

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	Particulars	As at 31 March 2024	As at 31 March 2023
12.1	Other long term financial assets		
	Security deposits	236,917	212,395
		236,917	212,395
12.2	Other non-current assets		
	Capital advances	4,653,906	8,679,503
		4,653,906	8,679,503
13.	Inventories *		
	Raw materials and packing materials #	28,008,679	29,682,314
	Work-in-progress	12,338,273	11,313,696
	Finished goods	1,160,374	3,963,998
		39,507,326	44,960,008

*The Company recorded inventory written down (net) of USD 9,432,225 (31 March 2023 - USD 6,828,257). This is included as part of cost of material consumed and changes in inventories of finished goods and work-in-progres in the statement of comprehensive income.

Closing inventory consist of goods in transit of USD 1,652,058 (31 March 2023 - USD 1,966,027).

14	Trade receivables		
	Trade receivables	29,044,576	25,886,429
	Provision for expected credit loss	(60,717)	(27,715)
		28,983,859	25,858,714

* Inclusive of receivable of from related parties as on 31 March 2024 and 31 March 2023 of $ 28,283,410 and $ 24,330,596 respectively. (Refer Note - 35)

Generally have a credit period of approximately 60 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure.

	Provision for expected credit loss:		
	Opening balance	27,715	18,505
	Add: Provision during the year	33,002	9,210
	Closing balance	60,717	27,715
15.	Cash and cash equivalent		
	Balances with banks:		
	On current accounts	2,959,688	4,192,317
	Cash on hand	1,177	5,223
		2,960,865	4,197,540
16	Other short term financial asset		
	Inter-company receivables (Refer note 35)	-	10,065,530
		-	10,065,530
17	Other current assets		
	Prepaid expenses	1,177,184	1,052,712
	Other advances	574,908	206,492
		1,752,092	1,259,204

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Notes to the special purpose financial statements as at and for the year ended 31 March 2024
(Amounts expressed in USD, unless otherwise stated)

Note 17.1: Share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of USD 0.01 each	200	2	200	2
Total	200	2	200	2
Issued, subscribed and fully paid up				
Equity shares of USD 0.01 each	103	612,900,100	103	605,500,100
Total	103	612,900,100	103	605,500,100

a) **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**

Balance at the beginning of the year	103	605,500,100	103	599,500,100
Add: Shares issued during the year	-	-	-	-
Add: Paid in capital introduced during the year	-	7,400,000	-	6,000,000
Balance at the end of the year	103	612,900,100	103	605,500,100

b) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of USD 0.01 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, 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 shareholders.

c) **Details of shareholders holding more than 5% of shares and promoter shareholding.**

c) (i) **Equity shares**

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number	% Shareholding	Number	% Shareholding
Cipla (EU) Limited	103	100%	103	100%

c) (ii) **Details of shares held by promoters in the Company**

Particulars	As at 31 March 2024		As at 31 March 2023		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Cipla (EU) Limited	103	100.00%	103	100.00%	0.00%

Particulars	As at 31 March 2023		As at 31 March 2022		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Cipla (EU) Limited	103	100.00%	103	100.00%	0.00%

Note 17.2: Retained Earnings (refer statement of changes in equity for movement)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	(204,392,117)	(191,668,301)
Loss for the year	(50,053,334)	(12,723,816)
	(254,445,451)	(204,392,117)

Nature and purpose of reserve:-

Retained earnings : Retained earnings represent the Company's undistributed profits.

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	Particulars	As at 31 March 2024	As at 31 March 2023
18.	**Other financial liabilities- non current**		
	Consideration - non current	1,000,000	-
		1,000,000	**-**
19.	**Provisions- non current**		
	Compensated absences	631,119	557,255
		631,119	**557,255**
19.1	**Trade payables**		
	Trade payables	24,055,955	18,244,084
	Payable to related parties (Refer note 35)	32,088,851	23,777,894
		56,144,806	**42,021,978**
20.	**Other financial liabilities**		
	Inter-company payable (net) (Refer note 35)	7,437,033	3,689,569
	Statutory liabilities	76,147	-
	Employee related liabilities	4,084,492	3,158,764
		11,597,672	**6,848,333**
20.1	**Other current liabilities**		
	Capital payables	4,498,415	647,052
		4,498,415	**647,052**
21.	**Provisions - current**		
	Employee related liabilities	467,894	412,649
		467,894	**412,649**

Compensated absences
The compensated absences cover the Company's liability for earned leave. The amount of the provision of USD 467,894 (31 March 2023 – USD 412,649) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

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Particulars	For year ended 31 March 2024	For year ended 31 March 2023
22 Revenue from operations		
Revenue from sale of products	123,774,583	168,337,330
Other operating income		
Service income	15,234,238	-
Sale of ANDA	-	725,000
	139,008,821	169,062,330
Note on contracted sale		
Sale	123,784,529	168,371,894
Less: Discounts	(9,946)	(34,564)
(i) Disaggregation of revenue :	123,774,583	168,337,330
a) The following table gives details in respect of sales made to related party and non related party		
Sales to related party	122,121,825	163,491,461
Sales to non - related party	1,652,758	4,845,869
	123,774,583	168,337,330
b) The following table gives details in respect percentage of revenues generated from top customer and top five customers -		
Revenue from a top customer	61%	49%
Revenue from top five customers	99%	99%
23. Other income		
Reversal of impairment loss on investement in associate (refer note 1 below)	634,399	3,208,313
Sundry balance write-back (net)	949,266	36,814
Dividend income (refer note 2 below and note 35)	19,999,167	-
	21,582,832	3,245,127

Note 1: The Company had entered into Share Repurchase Agreement with Avenue and Fortress Biotech, Inc., for sale of 25.93% of equity stake held in Avenue. Based on the agreement, the Company received USD 3,000,000 on 11 October 2022 as an upfront fee for entire stake sale and additionally USD 206,313 on 3 February 2023, USD 290,882 on 14 November 2023 and USD 343,517 on 12 January 2024 as a contingent fee, payable in the form of seven and a half percent (7.5%) of the proceeds of future financings, up to USD 4,000,000. Accordingly, the impairment loss recorded earlier has been reversed in the current and previous year and included under "other income" as reversal of impairment of investment in associate.

Note 2: The Company has received an interim dividend of USD 19,999,167 from Cipla USA Inc during the current year (31 March 2023: Nil).

24. Cost of materials consumed		
Opening stock	29,682,314	43,332,228
Add: Purchases	51,383,543	60,357,683
Less: Closing stock	(26,008,679)	(29,682,314)
Cost of materials consumed	55,057,178	74,007,597
25. Changes in inventories of finished goods and work-in-process		
Opening stock		
Work-in-process	11,313,696	11,907,110
Finished goods	3,963,996	4,819,118
Closing stock		
Work-in-process	12,338,273	11,313,696
Finished goods	1,160,374	3,963,996
	1,779,045	1,448,536
26. Employee benefit expenses		
Salaries and wages	54,736,051	53,170,527
Contribution for 401k fund (Refer note below)	1,622,178	1,535,424
Staff welfare expenses	4,488,629	4,219,988
	60,846,858	58,925,939

The Company maintains a 401K plan pursuant to which employees may make contributions which are not to be exceed statutory limits. Employer matching contributions are equal to employee contributions. For the year ended 31 March 2024 and 31 March 2023, the Company made matching contribution of USD 1,622,178 and USD 1,535,424 respectively.

Invagen Pharmaceuticals Inc. Director

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Particulars	For year ended 31 March 2024	For year ended 31 March 2023
27. Depreciation, impairment and amortisation expense		
Depreciation on property,plant and equipment (Refer note 4)	7,952,632	7,639,180
Impairment on property, plant and equipment and CWIP (net) (Refer note 4 and 5) #	330,317	-
Depreciation on right-of-use asset (Refer note 4.1)	1,223,802	710,655
Impairment on intangible assets (Refer note 7)*	-	3,702,879
Impairment on intangible assets under development (Refer note 8)*	-	728,319
Amortisation on intangible assets (Refer note 7)	1,653,433	13,819,236
	11,160,184	26,600,269

During the year ended, physical verification of tangible assets was carried out and on the basis of physical verification report, impairment of $ 433,743 was taken on tangible assets, which has been offset by impairment reversal on CWIP during the current year amounting to USD 103,426 (refer note 5)

* During the previous year ended 31 March 2023, due to the uncertain regulatory developments and litigations for certain intangible assets and intangible assets under development on the existing and IP R&D portfolio relating to US generics business, the Company recorded an impairment charge of USD 4,431,198.

28. Other expenses		
Contract manufacturing expenses	5,367,493	6,277,092
Stores, spares and consumables	2,670,789	2,561,349
Repairs and maintenance - plant and machinery	4,080,037	2,667,864
Garbage removal	1,331,592	1,000,455
Insurance premium	2,555,180	1,669,178
Rent [Refer note 4.1]	293,908	261,807
Freight and forwarding	275,117	219,703
Rates and taxes	1,602,268	1,344,445
Power, fuel and water charges	2,429,650	3,180,242
Uniform expenses	631,853	751,724
Postage and telephone expenses	355,967	274,222
Travelling and conveyance	473,522	293,007
Lab expenses	2,767,585	1,871,031
Professional fees	4,338,509	3,462,796
Audit fees	239,455	245,207
Directors' fee	31,500	52,500
Research and development	874,571	1,700,342
Provision of expected credit loss	33,002	9,210
Miscellaneous expenses	3,218,333	2,441,504
License and permits	1,200,096	1,025,480
Dues and subscriptions	82,854	191,579
	34,853,281	31,500,737
29. Finance costs		
Interest cost on lease liability	395,766	265,130
Other finance charges	-	25,211
	395,766	290,341
30. Finance income		
Interest income	99,017	35,379
Interest income on income tax refund	89,098	-
	188,115	35,379
31. Exceptional item		
Impairment of investment in subsidiaries*	54,754,614	-
	54,754,614	-

* During the year, on 6th January, 2024, Cipla Technologies, LLC, (now merged with the Cipla USA Inc, a wholly owned subsidiary of the Company), completed an amendment to the agreement for the development and commercialization of Pulmazole with Pulmatrix Inc. and agreed to terminate the Phase 2b clinical trials for development of Pulmazole and obtain exclusive rights for the development and commercialisation of Pulmazole in all countries except United States of America. Accordingly, investment in Cipla Technologies LLC has been impaired by USD 43,409,622 during the current year. Further, based on business plans and future projections, an impairment of USD 11,344,992 has been recorded in the current year for investment in Cipla Therapeutics LLC.

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32. **Earnings per share (EPS)**

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table sets forth the computation of basic and diluted earnings per share. Since there are no dilutive potential equity shares the basic and diluted EPS are the same.

Particulars	For year ended 31 March 2024	For year ended 31 March 2023
Loss after tax attributable to ordinary shareholders	(50,053,334)	(12,723,816)
Weighted average number of equity shares for basic and diluted earnings per share	103.00	103.00
Basic and diluted earnings per ordinary share ($)	(485,955)	(123,532)

33. **Contingencies, guarantees and commitments**

a) There are legal and patent related claims brought against the Company during the year.
b) Management considers these claims to be unjustified and the probability that they will require settlement at the Company's expense to be remote.

Commitment	31 March 24	31 March 23
Estimated amount of contracts unexecuted on capital account	28,088,363	8,334,474
	28,088,363	8,334,474

34. **Segment Information**

The Company is organised based on the nature of the services provided and there is only single reportable segment i.e. Manufacturing of Pharmaceuticals products. The operating segment monitored by the Company's Chief Operating decision maker and strategic decisions are made on the basis. The Company Chief Executive Officer has been identified as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the Company's performance and allocates resources based on revenue growth.

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35. Related party

Related parties with whom the Company has transacted during the year

A. Ultimate holding company
1. Cipla Limited, India

B. Intermediate holding company
1. Cipla (EU) Limited, United Kingdom

C. Subsidiary companies
1. Cipla USA, Inc.
2. Exelan Pharmaceuticals Inc.
3. Cipla Technologies LLC (merged with Cipla USA, Inc.)
4. Cipla Therapeutics Inc.

D. Fellow subsidiary
1. Sitec Labs Limited
2. Cipla (China) Pharmaceutical Co., Ltd

E. Key managerial personnel
Mr. Robert Stewart - Independent Director
Mr. Deepak Agarwal - Chief financial officer (North America)
Mr. Arunesh Verma - Director and Chief Executive Officer
Mr. Umang Vohra - Group CEO
Mr. Vaibhav Kukreja- Treasury and Secretary (upto October 2022)
Mr. Rohit Mehta - Treasury and Secretary (upto July 2023)
Mr. Anup Dad - Treasury and Secretary (joined w.e.f. July 2023)

Summary of transactions with related parties during the year

Name of party and nature of transaction	31 March, 2024	31 March, 2023
Cipla USA Inc.		
Sale of goods	47,918,711	81,967,609
Service income	15,234,238	-
Expenses incurred on behalf of the Company	1,353,876	1,916,507
Expenses incurred on behalf of Cipla USA Inc.	25,759,144	18,497,835
Dividend income	19,999,167	-
Cipla Technologies LLC		
Investment in subsidiaries	7,400,000	6,000,000
Cipla Limited		
Purchase of raw material	2,440,154	516,180
Purchase of machinery	850,339	1,345,511
Expenses incurred on behalf of the Company	453,565	261,956
Receipt of Service	202,686	38,621
Expenses incurred on behalf of Cipla Limited	1,331,522	-
Sale of raw material	148,045	1,360,673
Exelan Pharmaceuticals Inc., USA		
Sale of goods	74,159,397	80,163,179
Sale return of goods	104,326	-
Expenses incurred on behalf of Exelan Pharmceuticals Inc.	7,838,601	-
Expenses incurred on behalf of the Company	627,350	1,261,328
Cipla Therapeutics Inc.		
Investment in subsidiaries	6,500,000	4,000,000
Expenses incurred on behalf of Cipla Thearpeutics Inc.	-	50,840
Cipla (EU) Limited		
Capital introduced during the year	7,400,000	6,000,000
Cipla (China) Pharmaceutical Co., Ltd		
Receipt of Lab testing services	-	93,526
Sitec Labs Private Limited		
R&D expenses incurred on behalf on the Company	290,271	268,805
Remuneration to Key Managerial Personnel		
Mr. Umang Vohra	137,349	231,983
Mr. Vaibhav Kukreja	-	173,600
Mr. Rohit Mehta	108,636	10,625
Mr. Anup Dad	93,723	-
Sitting fee paid to Directors		
Mr. Robert Stewart	42,000	52,500

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35. Related party(contd.)

Name of party and nature of balances	31 March, 2024	31 March, 2023
Cipla USA, Inc.		
Trade payables	31,388,575	23,027,171
Other receivables	-	1,863,868
Other payables	13,497,671	3,689,569
Cipla Limited		
Trade payables	651,055	503,182
Trade receivables	1,561,511	390,744
Exelan Pharmaceuticals Inc., USA		
Trade receivables	26,721,899	23,939,852
Other receivables	6,058,606	8,199,634
Cipla Therapeutics Inc.		
Other receivables	2,032	2,032
Sitec Labs Private Limited		
Trade payables	49,221	245,509

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36. Fair value measurement of financial instruments

a) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value		Fair value (Level 3 except as shown above)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Trade receivables	28,983,859	25,838,714	28,983,859	25,838,714
Security deposit	236,917	212,395	236,917	212,395
Intercompany receivables	-	10,065,530	-	10,065,530
Investments	17,645,386	58,500,001	17,645,386	58,500,001
Cash and cash equivalents	2,960,865	4,197,540	2,960,865	4,197,540
Total	49,827,027	98,814,180	49,827,027	98,814,180
Trade payables	56,144,806	42,021,978	56,144,806	42,021,978
Other current liabilities	11,597,672	6,848,333	11,597,672	6,848,333
Lease liabilities	9,032,519	6,256,601	9,032,519	6,256,601
Total	76,774,997	55,126,912	76,774,997	55,126,912

Carrying amounts of financials assets and liabilities as at 31 March 2024 and 31 March 2023 is approximately equal to the fair value because of their short-term nature.

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Invagen Pharmaceuticals

37. Financial risk management objectives and policies

Financial risk factors

The Company activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk - interest rate risk and foreign currency risk. The company has no hedging /Option/SWAP or variable interest rate exposure resulting in no interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company has no borrowings during the financial years 2023-24 and 2022-23 and hence the Company is not exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of change in foreign exchange rate. The Company evaluates exchange rate exposure arising from foreign currency transactions.

Most of the Company's transactions are carried out in USD which is also the Company's functional currency, hence the Company is not exposed to foreign currency risks.

b) Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, security deposits etc. the Company maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below

Particulars	As at 31 March 2024	As at 31 March 2023
Classes of financial assets-carrying amounts:		
Trade receivables	28,983,659	25,836,714
Cash and cash equivalent	2,960,865	4,197,540
Security deposit	236,917	212,395
Intercompany receivables	-	10,065,530
	32,181,441	40,314,179

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, loan and other financial assets the Company is not exposed to any significant credit risk as these comprises majorly recoverable from related parties. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Invagen Pharmaceuticals, Inc.

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Trade receivable that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, were past due or impaired as at 31 March 2024. Of the total trade receivables, USD 24,105,323 and USD 18,469,081 as at 31 March 2024 and 2023 consisted of customer balances which were neither past due nor impaired.

Trade receivable that are past due but impaired

The Company's credit period for customers generally ranges from 30 – 60 days. The age analysis of the trade receivables has been considered from the due date of the invoice. The ageing of trade receivables that are past due, net of allowance for doubtful receivables, is given below.

Particulars	As at 31 March 2024	As at 31 March 2023
Not Due	24,105,323	18,469,081
Due 1-90 days	3,076,997	6,266,967
Due 91-180 days	1,414,850	224,342
Due 181-365 days	261,188	719,119
Due over 365 days	186,188	166,920
Total	29,044,576	25,868,429
Less : Provision for expected credit loss	(60,717)	(27,715)
Trade receivables	28,983,859	25,838,714

Movement for provision for expected credit loss

Particulars	Amount
As at 1 April 2022	18,505
Provided during the year	9,210
Reversal of provision during the year	-
As at 31 March 2023	27,715
Provided during the year	33,002
As at 31 March 2024	60,717

c) Liquidity risk analysis

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. As of 31 March 2024 and 31 March 2023, the Company had working capital of USD (1,082,273) and USD 35,410,268 respectively. Based on projected cash flows, the Company has sufficient resources to meet the capital expenditure needs and working capital requirements over the course of the next 12 months.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 March 2024

Particulars	<1yr	1-5 yrs.	>5 yrs.	Total
Trade payables	56,144,806	-	-	56,144,806
Other current liabilities	11,597,672	-	-	11,597,672
Lease liabilities	1,613,540	6,654,448	2,232,747	10,500,735
	69,356,018	6,654,448	2,232,747	78,243,213

As at 31 March 2023

Particulars	<1yr	1-5 yrs.	>5 yrs.	Total
Trade payables	42,021,978	-	-	42,021,978
Other current liabilities	6,848,333	-	-	6,848,333
Lease liabilities	1,001,333	4,157,486	2,159,317	7,318,136
	49,871,644	4,157,486	2,159,317	56,188,447

Invagen Pharmaceuticals, Inc.

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38. Capital management

The Company's objectives while managing capital are to safeguard its ability to continue as a going concern and to provide adequate returns for its shareholders and benefits for other stakeholders. The Company's policy is generally to maximize (optimise) borrowings at an operating Company level, on a non-recourse basis, within an acceptable level of debt. Equity funding for existing operations or new acquisitions is raised centrally, first from excess cash and then from new borrowings while retaining an an acceptable level of debt for the Company. The Company's policy is to borrow using a mixture of long-term and short-term debts from both local financial markets as well as Holding Company together with cash generated to meet anticipated funding requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total Capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents and short-term deposits.

Capital includes equity attributable to the equity holders of the parent.

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liability	9,032,519	6,256,601
Less: Cash and cash equivalents	(2,960,865)	(4,197,540)
Net debt	6,071,654	2,059,061
Equity	356,454,649	401,107,983
Total equity	6,071,654	2,059,061
As percentage of total equity	364,526,303	403,167,044
	1.7%	0.5%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

39. Net debt reconciliation

Particulars	For year ended 31 March 2024	For year ended 31 March 2023
Lease liability	9,032,519	6,256,601
Cash and cash equivalents	(2,960,865)	(4,197,540)
Total	6,071,654	2,059,061

Particulars	Lease liability	Cash and cash equivalents	Total
Net debt as at 1 April 2022	6,050,353	(5,601,089)	449,264
Lease liability recognised during the year	792,232	-	792,232
Cash flows	(851,114)	1,403,649	552,535
Finance cost	265,130	-	265,130
Net debt as at 31 March 2023	6,256,601	(4,197,540)	2,059,061
Lease liability recognised during the year	3,761,821	-	3,761,821
Cash flows	(1,381,669)	1,236,675	(144,994)
Finance cost	395,766	-	395,766
Net debt as at 31 March 2024	9,032,519	(2,960,865)	6,071,654

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Invagen Pharmaceuticals, Inc.

40 Post-reporting date events

There is no adjusting or significant non-adjusting events that have occurred between 31 March 2024 and the date of authorization.

41. Authorisation of special purpose financial statements

These special purpose financial statements for the year ended 31 March 2024 (including comparative) were approved by the Board of Directors and authorised for issued on 07 May 2024.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 07 May 2024

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Deepak Agerwal
Director and Chief Financial Officer

Place: New Jersey
Date: 07 May 2024

Srinivas Nallavarapu
Director

Place: New Jersey
Date: 07 May 2024

Invagen Pharmaceuticals Inc * Finance *

Cipla Technologies LLC

Financial Statements for Financial Year 2022-23

Cipla Technologies LLC

Financial Statements
for the year ended 31 March 2024

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Report of Independent Auditors

The Board of Managers and Member
Cipla Technologies LLC

We have audited the accompanying financial statements of Cipla Technologies LLC (the Company), which comprise the balance sheets as of March 31, 2024, and the related statements of Comprehensive Income, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with generally accepted accounting principles as per International Financial Reporting Standards (IFRS).; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cipla Technologies LLC at March 31, 2024 and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards (IFRS).

For NGST & Associates
Chartered Accountants
FRN - 135159W

Place: Mumbai
Date: 7 May 2024

NGST & ASSOCIATES ★ Chartered Accountants ★ MUMBAI

Bhupendra Gandhi
Partner
Mem. No. 122296
UDIN - 24122296BKBLUW8486

Cipla Technologies LLC
Statement of Financial Position as at 31 March 2024

Amounts in USD

	Notes	31 March 2024	31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	-	-
Intangible assets under development	5	-	22,000,000
Total non-current assets		-	22,000,000
Current assets			
Cash and cash equivalent	6	3,173,821	1,807,995
Other current assets	7	10,118,685	3,689,565
Total current assets		13,292,506	5,497,560
Total assets		13,292,506	27,497,560
Equity and liabilities			
Equity			
Share capital		54,500,000	47,100,000
Retained earnings		(42,848,136)	(21,452,225)
Total equity		11,651,864	25,647,775
Current liabilities			
Trade payables	8	1,640,642	1,849,785
Other current liabilities	9	-	-
Total current liabilities		1,640,642	1,849,785
Total liabilities		1,640,642	1,849,785
Total equity and liabilities		13,292,506	27,497,560

Notes 1 to 17 annexed hereto form an integral part of these financial statements.

For NGST & Associates
Chartered Accountants
Firm Reg. No - 135159W

Bhupendra Gandhi
Partner
Mem. No. 122296
Dated: 7 May 2024

NGST & ASSOCIATES ★ Chartered Accountants ★ MUMBAI

For and on behalf of Cipla USA Inc.

Deepak Agarwal
Manager

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Cipla Technologies LLC
Statement of Comprehensive Income for the year ended 31 March 2024

Amounts in USD

	Notes	31 March 2024	31 March 2023
Revenue from operations		100,000	-
Other income		(318)	(37)
		99,682	(37)
Employee benefit expenses	10	9,408	11,196
Depreciation and amortisation expenses		22,000,000	-
Other expenses	11	5,915,305	5,618,209
		27,924,713	5,629,405
Operating Profit		**(27,825,031)**	(5,629,442)
Finance costs		-	-
Finance income			
Profit before tax		**(27,825,031)**	(5,629,442)
Tax expenses			
Current tax		(6,429,120)	(1,182,183)
Deferred tax		-	-
Total tax expense		**(6,429,120)**	(1,182,183)
Profit for the year (A)		**(21,395,911)**	(4,447,259)
Other comprehensive income (OCI) for the year, net of tax (B)		-	-
Total comprehensive loss for the year, net of tax (A+B)		**(21,395,911)**	(4,447,259)

Notes 1 to 17 annexed hereto form an integral part of these financial statements.

For NGST & Associates
Chartered Accountants
Firm Reg. No - 135159W

Bhupendra Gandhi
Partner
Mem. No. 122296
Dated: 7 May 2024

NGST & ASSOCIATES Chartered Accountants MUMBAI

For and on behalf of Cipla USA Inc.

Deepak Agarwal
Manager

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Cipla Technologies LLC
Cash Flow Statement for the year ended 31 March 2024

Amounts in USD

	31 March 2024	31 March 2023
Cash flow from operating activities		
Profit before tax	(27,825,031)	(5,629,442)
Adjustments to reconcile (loss)/profit before tax to net cash generated from operating activities		
Depreciation and amortisation	22,000,000	-
Finance cost	-	-
Changes in operating assets and liabilities		
Decrease/ (increase) in financial assets	-	-
Decrease/ (increase) in other current assets	(6,429,120)	(1,181,864)
Increase in other non-current liabilities	-	-
(Decrease)/ increase in trade payables	(209,143)	(65,327)
(Decrease)/Increase in other current liabilities	-	(4,527)
Cash used in operating activities before taxes	**(12,463,294)**	**(6,881,160)**
Taxes paid	6,429,120	1,182,183
Net cash used in operating activities	**(6,034,174)**	**(5,698,977)**
Cash flow from investing activities		
Sale(Purchase) of property, plant and equipment and Intangible assets	-	-
Net cash used in investing activities	-	-
Cash flow from financing activities		
Proceeds from capital contribution	7,400,000	6,000,000
Finance cost paid	-	-
Net cash generated from financing activities	**7,400,000**	**6,000,000**
Net increase/ (decrease) in cash and cash equivalents	**1,365,826**	**301,023**
Cash and cash equivalents at the beginning of the year	1,807,995	1,506,972
Cash and cash equivalents at the end of the year	**3,173,821**	**1,807,995**
Components of cash and cash equivalents		
Balance with banks on current account	3,173,821	1,807,995
Total cash and cash equivalents	**3,173,821**	**1,807,995**

Notes 1 to 17 annexed hereto form an integral part of these financial statements.

Notes 1 to 17 annexed hereto form an integral part of these financial statements.

For NGST & Associates
Chartered Accountants
Firm Reg. No - 135159W

Bhupendra Gandhi
Partner
Mem. No. 122296
Dated: 7 May 2024

NGST & ASSOCIATES ★ Chartered Accountants ★ MUMBAI

For and on behalf of Cipla USA Inc.

Deepak Agarwal
Manager

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Cipla Technologies LLC
Statement of Changes in Equity for the year ended 31 March 2024

Amounts in USD

	Attributable to equity holders of parent				Total equity
	Capital contribution	Other equity			
		Securities premium account	Retained earnings	Total	
Balance at 1 April 2022	41,100,000	-	(17,004,966)	(17,004,966)	24,095,034
Capital introduced	6,000,000	-	-	-	6,000,000
Profit for the year	-	-	(4,447,259)	(4,447,259)	(4,447,259)
Balance at 31 March 2023	47,100,000	-	(21,452,225)	(21,452,225)	25,647,775
Capital introduced	7,400,000	-	-	-	7,400,000
Profit for the year	-	-	(21,395,911)	(21,395,911)	(21,395,911)
Balance at 31 March 2024	54,500,000	-	(42,848,136)	(42,848,136)	11,651,864

Notes 1 to 17 annexed hereto form an integral part of these financial statements.

For NGST & Associates
Chartered Accountants
Firm Reg. No - 135159W

Bhupendra Gandhi
Partner
Mem. No. 122296
Dated: 7 May 2024

NGST & ASSOCIATES ★ MUMBAI ★ Chartered Accountants

For and on behalf of Cipla USA Inc.

Deepak Agarwal
Manager

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1. NATURE OF OPERATIONS

Corporate Information

Cipla Technologies LLC is a wholly owned subsidiary of Invagen Pharmaceuticals Inc. Cipla Technologies LLC is a Limited Liability Company incorporated in the State of Delaware in November 2017. The company will focus on Pharma specialty products.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

These financial statements correspond to the classification provisions contained in IAS 1 (revised), "Presentation of Financial Statements". Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements comprise the Statement of Financial Position as of 31 March 2024; the Statement of Comprehensive Income, the Statement of Changes in Equity; and the Statement of Cash Flows for the period ended 31 March 2024.

2.2 Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value, wherever applicable.

3. Accounting policies and estimates

3.1 Significant accounting policies

3.1.1 Intangible assets (other than goodwill)

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured. Intangible assets with definite lives are amortized over the estimated useful lives and are reviewed for impairment, if indicators of impairment arise. Residual value and useful life is subject to review at each reporting period.

3.1.2 Property, plant and equipment (PPE)

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. When parts of an item of property, plant and equipment have significant cost in relation to total cost and different useful lives, they are accounted for as separate items of property, plant and equipment. Profits and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized. The costs of repairs and maintenance are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment.

The following useful lives are used in the calculation

Intangible asset	Expected useful life (years)
Furniture and fixtures	10
Computer equipment	3-6

The estimated useful lives, residual values and depreciation method are reviewed at each year end, and the effect of any changes in such estimates is accounted for on a prospective basis.

3.1.3 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

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3.1.4 Borrowing costs

Borrowing cost are interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are recognised in the statement of profit and loss using effective interest method.

3.1.5 Fair value measurements

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; quotes from market participants; discounted cash flow analysis or other valuation models.

3.1.6 Cash and cash equivalents

The Company considers all highly liquid investments with an initial maturity of up to three months to be cash equivalents. Cash equivalents are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

3.1.7 Contingencies

In normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Where the potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, the Company treats them as contingent liabilities. Such liabilities are disclosed in the notes and are not provided for in the financial statements.

3.2 Use of judgement and estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following notes:

3.2.1 Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

3.2.2 Provisions and Liabilities

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances which may be subject to change. In case for which actual cash outflow will take place over more than one year in the future and hence the carrying amounts of provisions and liabilities are regularly reviewed and adjusted to take into account the changing circumstances and other factors that influence the provisions and liabilities.

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Amounts in USD

4. Property, plant and equipment

	Office Equipments	Furniture and fixtures	Total
At 31 March 2023	55,179	9,630	64,809
Additions	-	-	-
Deletions	-	-	-
At 31 March 2024	55,179	9,630	64,809
Accumulated depreciation			
At 31 March 2023	55,179	9,630	64,809
Charge for the year	-	-	-
At 31 March 2024	55,179	9,630	64,809
Net carrying value			
At 31 March 2023	-	-	-
At 31 March 2024	-	-	-

5. Intangible assets

	Intangible Assets under development	Total
Gross carrying value		
At 31 March 2023	22,000,000	22,000,000
Additions	-	-
Impairment	22,000,000	22,000,000
Deletion	-	-
At 31 March 2024	-	-
Amortisation		
At 31 March 2023	-	-
Charge for the year	-	-
At 31 March 2024	-	-
Net carrying value		
At 31 March 2023	22,000,000	22,000,000
At 31 March 2024	-	-

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Cipla Technologies LLC
Notes to the Financial Statements for the Year Ended 31 March 2024

Amounts in USD

		31 March 2024	31 March 2023
6	**Cash and cash equivalent**		
	Balances with banks:		
	– On current accounts	3,173,821	1,807,995
		3,173,821	**1,807,995**
7	**Other Current Asset**		
	Receivable from related parties	10,118,685	3,689,565
		10,118,685	3,689,565
8	**Trade payables**		
	Trade payables	1,622,078	1,731,137
	Payable to related parties	18,565	118,648
		1,640,642	1,849,785
9	**Other current liabilities**		
	Salary and Bonus Payable	-	-
		-	-
10	**Employee benefit expenses**		
	Salaries and wages	-	-
	Contribution for provident fund & 401k fund	2,376	3,356
	Staff welfare and staff Insurance expenses	7,033	7,840
		9,408	**11,196**
11	Other expenses		
	Research & Development Cost	2,362,783	1,190,474
	Travelling and conveyance	5	1,886
	Professional fees	3,574,954	4,409,203
	Rates and taxes	1,598	287
	Miscellaneous expenses	(24,217)	14,556
	Subscription	-	669
	Bank charges	182	1,134
		5,915,305	**5,618,209**

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Amounts in USD

12 Related party

Related parties with whom the Company has transacted during the year

A. Ultimate holding company
1. Cipla Limited, India

B. Holding company
1. Invagen Pharmaceuticals, Inc.,USA

C. Fellow Subsidaries
1. Cipla USA Inc.

D. Key Management Personnel
1. Mr. Deepak Agarwal - Manager
2. Dr.Sudipta Ganguly - Manager
3. Mr. Arunesh Verma - Manager

Summary of transactions with related parties during the period

Name of party and nature of transaction	Year ended 31 March 2024	Year ended 31 March 2023
Invagen Pharmaceuticals, Inc.		
Capital contribution received	7,400,000	6,000,000
Business support services	-	-
Income Tax credit received	6,429,502	1,182,183
Cipla Limited		
Business support services	88,610	351,069
Reimbursement for pulmatrix project direct cost	85,619	96,066
Recovery of expenses incurred on behalf of holding company	(50,595)	(264,900)
Cipla USA Inc.		
Business support services	100,000	112,500
Travel and administrative expense recovery	-	-
Cipla Theraputics LLC		
Reimbursement for 401k true UP	2,376	-

Summary of closing balances with related parties

Name of party and nature of balances	As at 31 March 2024	As at 31 March 2023
Invagen Pharmaceuticals Inc.		
Trade payable/ (receivable)	(10,118,685)	(3,689,565)
Cipla Limited		
Trade payable	18,505	110,315
Cipla USA Inc.		
Trade payable	-	8,333

13 Post-reporting date events
No adjusting or significant non-adjusting events have occurred between the 31 March 2024 and the date of authorisation.

14 Income Tax credit of USD 10,126,686 (P.Y. USD 3,697,566) is receivable due to losses incurred by the company. Since the benefit of losses is already utilised by holding company Invagen Pharmaceuticals, Inc. in their tax returns, the credit is passed on to Cipla Technologies LLC and therefore income tax assets is recoverable from holding company Invagen Pharmaceuticals, Inc.

15 The company has been merged with Cipla USA Inc. w.e.f. 11.59 PM of 31 March 2024 as per Agreement and Plan of Marger executed between Cipla Thecnologies LLC and Cipla USA Inc. which was autorised by company vide board resolution dated 22 March 2024.

16 Authorisation of financial statements
These financial statements for the year ended 31 March 2024 were approved by the Board of Directors of Cipla USA Inc. and authorised for issue on 7 May 2024.

17 Previous period figures have been regrouped/ reclassified/represented to conform with current period presentation.

For NGST & Associates
Chartered Accountants
Firm Reg. No - 135159W

Bhupendra Gandhi
Partner
Mem. No. 122296
Dated: 7 May 2024

NGST & ASSOCIATES MUMBAI Chartered Accountants

For and on behalf of Cipla USA Inc.

Deepak Agarwal
Manager

CamScanner

Cipla Therapeutics inc.

Financial Statements for Financial Year 2023-24

Cipla Therapeutics, Inc.

Financial Statements
for the period ended 31 March 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIPLA THERAPEUTICS, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **CIPLA THERAPEUTICS, Inc.** statement of financial position as at 31 March, 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity for the period then ended, and the notes to the financial statements., including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Other information

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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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.

Auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Corporate :
Ground Floor, Gautam, Plot No. 29,
Road No. 2, Sion (East), Mumbai – 400022
Main: +91-22-24072801, 24022918

Branch Office:
Office No. 401, Centre Point, Plot No. 491,
Mitramandal Chowk, Parvati, Pune – 411009
Main: +91-20-29801746

Email:
atul@shahade.net
shubhada@shahade.net
ankita@shahade.net

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of use of the "Going Concern" basis of Accounting.

- 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.

Other matter

This report is made solely for the Company's members, as a body, and our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

We have no relationship with, or any interest in, the Company other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

For **Shahade & Associates**
Chartered Accountants
(ICAI Firm Reg. No. 109840W)

Atul Shahade
Partner
M. No. 035227
UDIN : 24035227BKCJQO3164

Place: Mumbai,
Date: 2nd May, 2024

Cipla Therapeutics, Inc.
Statement of Financial Position as at 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	Notes	31-Mar-24	31-Mar-23
Assets			
Non-current assets			
Property, plant and equipment		-	-
Right of use assets	12	854,277	1,117,905
Tangible assets under development		-	-
Intangible assets		-	-
Intangible assets under development		-	-
Income tax assets (net)		275	-
Deferred tax assets (net)	13	3,137,279	2,120,727
Other non-current assets	14	1,125,000	-
Total non-current assets		**5,116,831**	**3,238,632**
Current assets			
Inventories		-	-
Trade receivables (net)		-	-
Cash and cash equivalent	15	1,376,464	759,809
Other current assets	16	29,040	12,554
Total current assets		**1,405,504**	**772,363**
Total assets		**6,522,335**	**4,010,995**
Equity and liabilities			
Equity			
Share capital (including securities premium)		15,000,000	8,500,000
Retained earnings		(11,076,730)	(7,289,725)
Total equity		**3,923,270**	**1,210,275**
Liabilities			
Non-current liabilities			
Other financial liabilities	12	757,880	1,061,029
Provisions	17	149,766	31,377
		907,646	**1,092,406**
Current liabilities			
Trade payables	18	250,163	455,528
Lease liabilities	12	352,033	345,849
Other financial liabilities	19	41,134	145,249
Provisions	20	1,048,089	761,363
Current tax liabilities (net)	13	-	325
Total current liabilities		**1,691,419**	**1,708,314**
Total liabilities		**2,599,065**	**2,800,720**
Total equity and liabilities		**6,522,335**	**4,010,995**

Notes 1 to 30 form an integral part of these financial statements

As per our report of even date
For Shahade & Associates
Chartered Accountants
(ICAI Firm Reg. No. 109840W)

Atul Shahade
Partner
M. No. 035227
Date : 02-May-2024
UDIN:
24035227BKCJQ03164

SHAHADE & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ M.No. 35227 MUMBAI

For and on the behalf of the Board of Directors of
Cipla Therapeutics, Inc.

Director
Date: 2-May-24

Cipla Therapeutics, Inc.
Statement of Comprehensive Income for the period ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	Notes	31-Mar-24	31-Mar-23
Income			
Revenue from operations		-	-
Other income	21	-	202,773
		-	**202,773**
Expenses			
Cost of materials consumed	22	-	32,937
Employee benefit expenses	23	3,539,579	3,008,995
Depreciation, impairment and amortisation expenses	24	263,628	262,909
Other expenses	25	943,914	1,245,822
		4,747,121	**4,550,663**
Operating Profit / (Loss)		**(4,747,121)**	**(4,347,890)**
Finance costs	26	(56,111)	(68,891)
Finance income		-	-
Profit / (Loss) before tax		**(4,803,232)**	**(4,416,781)**
Tax expenses	13		
Current tax		325	2,356
Deferred tax		(1,016,552)	(1,072,551)
Total tax expense		**(1,016,227)**	**(1,070,195)**
Profit (Loss) / comprehensive income for the period		**(3,787,005)**	**(3,346,586)**
Earnings per equity share (nominal value of shares of $ 0.01 each)			
Basic and diluted earnings per ordinary share ($)	27	(37,870)	(33,466)

Notes 1 to 30 form an integral part of these financial statements

As per our report of even date
For Shahade & Associates
Chartered Accountants
(ICAI Firm Reg. No. 109840W)

Atul Shahade
Partner
M. No. 035227
Date : 02-May-2024
UDIN:
24035227BKCJQ03164

SHAHADE & ASSOCIATES ★ M.No. 35227 MUMBAI ★ CHARTERED ACCOUNTANTS

For and on the behalf of the Board of Directors of
Cipla Therapeutics, Inc.

Director
Date: 2-May-24

Cipla Therapeutics, Inc.
Cash Flow Statement for the period ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	31-Mar-24	31-Mar-23
Cash flow from operating activities		
Profit/ (Loss) before tax	(4,803,232)	(4,416,781)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, impairment and amortization expense	263,628	262,909
Finance cost	56,111	68,891
Other non-cash expense		301,917
Changes in operating assets and liabilities		
Increase in other current assets	(16,486)	20,522
(Decrease)/ increase in trade payables	(205,365)	(244,713)
Increase/ (decrease) in other current liabilities	(104,115)	(74,062)
Increase/ (decrease) in provisions	405,115	(12,512)
Cash generated from operating activities before taxes	**(4,404,344)**	**(4,093,829)**
Taxes paid	(925)	
Net cash generated from operating activities (a)	**(4,405,269)**	**(4,093,829)**
Cash flow from financing activities		
Proceeds from issue of share capital	6,500,000	4,000,000
Purchase of property, plant and equipment and Intangible assets (including intangible asset under development and capital advances)	(1,125,000)	-
Payment of lease liability	(353,076)	(346,775)
Net cash used in financing activities (b)	**5,021,924**	**3,653,225**
Net increase in cash and cash equivalents (a+b)	616,655	(440,604)
Cash and cash equivalents at the beginning of the period	759,809	1,200,413
Cash and cash equivalents at the end of the period	**1,376,464**	**759,809**
Components of cash and cash equivalents		
Balance with banks on current account	1,376,464	759,809
Total cash and cash equivalents (Refer note 10)	**1,376,464**	**759,809**

Notes 1 to 30 form an integral part of these financial statements

As per our report of even date
For Shahade & Associates
Chartered Accountants
(ICAI Firm Reg. No. 109840W)

Atul Shahade
Partner
M. No. 035227
Date : 2-May-2024
UDIN:
24035227BKCJQO3164

SHAHADE & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ M.No. 35227 MUMBAI

For and on the behalf of the Board of Directors of
Cipla Therapeutics, Inc.

Director
Date: 2-May-24

Cipla Therapeutics, Inc.
Statement of Changes in Equity for the period ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	Attributable to equity holders of parent		
	Authorised Share capital :10,000 shares of $ 0.01 each Issued capital : 100 shares of $ 0.01 each	Retained Earnings	Total equity
Balance at 1st April 2022	**4,500,000**	**(3,943,139)**	**556,861**
Share Capital Issued	4,000,000	-	4,000,000
Profit/ (Loss) for the period	-	(3,346,586)	(3,346,586)
Balance at 31 March 2023	**8,500,000**	**(7,289,725)**	**1,210,275**
Share Capital Issued	6,500,000		6,500,000
Profit/ (Loss) for the period		(3,787,005)	(3,787,005)
Balance at 31 March 2024	**15,000,000**	**(11,076,730)**	**3,923,270**

Notes 1 to 30 form an integral part of these financial statements

Share capital represents the nominal (par) value of shares that have been issued and includes securities premium account which is used to record the premium on issue of shares. Other equity include retained earnings including all current and prior period retained profits. This reserves is utilised in accordance with the provision of respective geographical local laws.

SHAHADE & ASSOCIATES
M.No. 35227
MUMBAI
CHARTERED ACCOUNTANTS

Cipla Therapeutics, Inc.

Notes to the financial statements as at and for the period ended 31 March 2024

1 **Corporate Information**

Cipla Therapeutics, Inc. is a wholly owned subsidiary of Invagen Pharmaceuticals Inc., which in turn is a wholly owned subsidiary of Cipla (EU) Limited and ultimate parent company is Cipla Limited, India. Cipla Therapeutics, Inc. was incorporated in Delaware, in May 2020 and its operations are primarily conducted from Warren, New Jersey. The Company is engaged in developing, manufacturing and distribution of specialty medicines.

2 **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption that the Company operates on a going concern basis.

3 **Use of estimates**

The preparation of financial statements requires the management of the company to make estimates and assumptions, that affect the reported balance of assets & liabilities, revenue and expenses and disclosures relating to contingent liabilities. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

4 **Fixed Assets**

Fixed Assets are stated at cost of acquisition or construction or other amounts substituted for historical Costs on revaluation less accumulated depreciation.

5 **Depreciation**

5.1 Depreciation on Tangible fixed assets is provided on the Written Down Value Method over the useful life of assets.

5.2 Depreciation is calculated on a pro-rata basis from the date of installation, till the date the assets are sold or disposed.

5.3 Intangible assets are amortized on a systematic basis over the best estimate of their useful lives , commencing from the date the asset is available to the Company for its use.

5.4 The management estimates the useful lives for the various intangible assets.

6 **Leases**

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

(i) Company as a lessee

The lease asset classes primarily consist of leases for office space. The rental contracts for offices are typically negotiated for terms of 7.5 years. Lease has been negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

Lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices and servicing. The Company has elected to not separate its leases for offices into lease and non-lease components and instead accounts for these contracts as a single lease component.

Company recognises a right-of-use asset and a lease liability in its statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Company measures the lease liability at the present value of the lease payments unpaid, discounted using the Company's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Company would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Company.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Company's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of office equipment such as desks, chairs, and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(ii) Arrangements in the nature of lease

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of IFRS 16 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind IFRS 16 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

7 **Provisions, contingent liabilities and contingent assets**

A provision is recognized when the company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

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. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

8 **Revenue Recognition**

8.1 Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured

8.2 Interest income is recognized on time proportion basis.

8.3 Dividend income is recognized when the right to receive is established.

9 **Investments**

9.1 Long Term investments are stated at Cost, Less any provision for permanent diminution in value.

9.2 Current Investments are stated at lower of cost and fair value.

10 **Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

11 These financial statements for the period ended 31 March 2024 were approved by the Board of Directors and authorised for issued on 02 May 2024.

SHAHADE & ASSOCIATES
M.No.
35227
MUMBAI
CHARTERED ACCOUNTANTS

12 Leases

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2024:

Particulars	Category of ROU assets	
	As at 31 March 24	As at 31 March 23
Opening balance	**1,117,905**	-
Add: Addition during the year	-	-
Add: Transfer from Cipla USA Inc	-	1,380,814
Deletions	-	-
Depreciation	263,628	262,909
Closing balance	**854,277**	**1,117,905**

The weighted average incremental borrowing rate applied to lease liabilities is 4.5%.

The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 24	As at 31 March 23
Current lease liabilities	352,033	345,849
Non-current lease liabilities	757,880	1,061,029
Total	**1,109,913**	**1,406,878**

The following is the movement in lease liabilities during the year ended 31 March 2024

Particulars	As at 31 March 24	As at 31 March 23
Opening balance	**1,406,878**	-
Add: Lease liability for lease taken during the year	-	-
Add: Transfer from Cipla USA Inc	-	1,684,762
Deletions	-	-
Finance cost during the year	56,111	68,891
Payment of lease liabilities	(353,076)	(346,775)
Closing balance	**1,109,912**	**1,406,878**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	31 March 24	31 March 23
Less than 1 year	359,385	353,080
One to five years	832,259	1,191,644
More than five years	-	-
Total	**1,191,644**	**1,544,724**
Less: Finance component	81,732	137,846
Total	**1,109,912**	**1,406,878**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Lease expense recorded for short-term leases was USD NIL for the year ended 31 March 2024 (March 2023- USD Nil), as the company has elected not to a recognised a lease liability for short term leases or for lease of low value assets, payments under such leases are expensed on straight line basis.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of comprehensive income.

13. Deferred tax (net)

a) Particulars	31-Mar-22	Recognized in the statement of Comprehensive Income	31-Mar-23	Recognised in the statement of Comprehensive Income	31-Mar-24
Deferred tax assets (gross)					
Provision for inventory	-	-	-	-	-
Provision for employee benefits and others	-	-	-	-	-
Provision for revenue deductions	-	-	-	-	-
Provision for accrued expenses	-	-	-	-	-
Deffered Tax on Tax Loss Carried forward	1,048,176	1,072,551	2,120,727	1,016,552	3,137,279
Provision for expected credit loss	-	-	-	-	-
	1,048,176	**1,072,551**	**2,120,727**	**1,016,552**	**3,137,279**
Deferred tax liabilities (gross)					
Depreciation and amortisation expenses	-	-	-	-	-
	-	-	-	-	-
Deferred tax assets (net)	**1,048,176**	**1,072,551**	**2,120,727**	**1,016,552**	**3,137,279**

	Particulars	31 March 24	31 March 23
b)	**Income tax expense reported in the statement of comprehensive income**		
	Current tax	325	2,356
	Deferred tax	(1,016,552)	(1,072,551)
		(1,016,227)	**(1,070,195)**
c)	**Reconciliation of deferred tax assets (net)**		
	Opening balance as on 1 April	**2,120,727**	**1,048,176**
	Tax income during the period recognised in profit or loss	1,016,552	1,072,551
		3,137,279	**2,120,727**
d)	**Reconciliation of effective tax rate:**		
	Profit before tax	**(4,803,232)**	**(4,416,781)**
	Income tax		
	Applicable income tax on profit at respective locations applicable tax rates*	21.00%	21.00%
	Tax at enacted rate	(1,008,679)	(927,524)
	Reconciliation		
	Others	(7,548)	(142,671)
	Impact of elimination entries		
		(1,016,227)	**(1,070,195)**
	Effective tax rates	**21.16%**	**24.23%**
f)	**Income tax assets (net)**		
	Current tax assets	275	-
		275	**-**
g)	**Current tax liabilities (net)**		
	Current tax liabilities	-	325
		-	**325**

SHAHADE & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ M.No. 35227 MUMBAI

Particulars	31 March 24	31 March 23
14. Other non-current assets		
Capital Advance	1,125,000	-
	1,125,000	-
15. Cash and cash equivalent		
Balances with banks:		
– On current accounts	1,376,464	759,809
	1,376,464	**759,809**
16. Other current assets		
Prepaid expenses	20,906	4,420
Advances to vendor	8,134	8,134
	29,040	**12,554**
17. Provisions		
Compensated abscenses	42,363	31,377
Cash Settled Stock Option Liability - ESOP	107,403	-
	149,766	**31,377**
18. Trade payables		
Trade payables	250,163	453,019
Payable to related parties	-	2,509
	250,163	**455,528**
19. Other financial liabilities		
Employee related liabilities	39,103	143,218
Other Payable to related parties (Refer note 28)	2,031	2,031
	41,134	**145,249**
20. Provisions - current		
Performance Bonus	784,818	728,336
Cash Settled Share Based Liability -ESOP	216,992	-
Compensated abscenses - current	46,279	33,027
	1,048,089	**761,363**

Compensated abscenses

The compensated abscenses cover the company's liability for earned leaves. The amount of the provisions of USD 46,279 (31 March 2023 - USD 33,027) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

SHAHADE & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ M.No. 35227 MUMBAI

Particulars	31 March 24	31 March 23
14. Other non-current assets		
Capital Advance	1,125,000	-
	1,125,000	-
15. Cash and cash equivalent		
Balances with banks:		
– On current accounts	1,376,464	759,809
	1,376,464	**759,809**
16. Other current assets		
Prepaid expenses	20,906	4,420
Advances to vendor	8,134	8,134
	29,040	**12,554**
17. Provisions		
Compensated abscenses	42,363	31,377
Cash Settled Stock Option Liability - ESOP	107,403	-
	149,766	**31,377**
18. Trade payables		
Trade payables	250,163	453,019
Payable to related parties	-	2,509
	250,163	**455,528**
19. Other financial liabilities		
Employee related liabilities	39,103	143,218
Other Payable to related parties (Refer note 28)	2,031	2,031
	41,134	**145,249**
20. Provisions - current		
Performance Bonus	784,818	728,336
Cash Settled Share Based Liability -ESOP	216,992	-
Compensated abscenses - current	46,279	33,027
	1,048,089	**761,363**

Compensated abscenses

The compensated abscenses cover the company's liability for earned leaves. The amount of the provisions of USD 46,279 (31 March 2023 - USD 33,027) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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Particulars	31-Mar-24	31-Mar-23
21. Other income		
Foreign exchange gain	-	-
Miscellaneous income	-	202,773
	-	**202,773**
22. Cost of materials consumed		
Purchases of stock-in-trade	-	32,937
	-	**32,937**
23. Employee benefit expenses		
Salaries and wages	3,249,682	2,785,936
Contribution for 401k fund *	116,757	101,834
Staff welfare expenses	173,140	121,225
	3,539,579	**3,008,995**

* The Company maintains a 401(k) plan, pursuant to which employees may make contributions which are not to exceed statutory limits. Employer matching contribution are equal to 100% of employee contribution.

24. Depreciation, impairment and amortisation expenses		
Depreciation on right of use assets	263,628	262,909
	263,628	**262,909**

SHAHADE & ASSOCIATES
M.No. 35227
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CHARTERED ACCOUNTANTS

25. Other expenses

Rent	123,743	44,099
Sales promotion expenses	200,163	25,750
Rates and taxes	500	440
Postage and telephone expenses	2,065	(4,000)
Professional fees	340,407	846,480
Miscellaneous expenses	41,392	332,305
Subscription	235,307	-
Forex Loss	337	748
	943,914	**1,245,822**

26 Finance costs

Interest cost on lease liability	56,111	68,891
	56,111	68,891

SHAHADE & ASSOCIATES
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CHARTERED ACCOUNTANTS

27. Earnings per share (EPS)

Basic earnings per share is calculated by dividing net profit/ (loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit/ (loss) attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table sets forth the computation of basic and diluted earnings per share. Since there are no dilutive potential equity shares the basic and diluted EPS are the same.

Particulars	31-Mar-24	31-Mar-23
Profit/ (Loss) after tax attributable to ordinary shareholders	(3,787,005)	(3,346,586)
Weighted average number of equity shares for basic and diluted earnings per share	100	100
Basic and diluted earnings per ordinary share ($)	(37,870)	(33,466)

28. Related party

Related parties with whom the Company has transacted during the year

A. Ultimate holding company

1. Cipla Limited, India

B. Intermediate holding company

1. Cipla (EU) Limited, United Kingdom

C. Holding company

1. Invagen Pharmaceuticals, Inc.,USA

Summary of transactions with related parties during the period

Name of party and nature of transaction	31 March 2024	31 March 2023
Invagen Pharmaceuticals, Inc.,USA		
Shares issued during the year (including securities premium)	6,500,000	4,000,000
Expenses incurred on behalf of Cipla Therapeutics, Inc.	-	50,840
Cipla Limited		
Expenses incurred on behalf of Cipla Therapeutics, Inc.	8,350	2,084
Recovery of expenses incurred on behalf of Cipla Limited	163,000	-
Receipt of services	-	425
Cipla USA Inc		
Expenses incurred on behalf of Cipla Therapeutics, Inc.	-	9,758

Name of party and nature of balances	31 March 2024	31 March 2023
Invagen Pharmaceuticals, Inc.,USA		
Other Payable to related parties	2,031	2,031
Cipla Limited		
Trade payable	-	2,509

29. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the 31 March 2024 and the date of authorisation.

30. Authorisation of financial statements

These financial statements for the year ended 31 March 2024 (including comparative) were approved by the Board of Directors and authorised for issued on 02 May 2024.

For and on behalf of the Board of Directors of
Cipla Therapeutics, Inc.

Director
Date: 02 May 2024

SHAHADE & ASSOCIATES
M.No. 35227
MUMBAI
CHARTERED ACCOUNTANTS

Cipla USA Inc.

Financial Statements for Financial Year 2023-24

Cipla USA, Inc.

Special Purpose Financial Statements
for the year ended 31 March 2024

Walker Chandiok &Co LLP

Walker Chandiok & Co LLP
16th Floor, Tower III,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400 013
Maharashtra, India

T +91 22 6626 2600

Independent Auditor's Report

To the Members of Cipla USA Inc.

Report on the Audit of the Special Purpose Financial Statements

Opinion

1. We have audited the accompanying special purpose financial statements of **Cipla USA Inc.** ('the Company'), which comprise the Statement of Financial Position as at **31 March 2024**, the Statement of Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the special purpose financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Financial Statements gives a true and fair view of financial position of the Company as at 31 March 2024, and its financial performance, its cash flows and the changes in equity for the year then ended in accordance with the IFRS Accounting Standards issued by International Accounting Standards Board ('IASB').

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose 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') and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Special Purpose Financial Statements

4. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the preparation and presentation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the IFRS Accounting Standards issued by IASB. This responsibility also includes maintenance of adequate accounting records 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 special purpose financial statements that, give a true and fair view and are free from material misstatement, whether due to fraud or error.

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Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

5. In preparing the special purpose financial statements, the Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Standards on Auditing 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 Special Purpose Financial Statements.

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

   - Identify and assess the risks of material misstatement of the Special Purpose 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 but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to Special Purpose Financial Statements 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 Board of Directors' 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 Special Purpose 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; and

   - Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

8. 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.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Restriction on distribution and use

9. The accompanying Special Purpose Financial Statements have been prepared by the Company's Board of Directors solely to enable the management of the Cipla Limited, the Ultimate Holding Company, in the preparation of its consolidated financial statements for the year ended 31 March 2024 and accordingly, these Special Purpose Financial Statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFCH9136

Place: Mumbai
Date: 7 May 2024

Cipla USA, Inc.
Statement of Financial Position as at 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	Notes	As at 31 March 24	As at 31 March 23 (restated) (refer note 28)
Assets			
Non-current assets			
Property, plant and equipment	4a	486,725	574,644
Capital work-in-progress	4b	-	-
Right of use assets	4.1	6,906,701	3,470,620
Intangible assets	5a	14,389,358	23,562,979
Intangible assets under development	5b	8,509,228	27,260,724
Income tax assets (net)	6(d)	761,565	322,416
Deferred tax assets (net)	6(a)	38,180,728	25,476,142
Other long term financial asset	7.1	56,607	231,607
Other Non current assets	7.2	14,500,000	9,300,000
Total non-current assets		**83,790,912**	**90,199,132**
Current assets			
Inventories	8	75,567,554	92,948,602
Trade receivables (net)	9	173,596,196	153,243,880
Cash and cash equivalents	10	21,462,244	11,301,488
Other short-term financial assets	11.1	71,482,203	32,918,115
Other current assets	11.2	10,660,011	5,373,251
Total current assets		**352,768,208**	**295,785,336**
Total assets		**436,559,120**	**385,984,468**
Equity and liabilities			
Equity			
Share capital (including securities premium)	11.3	2,409,881	2,409,881
Retained earnings	11.4	101,614,657	96,267,131
Total equity		**104,024,538**	**98,677,012**
Liabilities			
Non-current liabilities			
Lease liabilities	4.1	3,417,849	889,747
Other financial liabilities	12	1,164,916	1,406,641
Provisions	13	792,175	271,732
Total non-current liabilities		**5,374,940**	**2,568,120**
Current liabilities			
Borrowings	14	119,000,000	94,000,000
Trade payables	15	153,773,451	143,684,514
Lease liabilities	4.1	3,680,931	2,772,160
Other financial liabilities	16	6,569,869	6,355,670
Provisions	17	44,135,391	37,926,992
Total current liabilities		**327,159,642**	**284,739,336**
Total liabilities		**332,534,582**	**287,307,456**
Total equity and liabilities		**436,559,120**	**385,984,468**

Notes 1 to 36 annexed hereto form an integral part of these special purpose financial statements.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No. 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

D. Agarwal

Deepak Agarwal
Chief Financial Officer

Sharang Vohra
Director

Place: New Jersey
Date: 7 May 2024

CIPLA USA Inc. CORPORATE SEAL 2012 New Jersey

Place: Mumbai
Date: 7 May 2024

Cipla USA, Inc.
Statement of Comprehensive Income for the year ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	Notes	For the year ended 31 March 24	For the year ended 31 March 23 (restated) (refer note 28)
Income			
Revenue from operations	18 a	698,470,124	581,615,305
Other income	18 b	891,692	2,058,704
Total revenue		**699,361,816**	**583,674,009**
Expenses			
Purchases of stock-in trade	19 a	533,925,412	461,436,844
Changes in inventories	19 b	17,381,048	636,258
Employee benefits expense	20	32,545,616	24,058,923
Depreciation, impairment and amortisation expenses	21 a	14,829,451	12,216,200
Other expenses	22	46,200,353	38,430,232
Total expenses		**644,881,880**	**536,778,457**
Operating profit		**54,479,936**	**46,895,552**
Finance costs	23	(8,025,520)	(5,196,175)
Finance income	24	630,067	281,565
Profit before tax and exceptional items		**47,084,483**	**41,980,942**
Exceptional item			
Impairment of intangible assets under development and others (refer note 5b)	21 b	23,395,550	-
Profit before tax		**23,688,933**	**41,980,942**
Tax expenses	6(a)		
Current tax		18,445,994	16,809,917
Deferred tax		(12,704,587)	(6,712,117)
Total tax expense		**5,741,407**	**10,097,800**
Profit for the year (A)		**17,947,526**	**31,883,142**
Other comprehensive income (OCI) for the year, net of tax (B)		-	-
Total comprehensive income for the year, net of tax (A+B)		**17,947,526**	**31,883,142**
Earnings per equity share (nominal value of shares of $ 0.01 each)			
Basic and diluted earnings per ordinary share ($)	25	747.78	1,328.45

Notes 1 to 36 annexed hereto form an integral part of these special purpose financial statements.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 7 May 2024

For and on behalf of the **Board of Directors**

Deepak Agarwal
Chief Financial Officer

Place: New Jersey
Date: 7 May 2024

Umang Vohra
Director

Place: Mumbai
Date: 7 May 2024

Cipla USA, Inc.
Statement of Changes in Equity for the year ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	Attributable to equity holders of parent			
	Authorised Share capital : 48,000 shares of $ 0.01 each Issued capital : 24,001 shares of $ 0.01 each (including premium)	Retained earnings	Capital reserve	Total equity
Balance at 1 April 2022	**2,400,000**	**34,288,955**	**24,095,034**	**60,783,989**
Capital introduced during the year	9,881	-	-	9,881
Capital introduced in common control entity	-	-	6,000,000	6,000,000
Profit for the year	-	36,330,401	-	36,330,401
Loss on account of common control entity (Refer note 28)	-	-	(4,447,259)	(4,447,259)
Balance at 31 March 2023	**2,409,881**	**70,619,356**	**25,647,775**	**98,677,012**
Capital introduced in common control entity	-	-	7,400,000	7,400,000
Profit for the year	-	39,343,437	-	39,343,437
Loss on account of common control entity (refer note 28)	-	-	(21,395,911)	(21,395,911)
Payment of dividend during the year	-	(20,000,000)	-	(20,000,000)
Balance at 31 March 2024	**2,409,881**	**89,962,793**	**11,651,864**	**104,024,538**

Notes 1 to 36 annexed hereto form an integral part of these special purpose financial statements.

During the previous financial year, pursuant to Board Resolution passed on 23 December 2022, one equity share having share price of $ 0.01 has been issued to Cipla Limited at $ 9,881.

Share capital represents the nominal (par) value of shares that have been issued and includes securities premium account which is used to record the premium on issue of shares. Other equity include retained earnings including all current and prior period retained profits. This reserve is utilised in accordance with the provision of respective geographical local laws.

Refer note 11.4 for details regarding dividend paid during the year.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No.: 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Deepak Agarwal
Chief Financial Officer

Place: New Jersey
Date: 7 May 2024

Umang Vohra
Director

Place: Mumbai
Date: 7 May 2024

CIPLA USA Inc. CORPORATE SEAL 2012 New Jersey

Cipla USA, Inc.
Cash Flow Statement for the year ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	For the year ended 31 March 24	For the year ended 31 March 23 (restated)
Cash flow from operating activities		
Profit before tax and exceptional item	47,084,483	41,980,942
Add: Loss before tax and exceptional item on account of common control transaction (refer note 28)	4,429,481	5,629,442
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation, impairment and amortization expense	14,829,451	12,216,200
Finance cost	8,025,520	5,196,175
Provision for expected credit loss	7,271	-
Bad and doubtful advance written off	-	124,438
Foreign exchange loss/(gain)	149,626	(240,207)
Finance income	(630,067)	(281,565)
Gain on transfer of lease	-	(303,948)
Sundry balances written back	(359,542)	-
Changes in operating assets and liabilities		
Increase in trade receivables	(20,359,587)	(53,117,137)
Decrease in inventories	17,381,048	636,258
Increase in other short-term financial assets	(56,324,663)	(8,748,429)
Increase/(decrease) in trade payables	10,507,997	(5,286,026)
Decrease in other current liabilities	(64,850)	(236,204)
Increase in provisions	6,728,842	3,057,699
Cash flows generated from/(used in) operating activities before taxes	**31,405,010**	**627,638**
Taxes paid	(8,044,324)	(18,087,558)
Net cash generated from/(used in) operating activities (a)	**23,360,686**	**(17,459,920)**
Cash flow from investing activities		
Purchase of property, plant and equipment and Intangible assets (including intangible asset under development and capital advances)	(12,300,684)	(20,160,446)
Proceeds from disposal of property, plant and equipment and Intangible assets	-	3,567,478
Interest received	630,067	281,565
Net cash used in investing activities (b)	**(11,670,617)**	**(16,311,403)**
Cash flow from financing activities		
Capital introduced during the year	-	9,881
Proceeds from of current borrowings (net)	25,000,000	45,000,000
Payment of lease liability	(3,642,925)	(3,572,564)
Finance cost paid	(6,060,210)	(4,649,226)
Dividend paid	(20,000,000)	-
Net cash (used)/ generated from financing activities (c)	**(4,703,135)**	**36,788,091**
Net increase in cash and cash equivalents (a+b+c)	**6,986,934**	**3,016,768**
Cash and cash equivalents at the beginning of the year	11,301,488	8,284,720
Cash and cash equivalents acquired pursuant to merger	3,173,822	-
Cash and cash equivalents at the end of the year	**21,462,244**	**11,301,488**

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CIPLA USA Inc. CORPORATE SEAL 2012 New Jersey

Cipla USA, Inc.
Cash Flow Statement for the year ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Particulars	For the year ended 31 March 24	For the year ended 31 March 23 (restated)
Components of cash and cash equivalents		
Balance with banks on current account	21,462,244	11,301,488
Total cash and cash equivalents (Refer note 10)	**21,462,244**	**11,301,488**

Refer Note 32 for Net debt reconciliation

Notes 1 to 36 annexed hereto form an integral part of these special purpose financial statements.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 7 May 2024

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the **Board of Directors**

Deepak Agarwal
Chief Financial Officer

Place: New Jersey
Date: 7 May 2024

Umang Vohra
Director

Place: Mumbai
Date: 7 May 2024

CIPLA USA Inc.
CORPORATE SEAL
2012
New Jersey

1. Corporate Information

Cipla USA, Inc. is a wholly owned subsidiary of Cipla (EU) Limited, which in turn is a wholly owned subsidiary of Cipla Limited, India ('Ultimate Parent'). Cipla USA, Inc. was incorporated in Delaware, in September 2012 and its operations are primarily conducted from Warren, New Jersey. The Company is responsible for the distribution of the parent companies' pharmaceutical products in the United States of America. The Company is a wholly owned subsidiary of Invagen Pharmaceuticals Inc., effective 17 February 2016.

2.1 Basis of preparation

These special purpose financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

They have been prepared under the assumption that the Company operates on a going concern basis.

These special purpose financial statements correspond to the classification provisions contained in IAS 1 (revised), "Presentation of Financial Statements". Accounting policies have been applied consistently to all periods presented in these special purpose financial statements except where a remission to an existing accounting standard required a change in the accounting policy hereto in use. The special purpose financial statements comprise the Statement of Financial Position as of 31 March 2024 with comparative Statement of Financial Position as on 31 March 2023; the Statement of Comprehensive Income; the Statement of Changes in Equity; and the Statement of Cash Flows for the years ended 31 March 2024 with comparatives for the year ended 31 March 2023. Also, refer note 28 to the Special Purpose Financial Statements on merger of Cipla Technologies LLC into the Company.

These special purpose financial statements have been prepared by the Company's management solely to enable the management of the Cipla Limited, the Ultimate Holding Company, in the preparation of its consolidated financial statements for the year ended 31 March 2024 and accordingly, these special purpose financial statements may not be suitable for any other purpose.

2.2.1 Basis of measurement

These special purpose financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

2.2.2 Fuctional and presentation currency

The financial statements of the Company are presented in currency units USD, which is also the functional currency of the Company.

2.3 New or revised Standards or Interpretations

2.3.1 New Standards adopted as at 1 April 2023

Other Standards and amendments that are effective for the first time in the current year and could be applicable to the Company are:

- IFRS 17 'Insurance Contracts'
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

These accounting pronouncements which have become effective from 1 April 2023 and have therefore been adopted do not have a significant impact on the Company's special purpose financial statements.

2.3.2 Standards, amendments and interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's special purpose financial statements.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

CIPLA USA Inc. CORPORATE SEAL 2012 New Jersey

3. Accounting policies and estimates

3.1 Material accounting policies

3.1.1 Revenue

Revenue arises mainly from the sale of products.

To determine whether to recognise revenue, the Company follows a 5-step process:

a) Identifying the contract with a customer
b) Identifying the performance obligations
c) Determining the transaction price
d) Allocating the transaction price to the performance obligations
e) Recognising revenue when/as performance obligations are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

The Company receives revenue for supply of goods to external customers against orders received. The majority of contracts that the Company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products.

Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation The transaction price of goods sold and services rendered is net of estimated incentives, returns, chargeback, rebates, sales tax and applicable trade discounts, allowances, Indirect Tax and amounts collected on behalf of third parties. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Other operating income

Other Operating income is recognized on accrual basis on performance of services as defined in the contractual terms.

Interest income

Interest income is recognized on an accrual basis taking into account the interest rates applicable to the financials assets.

Other Income

Other Income is recognised when it is probable that economic benefits will flow to the company and amount of income can be measured reliably.

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3.1.2 Operating expenses

Operating expenses are recognised in profit or loss upon utilization of the service or as incurred. Expenditure for returns is recognised when the Company incurs an obligation, which is typically when the related goods are sold.

3.1.3 Property, plant and equipement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. When parts of an item of property, plant and equipment have significant cost in relation to total cost and different useful lives, they are accounted for as separate items of property, plant and equipment. Profits and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized. The cost of repairs and maintenance are recognized in profit and loss as incurred.

Depreciation

Depreciation is recognized in statement of profit and loss on straight-line basis over the estimated useful lives of property, plant and equipment.

The following useful lives are used in the calculation of depreciation:

Asset category	Expected useful life (years)
Furniture and fixtures	10
Computer equipment	3 to 6
Machinery	5

The estimated useful lives, residual values and depreciation method are reviewed at each year end and the effect of changes in such estimates are accounted for on a prospective basis.

3.1.4 Intangible assets

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured. Intangible assets with definite lives are amortized over the estimated useful lives and are reviewed for impairment, if indicators of impairment arise. Residual value and useful life is subject to review at each reporting period. See further discussion on impairment testing under "impairment of non financial assets" below.

(ii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals and registration of products for overseas markets is charged to the profit or loss.

Finite lived intangible assets which are subject to amortization over the estimated useful life ranging from 2-10 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net proceeds from disposal and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognized.

Payments to in-license products and compounds from third parties generally taking the form of up-front payments and milestones are capitalised and amortised, generally on a straight-line basis, over their useful economic lives from when the asset is available for use, not exceeding 10 years.

Intangible assets under development includes cost for in-license products and compounds from third parties generally taking the form of up-front payments and milestones for which regulatory approvals have not been received.

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(iii) Intangible assets under development

Acquired research and development intangible assets that are under development are recognised as In-Process Research and Development assets ("IPR&D") or Intangible assets under development. IPR&D assets are not amortised but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Subsequent expenditure on an In-Process Research or Development project acquired separately or in a business combination and recognised as an intangible asset is:

- recognised as an expense when incurred, if it is research expenditure;
- capitalised if the cost can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use and sell the asset.

3.1.5 Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The data used for impairment testing procedures is directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

3.1.6 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

(i) Company as a lessee

The lease asset classes primarily consist of leases for office spaces and warehouse facilities. The rental contracts for offices are typically negotiated for terms of between 3 and 5 years and some of these have extension terms. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

Some lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices and servicing. The Company has elected to not separate its leases for offices into lease and non-lease components and instead accounts for these contracts as a single lease component. For its other leases, the lease components are split into their lease and non-lease components based on their relative stand-alone prices.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability in its statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Companywould have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Company.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

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The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Company's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of office equipment such as desks, chairs, and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

3.1.7 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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Financial assets at fair value through profit or loss (FVTPL)
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)
The Company accounts for financial assets at FVOCI if the assets meet the following conditions:
- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets
IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and trade receivables.

Trade and other receivables and contract assets
The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.
The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequent measurement

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.1.8 Fair value measurements

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is
not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3.1.9 Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

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3.1.10 Inventories

Inventories included in the special purpose financial statements are stated at the lower of cost and net realisable value. Cost is generally determined on a moving average price. Stock-in-trade include costs of purchase and other related costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.1.11 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

For the purpose of these special purpose financial statements, provision for tax is arrived at by considering the consolidated profit and loss for the reporting period, since for the income tax assessment of the USA operations i.e Invagen Pharmaceuticals, Inc., Cipla USA, Inc., Exelan Pharmaceuticals, Inc., Cipla Technologies LLC (now merged with the Company), Madison Pharmaceuticals Inc.(dissolved w.e.f. 28 April 2023) and Cipla Therapeutics is assessed as single assessee under Internal Revenue Service.

Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Though the Company has considered all these issues in estimating its income taxes, there could be an unfavourable resolution of such issues that may affect results of the Company's operations.

Deferred Income Tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for all deductible and taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amount in special purpose financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of transaction.

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

Deferred income tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The Company recognizes deferred tax liabilities for all taxable temporary differences except those associated with the investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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3.1.12 Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.
The Company has a 401(k) plan that provides defined contribution retirement benefits for all the employees. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the Internal Revenue Code. The Company's contribution to the plan are at the discretion of the Board.
Obligation for contributions to 401(k) plan are recognized as an employee benefit expenses in profit or loss as incurred.

iii. Compensated absences

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the statement of profit or loss in the period in which they occur.

3.1.13 Provisions and other payables

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required from the Company and a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in statement of profit or loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary. Other payables are stated at their nominal value.

3.1.14 Share capital

Share capital represents the nominal (par) value of shares that have been issued. Other components of equity include retained earnings includes all current and prior period retained profits.

3.1.15 Contingent liabilities and contingent assets

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.
Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

3.1.16 Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

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3.1.17 Use of judgement and estimates

The preparation of special purpose financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the special purpose financial statements is included in the following notes:

Revenue recongition

Generic drug pricing at the wholesale level can create significant differences between our invoice price and net selling price. Wholesale customers purchase product from the Company at invoice price, then resell the product to specific healthcare providers on the basis of prices negotiated between us and the providers, and the wholesaler submits a chargeback credit to us for the difference. Estimates for these chargebacks as well as sales returns, rebates and incentive programs, and the sales allowances for all our customers at the time of sale as deductions from gross revenues, with corresponding adjustments to our accounts receivable reserves and allowances.

As per the experience and the access to relevant information that management believes necessary to reasonably estimate the amounts of such deductions from gross revenues. Some of the assumptions used for certain of our estimates are based on information received from third parties, such as wholesale customer inventory data and market data, or other market factors beyond our control. The estimates that are most critical to the establishment of these reserves, and therefore would have the largest impact if these estimates were not accurate, are estimates related to expected contract sales volumes, average contract pricing customer inventories and return levels. Management regularly review the information related to these estimates and adjust our reserves accordingly if and when actual experience differs from previous estimates. The ending balances of account receivable reserves and allowances generally are trued-up on a quarterly basis.

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Provisions and Liabilities

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances which may be subject to change. In case for which actual cash outflow will take place over more than one year in the future and hence the carrying amounts of provisions and liabilities are regularly reviewed and adjusted to take into account the changing circumstances and other factors that influence the provisions and liabilities.

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Leases

IFRS 16 *"Leases"* requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Impairment of non financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

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4a. Property, plant and equipment

Particulars	Computers	Furniture and fixtures	Machinery	Total
Gross carrying value				
At 1 April 2022	528,816	491,295	201,127	1,221,238
Additions	37,780	62,717	15,400	115,897
At 31 March 2023	566,596	554,012	216,527	1,337,135
Additions	56,221	18,339	-	74,560
At 31 March 2024	622,817	572,351	216,527	1,411,695
Accumulated depreciation				
At 1 April 2022	383,769	180,553	3,246	567,568
Charge for the year	100,444	56,265	38,214	194,923
At 31 March 2023	484,213	236,818	41,460	762,491
Charge for the year	62,101	62,164	38,214	162,479
At 31 March 2024	546,314	298,982	79,674	924,970
Net carrying value				
At 31 March 2023	82,383	317,194	175,067	574,644
At 31 March 2024	76,503	273,369	136,853	486,725

4b. Details of capital work-in-progress

Particulars	As at 31 March 24	As at 31 March 23 (restated)
Opening balance	-	1,311,314
Additions during the year	-	-
Capitalised during the year	-	-
Sale during the year (Refer Note below)	-	(1,311,314)
Closing balance	-	-

During the previous year the CWIP amounting to USD 1,311,314 was transferred to the Ultimate Holding Company, Cipla Limited at the cost price on account of the change of plan to manufacture goods from India.

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4.1 Leases

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2024 and 31 March 2023:

Particulars	Category of ROU assets	
	As at 31 March 24	As at 31 March 23 (restated)
Opening balance	**3,470,620**	**5,606,671**
Add: Addition during the year	6,929,432	2,614,591
Transfer to Cipla Therapeutic Inc (refer note below)	-	(1,380,814)
Depreciation during the year	(3,493,351)	(3,369,828)
Closing balance	**6,906,701**	**3,470,620**

The weighted average incremental borrowing rate applied to lease liabilities ranges from 4.5% to 5.5%.

Note: During the previous year net RoU of USD 1,380,814 and corresponding lease liability of USD 1,684,762 got transferred to Cipla Therapeutics Inc.

The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 24	As at 31 March 23 (restated)
Current lease liabilities	3,680,931	2,772,160
Non-current lease liabilities	3,417,849	889,747
Total	**7,098,780**	**3,661,907**

The following is the movement in lease liabilities during the year ended 31 March 2024 and 31 March 2023

Particulars	As at 31 March 24	As at 31 March 23 (restated)
Opening balance	**3,661,907**	**6,174,310**
Add: Lease liability for lease taken during the year	6,929,431	2,614,591
Transfer to Cipla Therapeutic Inc (refer note above)	-	(1,684,762)
Finance cost during the year	150,367	130,332
Payment of lease liabilities	(3,642,925)	(3,572,564)
Closing balance	**7,098,780**	**3,661,907**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 24	31 March 23 (restated)
Less than 1 year	3,773,698	2,824,689
One to five years	3,712,570	977,229
Total	**7,486,268**	**3,801,918**
Less: Finance component	387,488	140,011
Total	**7,098,780**	**3,661,907**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of comprehensive income.

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5a. Intangible assets

Particulars	Product marketing rights	Software	Total
Gross carrying value			
At 1 April 2022 (restated)	**24,859,155**	**1,277,851**	**26,137,006**
Additions (Refer note (a) below)	12,406,363	-	12,406,363
Deletion during the Year (Refer note (c) below)	(3,000,000)	-	(3,000,000)
At 31 March 2023	**34,265,518**	**1,277,851**	**35,543,369**
Capitalised during the year (Refer note (a) below)	2,000,000	-	2,000,000
At 31 March 2024	**36,265,518**	**1,277,851**	**37,543,369**
Accumulated amortisation and impairment			
At 1 April 2022 (restated)	**6,230,956**	**591,820**	**6,822,776**
Charge for the year	5,475,499	425,950	5,901,449
Deletion during the year	(743,835)	-	(743,835)
At 31 March 2023	**10,962,620**	**1,017,770**	**11,980,390**
Charge for the year	7,138,749	259,477	7,398,226
Impairment charge for the year [Refer note (b) below]	3,775,395	-	3,775,395
At 31 March 2024	**21,876,764**	**1,277,247**	**23,154,011**
Net carrying value			
At 31 March 2023	**23,302,898**	**260,081**	**23,562,979**
At 31 March 2024	**14,388,754**	**604**	**14,389,358**

5b. Intangible assets under development

Particulars	As at 31 March 24	As at 31 March 23 (restated)
Opening balance	**27,260,724**	**24,819,021**
Additions during the year	3,248,504	17,598,066
Capitalised during the year (refer note a)	-	(12,406,363)
Impairment charge during the year (refer note b)	(22,000,000)	(2,750,000)
Closing balance	**8,509,228**	**27,260,724**

Note:

a) **Significant acquisitions/capitalization during current year**

Product	Date of agreement/completion	Amount
Diltiazem	01 August 2023	1,000,000
Oseltamivir Phosphate	30 September 2023	1,000,000

Significant acquisitions/capitalization during previous year

Product	Date of agreement/completion	Amount
Leuprolide	30 November 2022	12,256,363

b) During the year ended 31 March 2024, on account of change in business plan for certain intangible assets and intangible assets under development value in use was determined as Nil, Hence, the company recorded an impairment charge of USD 25,775,395 to give effect to the change in cashflows in those intangibles. (USD 2,750,000 in FY 2022-23). Also refer note 21b for Exceptional items.

c) During the previous year ended 31 March 2023, company entered into a settlement with a vendor in respect of the lidocaine intangible. Out of this proceeds, USD 2,256,164 adjusted against Lidocaine marketing rights asset, USD 336,000 against advance paid for inventory and USD 218,695 for litigation expenses incurred. Balance settlement amount of USD 1,266,341 was recognised as other income for FY 22-23.

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6. Deferred tax (net)

a) Particulars	1-Apr-22	Recognized in the statement of Comprehensive Income	31-Mar-23 (restated)	Recognised in the statement of Comprehensive Income	31-Mar-24
Deferred tax assets (gross)					
Provision for inventory	2,947,747	(946,914)	2,000,833	711,549	2,712,382
Provision for employee benefits and others	1,093,274	294,902	1,388,176	696,827	2,085,003
Provision for revenue deductions	12,634,630	3,904,165	16,538,795	5,465,891	22,004,686
Provision for accrued expenses	2,044,186	(941,135)	1,103,051	902,488	2,005,539
Lease liability	131,304	(87,311)	43,993	271	44,264
R&D Expenses	-	3,104,792	3,104,792	2,855,110	5,959,902
Provision for expected credit loss	7,246	-	7,246	-	7,246
	18,858,387	5,328,499	24,186,886	10,632,136	34,819,022
Deferred tax (liabilities)/assets (gross)					
Depreciation and amortisation expenses	(94,363)	1,383,618	1,289,255	2,072,451	3,361,706
	(94,363)	1,383,618	1,289,255	2,072,451	3,361,706
Deferred tax assets (net)	18,764,024	6,712,117	25,476,141	12,704,587	38,180,728

Particulars	As at 31 March 24	As at 31 March 23 (restated)
b) Income tax expense reported in the statement of comprehensive income		
Current tax	18,445,994	16,809,917
Deferred tax	(12,704,587)	(6,712,117)
	5,741,407	10,097,800
c) Reconciliation of effective tax rate:		
Profit before tax	23,688,933	41,980,942
Income tax	23.90%	23.00%
Applicable income tax on profit at respective locations applicable tax rates	5,661,655	9,655,617
Tax at enacted rate		
Reconciliation	(237,031)	63,882
Impact of elimination entries	316,783	378,301
Permanent and other timing differences	5,741,407	10,097,800
	24.24%	24.05%
Effective tax rates		
d) Income tax assets (net)	761,565	322,416
Current tax assets	761,565	322,416

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	Particulars	As at 31 March 24	As at 31 March 23 (restated)
7.1	**Other long term financial assets**		
	Security deposits	56,607	231,607
		56,607	**231,607**
7.2	**Other Non current assets**		
	Capital advance	14,500,000	9,300,000
		14,500,000	**9,300,000**
8.	**Inventories**		
	Stock-in-trade	53,590,532	74,825,646
	Stock in transit	21,977,022	18,122,956
		75,567,554	**92,948,602**

The Company recorded inventory written down (net) of USD 29,774,536 (31 March 2023 - USD 21,990,417). This is included as part of cost of material consumed and changes in inventories of finished goods and stock-in-trade in the statement of profit or loss.

9.	**Trade receivables**		
	Trade receivables	173,603,467	153,243,880
	Provision for expeteed credit loss	(7,271)	-
		173,596,196	**153,243,880**
	The following tables summarize the impact of accounts receivable reserves on the gross trade accounts receivable balances at each balance sheet date:		
	Gross trade accounts receivable	291,590,831	256,648,934
	Chargebacks, rebates and other discounts	(117,987,364)	(103,405,054)
		173,603,467	**153,243,880**

Generally have a credit period of approximately 90 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure.

The Company entered into an arrangement with a bank for sale of trade receivables. Under the arrangement, the Company sold to the bank certain of its trade receivables on a non-recourse basis. The receivables sold were mutually agreed with the bank after considering the credit worthiness of the customers and also other contractual terms with the customer including any gross to net adjustments due to rebates, discounts etc. from the contracted amounts, such that the receivables sold are generally lower than the net amount receivables from trade receivables. The Company has transferred substantially all the risks and rewards of ownership of such receivables sold to the bank and accordingly, the same are de-recognsied in the statement of financial position. As on 31 March 2024, the amount of trade receivables de-recognsied pursuant to the aforesaid arrangement is USD 4,999,969 (31 March 2023 - USD 14,754,390)

	Provision for expected credit loss:		
	Opening balance	-	31,329
	Add: Amount provided during the year	7,271	-
	Less: Amount written off during the year	-	(31,329)
	Closing balance	**7,271**	**-**
10.	**Cash and cash equivalents**		
	Balances with banks:		
	– In current accounts	21,462,244	11,301,488
		21,462,244	**11,301,488**
11.1	**Other short-term financial assets**		
	Security deposits	1,609,274	1,384,823
	Due from related party (Refer note 27)	69,872,929	31,533,292
		71,482,203	**32,918,115**
11.2	**Other current assets**		
	Advance to suppliers	6,643,351	3,044,480
	Other receivables	2,072,000	231,981
	Prepaid expenses	1,944,660	2,096,790
		10,660,011	**5,373,251**

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Note 11.3: Share capital

Particulars	As at 31 March 2024		As at 31 March 2023 (restated)	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of USD 0.01 each	48,000	480	48,000	480
Total	48,000	480	48,000	480
Issued, subscribed and fully paid up				
Equity shares of USD 0.01 each	24,001	2,409,881	24,001	2,409,881
Total	24,001	2,409,881	24,001	2,409,881

a) **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**

Balance at the beginning of the year	24,001	2,409,881	24,000	2,400,000
Add: Shares issued during the year	-	-	1	0.01
Add: Additional paid in capital introduced during the year	-	-	-	9,880.99
Balance at the end of the year	24,001	2,409,881	24,001	2,409,881

b) **Terms/rights attached to equity shares**
The Company has only one class of equity shares having a par value of USD 0.01 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, 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 shareholders.

c) **Details of shareholders holding more than 5% of shares and promoter shareholding.**

c) (i) Equity shares

Name of shareholder	As at 31 March 2024		As at 31 March 2023 (restated)	
	Number	% Shareholding	Number	% Shareholding
Invagen Pharmaceuticals, Inc	24,000	99.99%	24,000	99.99%

c) (ii) **Details of shares held by promoters in the Company**

Particulars	As at 31 March 2024		As at 31 March 2023 (restated)		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Invagen Pharmaceuticals, Inc	24,000	99.99%	24,000	99.99%	0.00%
Cipla Limited	1	0.01%	1	0.01%	0.00%

Particulars	As at 31 March 2023		As at 31 March 2022		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Invagen Pharmaceuticals, Inc	24,000	99.99%	24,000	100.00%	-0.01%
Cipla Limited	1	0.01%	-	0.00%	0.01%

Note 11.4 Retained earnings (refer statement of changes in equity for movement)

Retained earnings

Particulars	As at 31 March 2024	As at 31 March 2023 (restated)
Opening balance	70,619,358	34,288,955
Profit for the year	39,343,437	36,330,401
Payment of dividend (refer note below)	(20,000,000)	-
	89,962,793	70,619,356

Note: Pursuant to Board resolution dated 22 March 2024, the Company has declared interim dividend of USD 833.30 per share and consequently paid USD 20,000,000 to the shareholders.

Capital reserve

Particulars	As at 31 March 2024	As at 31 March 2023 (restated)
Opening balance	25,647,775	24,095,034
Capital introduced in common control entity (refer note 28)	7,400,000	8,000,000
Loss on account of common control entity (refer note 28)	(21,395,911)	(4,447,259)
	11,651,864	25,647,775

Nature and purpose of reserve:-

Retained earnings : Retained earnings represent the Company's undistributed profits.

Capital Reserve: It represents total equity of Cipla Technologies LLC which has been subsumed in Retained earnings of the Company pursuant to merger (refer note 28)

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Particulars	As at 31 March 2024	As at 31 March 2023 (restated)
12. Other non-current financial liabilities		
Deferred Liability (refer note below)	1,164,916	1,406,641
	1,164,916	**1,406,641**

Note:

a) The following is the break-up of current and non-current deferred liabilities :

Particulars	As at 31 March 2024	As at 31 March 2023 (restated)
Current deferred liabilities	300,000	300,000
Non-current deferred liabilities	1,164,916	1,406,641
Total	**1,464,916**	**1,706,641**

b) The table below provides details regarding the contractual maturities of deferred liability on an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023 (restated)
Less than 1 year	300,000	300,000
One to five years	1,500,000	1,500,000
More than five years	-	300,000
Total	**1,800,000**	**2,100,000**
Less: Finance component	(335,084)	(393,359)
Total	**1,464,916**	**1,706,641**

c) The table below provides details of movement of deferred liability during the year:

Particulars	As at 31 March 2024	As at 31 March 2023 (restated)
Opening Balance	1,706,641	1,898,366
Paid during the year	(300,000)	(250,000)
Unwinding of finance cost	58,275	58,275
Closing Blance	**1,464,916**	**1,706,641**

13. Provisions		
Compensated abscenses	328,840	271,732
Cash Settled Stock Option Liability - ESOP	463,335	-
	792,175	**271,732**
14. Current borrowings (unsecured)		
Loan from Ultimate Holding Company (Refer 27 and note below)	119,000,000	94,000,000
	119,000,000	**94,000,000**

Working capital loan

During the current year, additional working capital borrowing was availed from Cipla India amounting to USD 25,000,000 (31 March 2023: USD 94,000,000) and has interest rates ranging between 6.09% to 6.43% p.a. (previous year 5.97% to 6.53% p.a.). The entire loan is repayable by 15 March 2025.

15. Trade payables		
Payable to related parties (Refer note 27)	125,336,837	108,584,098
Others	28,436,614	35,100,416
	153,773,451	**143,684,514**

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16. Other financial liabilities	As at 31 March 2024	As at 31 March 2023 (restated)
Interest accrued and due on borrowings (Refer note 27)	2,238,226	481,558
Statutory liabilities	811,973	631,914
Employee related liabilities	360,775	605,684
Deferred liability	300,000	300,000
Capital creditors	2,858,895	4,336,514
	6,569,869	**6,355,670**

17. Provisions - current	As at 31 March 2024	As at 31 March 2023 (restated)
Sales return	23,536,690	22,329,344
Medicaid provision	10,398,964	8,884,907
Copay & other claim provision	1,944,155	1,240,106
Performance bonus	7,107,022	5,197,417
Cash Settled Share Based Liability -ESOP	845,617	-
Compensated abscenses - current	302,943	275,218
	44,135,391	**37,926,992**

Compensated abscenses
The compensated abscenses cover the company's liability for earned leaves. Further, the amount of the provisions of USD 302,943 (31 March 2023 - USD 275,218) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

	For the year ended 31 March 2024	For the year ended 31 March 2023 (restated)
Movement in provision for sales return		
Opening balance	22,329,344	20,579,213
Add: Accrued during the year (net of true up)	14,793,292	17,231,272
Less: Processed during the year	13,585,946	15,481,141
Closing balance	**23,536,690**	**22,329,344**
Movement in medicaid provision		
Opening balance	8,884,907	10,371,710
Add: Accrued during the year (net of true up)	12,537,168	7,487,761
Less: Processed during the year	11,023,111	8,974,564
Closing balance	**10,398,964**	**8,884,907**
Movement in copay and other claim provision		
Opening balance	1,240,106	-
Add: Accrued during the year (net of true up)	3,142,110	1,867,051
Less: Processed during the year	2,438,061	626,945
Closing balance	**1,944,155**	**1,240,106**
Movement in bonus provision		
Opening balance	5,197,417	3,732,947
Add: Accrued during the year (net of true up)	6,665,406	4,475,994
Less: Processed during the year	4,755,801	3,011,524
Closing balance	**7,107,022**	**5,197,417**

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	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023 (restated)
18 a.	**Revenue from operations**		
	Revenue from operations	698,370,124	581,615,305
	Other operating income	100,000	-
		698,470,124	581,615,305
	(i) Reconciliation of revenue from sale of products with the contracted price		
	Contracted Price	1,605,075,581	1,381,929,352
	Less: Chargeback, rebates and sales return etc.	(906,705,457)	(800,314,047)
		698,370,124	581,615,305
	(ii) Desegregation of revenue: The following table gives details in respect of percentage of revenues generated from top customer and top five customers -		
	Revenue from a top customer	19%	19%
	Revenue from top five customers	72%	81%
18 b.	**Other income**		
	Foreign exchange gain	-	240,207
	Settlement Income (Refer Note 5c)	-	1,266,341
	Miscellaneous income	532,150	552,156
	Sundry balances written back	359,542	-
		891,692	2,058,704
19 a.	**Purchases of stock-in-trade**		
	Purchases of stock-in-trade (Refer note 27)	533,925,412	461,436,844
		533,925,412	461,436,844
19 b.	**Changes in Inventories of stock-in-trade**		
	Opening stock	92,948,602	93,584,860
	Closing stock	(75,567,554)	(92,948,602)
		17,381,048	636,258
20.	**Employee benefit expenses**		
	Salaries and wages	29,737,743	21,992,926
	Contribution for 401k fund *	817,578	610,001
	Staff welfare expenses	1,990,295	1,455,996
		32,545,616	24,058,923

* The Company maintains a 401(k) plan, pursuant to which employees may make contributions which are not to exceed statutory limits. Employer matching contribution are equal to 100% of employee contribution.

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21 a. Depreciation, impairment and amortisation expenses	For the year ended 31 March 2024	For the year ended 31 March 2023 (restated)
Depreciation on property, plant and equipment (Refer note 4a)	162,479	194,923
Depreciation on right of use assets (Refer note 4.1)	3,493,351	3,369,828
Amortization of intangible assets (Refer note 5a)	7,398,226	5,901,449
Impairment of intangible assets (Refer note 5b)	3,775,395	2,750,000
	14,829,451	12,216,200
21 b. Exceptional item		
Impairment on intangible assets under development and others* (Refer note 5b)	23,395,550	-
	23,395,550	-

* During the year, on 6th January, 2024, Cipla Technologies, LLC, (now merged with the Company, refer note 28),completed an amendment to the agreement for the development and commercialization of Pulmazole with Pulmatrix Inc. and agreed to terminate the Phase 2b clinical trials for development of Pulmazole and obtain exclusive rights for the development and commercialisation of Pulmazole in all countries except United States of America. Accordingly, an impairment charge for intangible assets of USD 22,000,000 and wind-down cost (net) of USD 1,395,550 has been recorded as an exceptional item.

22. Other expenses		
Insurance premium	5,015	13,209
Foreign exchange loss	149,626	-
Manufacturing expenses	543	2,925,198
Sales promotion expenses	2,620,096	1,036,854
Freight and forwarding	6,439,815	6,832,311
Rates and taxes	216,701	148,406
Postage and telephone expenses	149,302	178,146
Travelling and conveyance	1,486,296	1,077,514
Research - clinical trials, samples and grants	1,335,786	2,348,793
Professional fees	27,290,576	18,902,186
Donation	15,046	3,500
Subscription	3,460,387	2,233,129
Bank charges	61,426	72,609
Provision for expected credit loss	7,271	-
Bad debts and advances written off (net)	-	124,438
Miscellaneous expenses	2,962,467	2,533,939
	46,200,353	38,430,232

23. Finance costs		
Interest on working line credit	-	1,482,271
Interest on loan from the holding company (refer note 14 and 27)	7,507,658	717,275
Interest on ARPA	309,220	2,808,022
Interest cost on lease liability (Refer note 4.1)	150,367	130,332
Others *	58,275	58,275
	8,025,520	5,196,175

* Represents finance cost on minimum royalty commitment of Zemdri molecule of USD 58,275 (USD 58,275 for the year ended 31 March, 2023).

24. Finance income		
Finance income	630,067	281,565
	630,067	281,565

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25. Earnings per share (EPS)

Basic earnings per share is calculated by dividing net profit/ (loss) for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit/ (loss) attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table sets forth the computation of basic and diluted earnings per share. Since there are no dilutive potential equity shares the basic and diluted EPS are the same.

Particulars	As at 31 March 24	As at 31 March 23 (restated)
Profit after tax attributable to ordinary shareholders	17,947,526	31,883,142
Weighted average number of equity shares for basic and diluted earnings per share	24,001	24,000.19
Basic and diluted earnings per ordinary share ($)	747.78	1,328.45

26. Contingencies, guarantees and commitments

There are legal and patent related claims brought against the Company during the year. Management considers these claims to be unjustified and the probability that they will require settlement at the Company's expense to be remote.

Commitment	As at 31 March 24	As at 31 March 23 (restated)
Estimated amount of contracts unexecuted on capital account	44,755,773	11,984,000
	44,755,773	**11,984,000**

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27. **Related party**

Related parties with whom the Company has transacted during the year

A. Ultimate holding company
1. Cipla Limited, India

B. Intermediate holding company
1. Cipla (EU) Limited, United Kingdom

C. Holding company
1. Invagen Pharmaceuticals, Inc.,USA

D. Fellow Subsidiaries
1. Exelan Pharmaceuticals Inc., USA
2. Cipla Therapeutics Inc., USA

E. Entities under common control
1. Sitec Labs Limited
2. Cipla Gulf FZ LLC
3. Aspergen Inc.

F. Key Managerial Personnel
1. Arunesh Verma - Director and Chief Executive Officer
2. Umang Vohra - Director & President
3. AS Kumar - Director
4. Deepak Agarwal - Chief Financial Officer
5. Biplab Mazumdar - Secretary and Treasurer

Summary of transactions with related parties during the year

Name of party and nature of transaction	For the year ended As at 31 March 24	For the year ended As at 31 March 23 (restated) (refer note 28)
Invagen Pharmaceuticals, Inc.		
Purchase of goods	47,918,711	81,967,609
Receipt of services	15,234,238	-
Expenses incurred on behalf of the Company	25,759,144	19,763,337
Dividend paid	19,999,167	-
Capital introduced by Invagen Pharmaceuticals Inc	7,400,000	6,000,000
Expenses incurred on behalf of Invagen Pharmaceuticals, Inc.	1,353,876	1,916,507
Cipla Limited		
Purchase of goods	198,712,216	184,421,529
Transfer of assets	-	1,311,314
Expenses incurred on behalf of Cipla USA, Inc.	1,785,633	840,413
Dividend paid	833	-
Borrowings	25,000,000	94,000,000
Interest on borrowing	7,507,658	717,275
Investment by ultimate holding company	-	9,881
Receipt of services	504,386	161,705
Expenses incurred on benalf of Cipla Limited	39,039,220	14,362,567
Recovery of expenses incurred on behalf of Cipla Limited	50,595	264,900
Royalty paid	200,425,947	103,439,587
Cipla Therapeutics Inc.		
Right of use asset transferred	-	1,380,814
Lease Liabilities transferred	-	1,684,762
Expenses incurred on behalf of Cipla Therapeutics Inc.	2,376	9,758
Exelan Pharmaceuticals Inc.		
Expenses incurred on benalf of Exelan Pharmaceuticals Inc	410,551	112,970
Expenses incurred on behalf of the Company	7,785	2,332,800
Aspergen Inc.		
Services provided	532,033	629,545
Cipla Gulf FZ LLC		
Expenses incurred on behalf of Cipla USA, Inc.	75,386	25,847
Sitec Labs Limited		
Receipt of services	55,942	791
Key Managerial Personnel		
Short-term employee benefits	2,688,752	1,925,828
Post-employment benefit plans	106,545	97,267
Share based payment expenses	211,084	238,622

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27. Related party

Summary of balances with related parties during the year

Name of party and nature of balances	As at 31 March 2024	As at 31 March 2023 (restated)
Invagen Pharmaceuticals, Inc.		
Other receivables (net)	44,886,245	24,861,204
Cipla Limited		
Trade payable	125,195,805	108,558,251
Long term Borrowings	119,000,000	94,000,000
Interest accrued and due on borrowings	2,238,226	481,558
Other receivables	24,732,770	5,931,661
Exelan Pharmaceuticals		
Other receivables	-	84,000
Aspergen Inc.		
Other receivables	253,914	629,545
Cipla Gulf FZ LLC		
Trade payable	101,232	25,847
Sitec Labs Limited		
Trade payable	39,800	-
Other receivables	-	26,882

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Note 28 :

Pursuant to Title 8, Section 264(c) of the Delaware General Corporation Law and Title 6, Section 18-209 of the Delaware Limited Liability Company Act, the Company (Surviving Company) and Cipla Technologies LLC (Merging Company) executed the Certificate of Merger, wherein Cipla Technologies LLC shall merge with and into the Company, effective 31 March 2024 which was authorised by company vide board resolution dated 22 March 2024. Management has accounted the arrangement in accordance with the IFRS guidance, relevant for combinations under common control. Pursuant to the relevant guidance under IFRS, the merger is accounted by restating the previously audited financial statements for the year ended 31 March 2023. Accordingly, all the assets and liabilities as of 31 March 2023 of Merging Company have been carried at their respective book values, subject to changes if any relating to harmonisation of the accounting principles where applicable. The summary of assets and liabilities and the summary of income and expense restated with the audited financial statements of 31 March 2023 and the details of income and expenses of Merging Company which are legally, beneficially and contractually carried out by the Company and added with the financial statements of the Company solely for the purposes of compliances with the accounting principles mentioned in IFRS guidance has been presented as "Transactions undertaken by Merging Company" in the disclosures below:

1. Statement of Profit and Loss

Particulars	Amount for the year ended March 2024 (before common control transaction)	Transactions undertaken by the Merging Company	Amounts for the year ended 31 March 2024	Reported amounts for the year ended 31 March 2023	Transactions undertaken by the Merging Company for year ended 31 March 2023	Restated amounts for the year ended 31 March 2023
Income						
Revenue from operations	698,370,124	100,000	698,470,124	581,615,305	-	581,615,305
Other income	892,010	(318)	891,692	2,058,742	(38)	2,058,704
Total revenue	**699,262,134**	**99,682**	**699,361,816**	**583,674,047**	**(38)**	**583,674,009**
Expenses						
Purchases of stock-in-trade	533,925,412	-	533,925,412	461,436,844	-	461,436,844
Changes in inventories of stock-in-trade	17,381,048	-	17,381,048	636,258	-	636,258
Employee benefit expenses	32,536,208	9,408	32,545,616	24,047,728	11,195	24,058,923
Depreciation, impairment and amortisation expenses	14,829,451	-	14,829,451	12,216,200		12,216,200
Other expenses	41,680,598	4,519,755	46,200,353	32,812,023	5,618,209	38,430,232
Total expenses	**640,352,717**	**4,529,163**	**644,881,880**	**531,149,053**	**5,629,404**	**536,778,457**
Operating Profit / (Loss)	**58,909,417**	**(4,429,481)**	**54,479,936**	**52,524,994**	**(5,629,442)**	**46,895,552**
Finance costs	(8,025,520)		(8,025,520)	(5,196,175)	-	(5,196,175)
Finance income	630,067	-	630,067	281,565	-	281,565
Profit / (Loss) before tax and exceptional items	**51,513,964**	**(4,429,481)**	**47,084,483**	**47,610,384**	**(5,629,442)**	**41,980,942**
Exceptional item						
Impairment on intangible assets under development	-	23,395,550	23,395,550	-	-	-
Profit / (Loss) before tax	**51,513,964**	**(27,825,031)**	**23,688,933**	**47,610,384**	**(5,629,442)**	**41,980,942**
Tax expenses						
Current tax	24,875,114	(6,429,120)	18,445,994	17,992,100	(1,182,183)	16,809,917
Deferred tax	(12,704,587)	-	(12,704,587)	(6,712,117)	-	(6,712,117)
	12,170,527	**(6,429,120)**	**5,741,407**	**11,279,983**	**(1,182,183)**	**10,097,800**
Profit (Loss) / comprehensive income for the year	**39,343,437**	**(21,395,911)**	**17,947,526**	**36,330,401**	**(4,447,259)**	**31,883,142**

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Cipla USA, Inc.
Notes to the special purpose financial statements as at and for the year ended 31 March 2024
(Amounts expressed in USD, except share and per share data)

Note 28 (contd)

2. Statement of Financial Position

Particulars	Reported numbers as at 31 March 2023	Transactions undertaken by the Merging Company for year ended 31 March 2023	Restated balances as at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	574,644	-	574,644
Capital work-in-progress	-	-	-
Right of use assets	3,470,620	-	3,470,620
Intangible assets	23,562,979	-	23,562,979
Intangible assets under development	5,260,724	22,000,000	27,260,724
Income tax assets (net)	322,416	-	322,416
Deferred tax assets (net)	25,476,142	-	25,476,142
Other long term financial asset	231,607	-	231,607
Other Non current assets	9,300,000	-	9,300,000
Total non-current assets	68,199,132	22,000,000	90,199,132
Current assets			
Inventories	92,948,602	-	92,948,602
Trade receivables (net)	153,243,880	-	153,243,880
Cash and cash equivalents	9,493,493	1,807,995	11,301,488
Other short-term financial assets	29,228,550	3,689,565	32,918,115
Other current assets	5,373,251	-	5,373,251
Total current assets	290,287,776	5,497,560	295,785,336
Total assets	358,486,908	27,497,560	385,984,468
Equity and liabilities			
Equity			
Share capital (including securities premium)	2,409,881		2,409,881
Retained earnings	70,619,356	25,647,775	96,267,131
Total equity	73,029,237	25,647,775	98,677,012
Liabilities			
Non-current liabilities			
Lease liabilities	889,747	-	889,747
Other financial liabilities	1,406,641	-	1,406,641
Provisions	271,732	-	271,732
Total non-current liabilities	2,568,120	-	2,568,120
Current liabilities			
Borrowings	94,000,000	-	94,000,000
Trade payables	141,834,729	1,849,785	143,684,514
Lease liabilities	2,772,160	-	2,772,160
Other financial liabilities	6,355,670	-	6,355,670
Provisions	37,926,992	-	37,926,992
Total current liabilities	282,889,551	1,849,785	284,739,336
Total liabilities	285,457,671	1,849,785	287,307,456
Total equity and liabilities	358,486,908	27,497,560	385,984,468

Note: The net assets taken over, amounting to USD 25,647,775 have been credited to Capital reserve under Retained earnings. Further, losses pertaining to Merging Company amounting to USD 4,447,259 and USD 21,395,911 for the FY 2022-23 and 2023-24 respectively have also been adjusted in Capital reserve under Retained earnings.

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29. Fair value measurement of financial instruments

a) **Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:**

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability
There were no financial assets and liabilities measured at fair value on a recurring basis at 31 March 2024, 31 March 2023.

b) **Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:**

Particulars	Carrying value		Fair value (Level 3)	
	As at 31 March 24 In USD	As at 31 March 23 In USD (restated)	As at 31 March 24 In USD	As at 31 March 23 In USD (restated)
Trade receivables	173,596,196	153,243,880	173,596,196	153,243,880
Security deposits	1,665,881	1,616,430	1,665,881	1,616,430
Other current assets	71,944,929	31,765,273	71,944,929	31,765,273
Cash and cash equivalents	21,462,244	11,301,488	21,462,244	11,301,488
Total	**268,669,250**	**197,927,071**	**268,669,250**	**197,927,071**
Borrowings	119,000,000	94,000,000	119,000,000	94,000,000
Trade payables	153,773,451	143,684,514	153,773,451	143,684,514
Other liabilities	7,734,785	7,762,311	7,734,785	7,762,311
Lease liabilities	7,098,780	3,661,907	7,098,780	3,661,907
Total	**287,607,016**	**249,108,732**	**287,607,016**	**249,108,732**

Carrying amounts of financials assets and liabilities as at 31 March 2024, 31 March 2023 is approximately equal to the fair value because of their short-term nature.

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30. Financial risk management objectives and policies

Financial risk factors

The Company activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk - interest rate risk and foreign currency risk.

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. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs comprehensive interest rate risk management. The Company is not exposed to interest rate risk as at the respective reporting dates since loan from the ultimate holding company is at the fixed rate.

Foreign currency risk

Foreign currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of change in foreign exchange rate. The Company evaluates exchange rate exposure arising from foreign currency transactions.

Most of the Company's transactions are carried out in USD which is also the Company's functional currency. During the year there were a few transactions entered into other than transaction currency and however there is no balances which shall be settled in other currency, accordingly the Company is not exposed to foreign currency risks.

b) .Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables. The credit risk in respect of cash balances held with bank are non-risky as they are with major reputable financial institution.

Trade and other receivables

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 credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents were past due or impaired as at 31 March 2024. Of the total trade receivables, USD 167,532,251 and USD 148,325,327 as at 31 March 2024 and 2023 consisted of customer balances which were neither past due nor impaired.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 0 – 90 days. The age analysis of the trade receivables has been considered from the due date of the invoice. The ageing of trade receivables, net of allowance for doubtful receivables, is given below:

Particulars	As at 31 March 24	As at 31 March 23 (restated) (refer note 28)
	in USD	in USD
Not due	167,532,251	148,325,327
Due 0-90 days	5,999,569	4,851,257
Due 91-180 days	59,657	23,292
Due 181-365 days	4,719	44,004
Due over 365 days	7,271	-
Total	**173,603,467**	**153,243,880**
Less : Provision for expected credit loss	(7,271)	-
Trade receivables	**173,596,196**	**153,243,880**

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c) **Liquidity risk analysis**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by raising additional funds from parent company or from group companies to meet the financial obligations. As of 31 March 2024 and 31 March 2023, the Company had surplus working capital of USD 25,608,564 and USD 11,045,999 respectively. Based on the projected cash flows, the Company has sufficient resources to meet the capital expenditure needs and working capital requirements over the course of the next 12 months.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 March 2024

Particulars	<1yr	1-5 yrs.	>5 yrs.	Total
Borrowings	119,000,000	-	-	119,000,000
Trade payables	153,773,451	-	-	153,773,451
Other liabilities	6,569,869	1,500,000	-	8,069,869
Lease liability	3,773,698	3,712,570	-	7,486,268
	283,117,018	5,212,570	-	288,329,588

As at 31 March 2023

Particulars	<1yr	1-5 yrs.	>5 yrs.	Total
Borrowings	94,000,000	-	-	94,000,000
Trade payables	143,684,514	-	-	143,684,514
Other liabilities	6,355,670	1,500,000	300,000	8,155,670
Lease liability	2,824,689	977,229	-	3,801,918
	246,864,873	2,477,229	300,000	249,642,102

31. Capital management

A. Risk Management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern, and
- to provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The Company monitors capital on the basis of the carrying amount of equity plus its loan and lease liabilities, less cash and cash equivalents as presented in the statement of financial position. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell new assets to reduce debt. Consistent with others in industry, the Company monitors capital on the basis of the following gearing ratio: (net debt divided by total 'equity')

Net debt = Total borrowings (including lease liabilities and interest accrued on borrowings) less [Cash and cash equivalents]

Total 'equity' is as shown in the balance sheet.

Particulars	As at 31 March 24	As at 31 March 23 (restated)
Total debt	128,337,006	98,143,465
Less: Cash and cash equivalents	21,462,244	11,301,488
Net debt (A)	106,874,762	86,841,977
Total equity (B)	104,024,538	98,677,012
Net debt to equity ratio (A/B)	1.03	0.88

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32. Net debt reconciliation

Particulars	As at 31 March 24	As at 31 March 23 (restated)
Borrowings including interest accrued	(121,238,226)	(94,481,558)
Cash and cash equivalents	21,462,244	11,301,488
Lease liability	(7,098,780)	(3,661,907)
Total	**(106,874,762)**	**(86,841,977)**

Particulars	Lease liability	Borrowings (including interest accrued)	Cash and cash equivalents	Total
Net debt as at 1 April 2022	6,174,310	49,064,903	8,284,720	(46,954,493)
Lease liability for lease taken during the year	2,614,591	-	-	(2,614,591)
Transfer of lease liability	(1,684,762)	-	-	1,684,762
Cash flows (net)	-	(300,620)	3,016,768	3,317,388
Proceeds from borrowing (net)	-	45,000,000	-	(45,000,000)
Payment of lease liabilities (net)	(3,572,564)	-	-	3,572,564
Finance cost (net)	130,332	717,275	-	(847,607)
Net debt as at 31 March 2023	**3,661,907**	**94,481,558**	**11,301,488**	**(86,841,977)**
Lease liability for lease taken during the year	6,929,431	-	-	(6,929,431)
Transfer of lease liability	-	-	-	-
Cash flows	-	(5,750,990)	6,986,934	12,737,924
Proceeds from borrowing (net)	-	25,000,000	-	(25,000,000)
Payment of lease liabilities (net)	(3,642,925)	-	-	3,642,925
Finance cost	150,367	7,507,658	-	(7,658,025)
Net debt as at 31 March 2024	**7,098,780**	**121,238,226**	**18,288,422**	**(110,048,584)**

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33 . Segament Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is the Chief Executive Officer of the Company, who assesses the financial performance and position of the Company and makes strategic decisions. The Companys's reportable segments are as follows:

1.Pharmaceuticals - This segment includes the distribution of the parent companies' pharmaceutical products in the United States of America.

2. New ventures - This includes the speciality business of the Company.

The CODM reviews revenue and gross profit as the performance indicator, and does not review the total assets and liabilities for each reportable segment.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023 (restated)
Segment wise revenue and results		
Segment revenues:		
a) Pharmaceuticals	698,013,106	581,173,833
b) New ventures	457,018	441,472
Total segment revenue/ revenue from operations	**698,470,124**	**581,615,305**
Segment result:		
Profit/(loss) before tax and interest from each segment		
a) Pharmaceuticals	61,883,489	55,616,134
b) New ventures	(6,773,486)	(8,439,017)
Total segment result	**55,110,003**	**47,177,117**
Less: Finance costs	8,025,520	5,196,175
Total profit before tax and exceptional items	**47,084,483**	**41,980,942**
Exceptional item		
a) Pharmaceuticals	-	-
b) New ventures		
Impairment of intangible assets under development and others (Note 5b and 21(b))	23,395,550	-
Total profit before tax	**23,688,933**	**41,980,942**

Segment assets and liabilities

As some of the assets and liabilities are deployed interchangeably across segments, it is not practically possible to allocate those assets and liabilities to each segment. Hence, the details of assets and liabilities have not been disclosed in the above table.

34. Other Significant notes

The figures of the corresponding previous year have been regrouped/ reclassified wherever necessary to make comparable.

35. Subsequent events

No adjusting or significant non-adjusting events have occurred between the 31 March 2024 and the date of authorisation.

36. Authorisation of special purpose financial statements

These special purpose financial statements for the year ended 31 March 2024 (including comparative) were approved by the Board of Directors and authorised for issued on 07 May 2024.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 7 May 2024

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For and on behalf of the **Board of Directors**

Deepak Agarwal
Chief Financial Officer

Place: New Jersey
Date: 7 May 2024

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Umang Vohra
Director

Place: Mumbai
Date: 7 May 2024

Exelan Pharmaceuticals Inc.

Financial Statements for Financial Year 2023-24

Exelan Pharmaceuticals, Inc.

Special Purpose Financial Statements
for the year ended 31 March 2024

Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Exelan Pharmaceuticals Inc.

Report on the Audit of the Special Purpose Financial Statements

Opinion

1. We have audited the accompanying special purpose financial statements of **Exelan Pharmaceuticals Inc.** ('the Company'), which comprise the Statement of Financial Position as at **31 March 2024**, the Statement of Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the special purpose financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the 'Special Purpose Financial Statements').

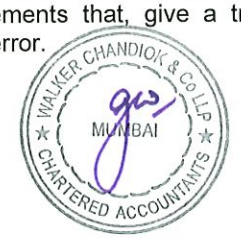
2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Financial Statements gives a true and fair view of financial position of the Company as at 31 March 2024, and its financial performance, its cash flows and the changes in equity for the year then ended in accordance with the IFRS Accounting Standards issued by International Accounting Standards Board ('IASB').

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose 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') and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Special Purpose Financial Statements

4. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the preparation and presentation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the IFRS Accounting Standards issued by IASB. This responsibility also includes maintenance of adequate accounting records 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 special purpose financial statements that, give a true and fair view and are free from material misstatement, whether due to fraud or error.



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5. In preparing the special purpose financial statements, the Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Standards on Auditing 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 Special Purpose Financial Statements.

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

   - Identify and assess the risks of material misstatement of the Special Purpose 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 but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to Special Purpose Financial Statements 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 Board of Directors' 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 Special Purpose 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; and

   - Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

8. 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.

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Restriction on distribution and use

9. The accompanying Special Purpose Financial Statements have been prepared by the Company's Board of Directors solely to enable the management of the Cipla Limited, the Ultimate Holding Company, in the preparation of its consolidated financial statements for the year ended 31 March 2024 and accordingly, these Special Purpose Financial Statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No.: 508835

UDIN: 24508835BKFFBX1939

Place: Mumbai
Date: 3 May 2024

Exelan Pharmaceuticals, Inc.
Statement of Financial Position as at 31 March 2024
(Amounts expressed in USD, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Right of use assets	4	198,012	560,903
Intangible assets	4.1	-	-
Intangible assets under development	4.2	-	-
Other long-term financial assets	5	7,112	7,112
Deferred tax assets	6	5,806,624	3,823,416
Advance tax assets (net)	6	17,849	70,986
Total non-current assets		6,029,597	4,462,417
Current assets			
Inventories	7	25,935,504	27,785,420
Trade receivables, net	8	56,579,242	33,003,421
Cash and cash equivalent	9	3,601,204	5,697,270
Other short-term financial assets	10	2,268,780	4,010,142
Other current assets	10.1	65,239	12,126
Total current assets		88,449,969	70,508,379
Total assets		94,479,566	74,970,796
Equity and liabilities			
Equity			
Share capital	10.2	500,000	500,000
Retained earnings	10.3	44,233,769	24,699,518
Total equity		44,733,769	25,199,518
Non-current liabilities			
Lease liabilities	4	73,114	80,979
Provisions	11	193,293	11,234
Total non-current liabilities		266,407	92,213
Current liabilities			
Trade payables	12	34,274,386	29,638,533
Lease liabilities	4	137,146	516,412
Other current liabilities	13	20,712	2,633,788
Other short term financial liabilities	13.1	6,072,336	8,301,979
Provisions	14	8,974,810	8,588,353
Total current liabilities		49,479,390	49,679,065
Total equity and liabilities		94,479,566	74,970,796

Notes 1 to 31 annexed hereto form an integral part of these special purpose financial statements.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 3 May 2024

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Exelan Pharmaceuticals, Inc.

For and on behalf of the Board of Directors

Brian Christensen
Director

Place: Florida
Date: 3 May 2024

Abhayan Jawaharlal
Director

Place: Mumbai
Date: 3 May 2024

Exelan Pharmaceuticals, Inc.
Statement of Comprehensive Income for the year ended 31 March 2024
(Amounts expressed in USD, unless otherwise stated)

	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from operations			
Revenue from operations	15 a	165,224,081	113,119,872
Other income	15 b	-	49,000
		165,224,081	113,168,872
Expenses			
Purchases of stock-in-trade		130,044,887	110,103,574
Decrease / (increase) in inventories of stock-in-trade	16	1,849,916	(13,712,704)
Employee benefits expense	17	1,240,749	1,079,728
Depreciation, amortisation and impairment expenses	18	664,216	508,798
Other expenses	19	5,798,990	4,906,826
Total expenses		139,598,758	102,886,222
Operating profit		25,625,323	10,282,650
Finance costs	20	(18,883)	(37,342)
Profit before tax		25,606,440	10,245,308
Tax expenses	6		
Current tax		8,055,397	1,336,414
Deferred tax		(1,983,208)	(839,017)
Total tax expense		6,072,189	497,397
Profit for the year, net of tax		19,534,251	9,747,911
Other Comprehensive Income		-	-
Total Comprehensive Income		19,534,251	9,747,911
Earnings per equity share (nominal value of shares of USD 1 each)			
Basic and diluted earnings per ordinary share (USD)	21	39.07	19.50

Notes 1 to 31 annexed hereto form an integral part of these special purpose financial statements.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 3 May 2024

For and on behalf of the Board of Directors

Brian Christensen
Director

Place: Florida
Date: 3 May 2024

Abhayan Jawaharlal
Director

Place: Mumbai
Date: 3 May 2024

Exelan Pharmaceuticals, Inc.

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Exelan Pharmaceuticals, Inc.
Statement of Changes in Equity for the year ended 31 March 2024
(Amounts expressed in USD, unless otherwise stated)

Particulars	Attributable to equity holders of parent		Total equity
	Share capital	Other equity	
	Issued capital (500,000 shares of USD 1 each)	Retained earnings	
Balance at 1st April 2022	500,000	14,951,607	15,451,607
Profit for the year	-	9,747,911	9,747,911
Balance at 31 March 2023	500,000	24,699,518	25,199,518
Profit for the year	-	19,534,251	19,534,251
Balance at 31 March 2024	500,000	44,233,769	44,733,769

Notes 1 to 31 annexed hereto form an integral part of these special purpose financial statements.

Share capital represents the nominal (par) value of shares that have been issued. Other equity include retained earnings includes all current and prior period retained profits.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 3 May 2024

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of the Board of Directors

Exelan Pharmaceuticals, Inc.

Brian Christensen
Director

Place: Florida
Date: 3 May 2024

Abhayan Jawaharlal
Director

Place: Mumbai
Date: 3 May 2024

Exelan Pharmaceuticals, Inc.
Cash Flow Statement for the year ended 31 March 2024
(Amounts expressed in USD, unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	25,606,440	10,245,308
Adjustments to reconcile profit before tax to net cash generated from operating activities		
Depreciation, impairment and amortisation expenses	664,216	508,798
Finance cost	18,883	37,342
Changes in operating assets and liabilities		
Increase in trade receivables	(23,575,821)	(646,864)
Decrease / (increase) in inventories	1,849,916	(13,712,704)
Decrease / (increase) in other assets	1,688,249	(255,736)
Increase in trade payables	4,635,853	6,908,397
(Decrease) / increase in financial and other liabilities	(2,617,691)	2,619,320
Increase / (decrease) in provisions	568,516	(113,594)
Cash generated from operating activities before taxes	8,838,561	5,590,267
Taxes paid	(10,227,287)	(15,590)
Net cash (used) / generated from operating activities	(1,388,726)	5,574,677
Cash flow from investing activities		
Incurred for intangible assets under development	(150,000)	-
Net cash used in investing activities	(150,000)	-
Cash flow from financing activities		
Payment of lease liability (including interest cost)	(557,340)	(539,784)
Net cash used in financing activities	(557,340)	(539,784)
Net (Decrease) / Increase in cash and cash equivalents	(2,096,066)	5,034,893
Cash and cash equivalents at the beginning of the year	5,697,270	662,377
Cash and cash equivalents at the end of the year	3,601,204	5,697,270
Components of cash and cash equivalents		
Balance with banks on current account	3,601,204	5,697,270
Total cash and cash equivalents (Refer note 9)	3,601,204	5,697,270

Refer Note 28 for Net debt reconciliation.

Notes 1 to 31 annexed hereto form an integral part of these special purpose financial statements.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 3 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Exelan Pharmaceuticals, Inc.

For and on behalf of the Board of Directors

Brian Christensen
Director

Place: Florida
Date: 3 May 2024

Abhayan Jawaharlal
Director

Place: Mumbai
Date: 3 May 2024

Exelan Pharmaceuticals, Inc.
Notes to the special purpose financial statements as at and for the year ended 31 March 2024

1. Corporate Information

Exelan Pharmaceuticals, Inc. ("Exelan" or the "Company') is a Delaware corporation that was incorporated on September 9, 2010. Exelan's headquarters is located in Lawrenceville, Georgia. Exelan is engaged in the sale and marketing of generic prescription pharmaceuticals to the government and institutional markets throughout the United States of America. The Company is a wholly owned subsidiary of InvaGen Pharmaceuticals, Inc. effective 17 February 2016.

2.1 Basis of preparation

These special purpose financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

They have been prepared under the assumption that the Company operates on a going concern basis.

These special purpose financial statements correspond to the classification provisions contained in IAS 1 (revised), "Presentation of Financial Statements". Accounting policies have been applied consistently to all periods presented in these special purpose financial statements except where a remission to an existing accounting standard required a change in the accounting policy hereto in use. The special purpose financial statements comprise the Statement of Financial Position as of 31 March 2024 with comparative Statement of Financial Position as on 31 March 2023; the Statement of Comprehensive Income; the Statement of Changes in Equity; and the Statement of Cash Flows for the years ended 31 March 2024 with comparatives for the year ended 31 March 2023.

These special purpose financial statements have been prepared by the Company's management solely to enable the management of the Cipla Limited, the Ultimate Holding Company, in the preparation of its consolidated financial statements for the year ended 31 March 2024 and accordingly, these special purpose financial statements may not be suitable for any other purpose.

2.2.1 Basis of measurement

These special purpose financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

2.2.2 Fuctional and presentation currency

The financial statements of the Company are presented in currency units USD, which is also the functional currency of the Company.

2.3 New or revised Standards or Interpretations

2.3.1 New Standards adopted as at 1 April 2023

Other Standards and amendments that are effective for the first time in the current year and could be applicable to the Company are:

- IFRS 17 'Insurance Contracts'
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

These accounting pronouncements which have become effective from 1 April 2023 and have therefore been adopted do not have a significant impact on the Company's special purpose financial statements.

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Exelan Pharmaceuticals, Inc.

2.3.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's special purpose financial statements.

3. Accounting policies and estimates

3.1 Material accounting policies

3.1.1 Revenue

Revenue arises mainly from the sale of products.

To determine whether to recognise revenue, the Company follows a 5-step process:

a) Identifying the contract with a customer
b) Identifying the performance obligations
c) Determining the transaction price
d) Allocating the transaction price to the performance obligations
e) Recognising revenue when/as performance obligations are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

The Company receives revenue for supply of goods to external customers against orders received. The majority of contracts that the Company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products.

Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

Revenues are recorded in the amount of consideration to which the Group expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation The transaction price of goods sold and services rendered is net of
estimated incentives, returns, chargeback, rebates, sales tax and applicable trade discounts, allowances, Indirect Tax and amounts collected on behalf of third parties. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest income

Interest income is recognized on an accrual basis taking into account the interest rates applicable to the financials assets.

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Exelan Pharmaceuticals, Inc.

Other Income
Other Income is recognised when it is probable that economic benefits will flow to the company and amount of income can be measured reliably.

3.1.2 Operating expenses

Operating expenses are recognised in profit or loss upon utilization of the service or as incurred. Expenditure for returns is recognised when the Company incurs an obligation, which is typically when the related goods are sold.

3.1.3 Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

3.1.4 Intangible assets
Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured. Intangible assets with definite lives are amortized over the estimated useful lives and are reviewed for impairment, if indicators of impairment arise. Residual value and useful life is subject to review at each reporting period. See further discussion on impairment testing under "impairment of non financial assets" below.

(ii) Expenditure on regulatory approval

Expenditure for obtaining regulatory approvals and registration of products for overseas markets is charged to the profit or loss.

Finite lived intangible assets which are subject to amortization over the estimated useful life ranging from 2-10 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net proceeds from disposal and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognized.

Payments to in-license products and compounds from third parties generally taking the form of up-front payments and milestones are capitalised and amortised, generally on a straight-line basis, over their useful economic lives from when the asset is available for use, not exceeding 10 years.

Intangible assets under development includes cost for in-license products and compounds from third parties generally taking the form of up-front payments and milestones for which regulatory approvals have not been received.

3.1.5 Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

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Exelan Pharmaceuticals, Inc.

3.1.6 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

(i) Company as a lessee

The lease asset classes primarily consist of leases for office spaces and warehouse facilities. The rental contracts for offices are typically negotiated for terms of between 3 and 5 years and some of these have extension terms. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

Some lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices and servicing. The Company has elected to not separate its leases for offices into lease and non-lease components and instead accounts for these contracts as a single lease component. For its other leases, the lease components are split into their lease and non-lease components based on their relative stand-alone prices.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability in its statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Company would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Company.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Company's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of office equipment such as desks, chairs, and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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Exelan Pharmaceuticals, Inc.

3.1.7 **Financial instruments**
Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:
- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:
- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets
Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)
The Company accounts for financial assets at FVOCI if the assets meet the following conditions:
- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

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Exelan Pharmaceuticals, Inc.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and trade receivables.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequent measurement

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.1.8 Fair value measurements

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is
not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3.1.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.1.10 Inventories

Inventories included in the special purpose financial statements are stated at the lower of cost and net realisable value. Cost is generally determined on a moving average price. Stock-in-trade include costs of purchase and other related costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.1.11 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

For the purpose of these special purpose financial statements, provision for tax is arrived at by considering the consolidated profit and loss for the reporting period, since for the income tax assessment of the USA operations i.e Invagen Pharmaceuticals, Inc., Cipla USA, Inc., Exelan Pharmaceuticals, Inc., Cipla Technologies LLC, Madison Pharmaceuticals Inc. and Cipla Therapeutics is assessed as single assessee under Internal Revenue Service.

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Exelan Pharmaceuticals, Inc.

Current Income Tax
Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Though the Company has considered all these issues in estimating its income taxes, there could be an unfavourable resolution of such issues that may affect results of the Company's operations.

Deferred Income Tax
Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for all deductible and taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amount in special purpose financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of transaction.

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

Deferred income tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The Company recognizes deferred tax liabilities for all taxable temporary differences except those associated with the investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

3.1.12 Employee benefits

i. Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

The Company has a 401(k) plan that provides defined contribution retirement benefits for all the employees. Participants may contribute a portion of their compensation to the plan, subject to the limitations under the Internal Revenue Code. The Company's contribution to the plan are at the discretion of the Board

Obligation for contributions to 401(k) plan are recognized as an employee benefit expenses in profit or loss as incurred.

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iii. Compensated absences

Eligible employees are entitled to accumulate compensated absences up to prescribed limits in accordance with the Company's policy and receive cash in lieu thereof. Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the statement of profit or loss in the period in which they occur.

3.1.13 Provisions and other payables

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required from the Company and a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in statement of profit or loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary. Other payables are stated at their nominal value.

3.1.14 Share capital

Share capital represents the nominal (par) value of shares that have been issued. Other components of equity include retained earnings includes all current and prior period retained profits.

3.1.15 Contingent liabilities and contingent assets

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

3.1.16 Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.1.17 Use of judgement and estimates

The preparation of special purpose financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the special purpose financial statements is included in the following notes:

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Revenue recongition
Generic drug pricing at the wholesale level can create significant differences between our invoice price and net selling price. Wholesale customers purchase product from the Company at invoice price, then resell the product to specific healthcare providers on the basis of prices negotiated between us and the providers, and the wholesaler submits a chargeback credit to us for the difference. Estimates for these chargebacks as well as sales returns, rebates and incentive programs, and the sales allowances for all our customers at the time of sale as deductions from gross revenues, with corresponding adjustments to our accounts receivable reserves and allowances.

As per the experience and the access to relevant information that management believes necessary to reasonably estimate the amounts of such deductions from gross revenues. Some of the assumptions used for certain of our estimates are based on information received from third parties, such as wholesale customer inventory data and market data, or other market factors beyond our control. The estimates that are most critical to the establishment of these reserves, and therefore would have the largest impact if these estimates were not accurate, are estimates related to expected contract sales volumes, average contract pricing, customer inventories and return levels. Management regularly review the information related to these estimates and adjust our reserves accordingly if and when actual experience differs from previous estimates. The ending balances of account receivable reserves and allowances generally are trued-up on a quarterly basis.

Deferred tax assets
In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Provisions and Liabilities
Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances which may be subject to change. In case for which actual cash outflow will take place over more than one year in the future and hence the carrying amounts of provisions and liabilities are regularly reviewed and adjusted to take into account the changing circumstances and other factors that influence the provisions and liabilities.

Leases
IFRS 16 *"Leases"* requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Impairment of non financial assets
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Inventories
Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

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4 Leases

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2024:

Particulars	Category of ROU assets	
	Building	Total
Balance as at 1 April 2022	1,069,701	1,069,701
Additions	-	-
Depreciation	508,798	508,798
Balance as at 31 March 2023	560,903	560,903
Additions	151,325	151,325
Depreciation	514,216	514,216
Balance as at 31 March 2024	198,012	198,012

The weighted average incremental borrowing rate applied to lease liabilities is 4.5%-5.5%.

The following is the break-up of current and non-current lease liabilities as of 31 March 2024

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease liabilities	137,146	516,412
Non-current lease liabilities	73,114	80,979
Total	210,260	597,391

The following is the movement in lease liabilities during the year ended 31 March 2024:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	597,391	1,099,833
Additions	151,326	-
Finance cost during the year	18,883	37,342
Payment of lease liabilities	557,340	539,784
Closing Balance	210,260	597,391

The table below provides details regarding the contractual maturities of lease liabilities as of 31 March 2024 on an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Less than 1 year	138,426	526,988
One to five years	80,139	84,870
Total	218,565	611,858
Less: Finance component	(8,305)	(14,467)
Total	210,260	597,391

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of comprehensive income.

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4.1. Intangible assets

Particulars	Computer Software	Total
Gross carrying value		
As at 1 April 2022	213,667	213,667
Additions	-	-
As at 31 March 2023	213,667	213,667
Additions	-	-
As at 31 March 2024	213,667	213,667
Accumulated Amortisation		
As at 1 April 2022	213,667	213,667
Charge for the year	-	-
As at 31 March 2023	213,667	213,667
Charge for the year	-	-
As at 31 March 2024	213,667	213,667
Net carrying value		
As at 31 March 2023	-	-
As at 31 March 2024	-	-

The balance useful life of the intangible asset as at 31 March 2024 is NIL (31 March 2023: Nil)

4.2 Intangible assets under development

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	-	-
Add: Additions during the year (refer note a)	150,000	-
Less: capitalised during the year	-	-
Less: Impairment charge during the year (refer note b)	(150,000)	-
Closing balance	-	-

Note:

a) Significant acquisitions during current year

Product	Date of agreement	Amount
Methocarbamol	31 October 2023	150,000

b) During the year ended 31 March 2024, on account of change in business plan for intangible assets under development value in use was determined as Nil, Hence, the company recorded an impairment charge of USD 150,000 to give effect to the change in cashflows in those intangibles. ($ Nil impairment in FY 2022-23)

5. Other long-term financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposit	7,112	7,112
	7,112	7,112

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6. Deferred tax

Particulars	As at 1 April 2022	Recognised in Statement of Comprehensive Income	As at 31 March 2023	Recognised in Statement of Comprehensive Income	As at 31 March 2024
a) Deferred tax assets					
Provision for inventories	552,873	99,030	651,903	526,298	1,178,201
Provision for employee benefits and others	62,532	26,324	88,856	(33,988)	54,868
Provision for lease liability	7,022	1,494	8,516	(5,653)	2,863
R&D Expenses	-	-	-	38,689	38,689
Provision for revenue deductions	2,361,972	712,169	3,074,141	1,457,862	4,532,003
Deferred tax assets	2,984,399	839,017	3,823,416	1,983,208	5,806,624

b) Income tax expense reported in the statement of comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	8,055,397	1,336,414
Deferred tax	(1,983,208)	(839,017)
	6,072,189	497,397

c) Reconciliation of deferred tax assets (net)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance as on 1 April	3,823,416	2,984,399
Tax income during the period recognised in profit or loss	1,983,208	839,017
	5,806,624	3,823,416

d) Reconcillation of effective tax rate:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	25,606,440	10,245,308
Income tax		
Applicable income tax on profit at respective locations applicable tax rates	23.84%	23.34%
Tax at enacted rate	6,104,575	2,391,255
Reconciliation		
Others	11,386	(23,475)
Intercompany adjustments on consolidation with parent	(43,772)	(1,870,383)
	6,072,189	497,397
Effective tax rate	23.71%	4.85%

e) Advance tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax assets	17,849	70,986
	17,849	70,986

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	Particulars	As at 31 March 2024	As at 31 March 2023
7.	**Inventories**		
	Stock-in-trade	25,935,504	27,785,420
		25,935,504	27,785,420

In the year ended 31 March 2024, a total of USD 8,929,550 (31 March 2023: USD 7,667,747) of inventory was written down and charged to change in inventories of stock-in-trade due to change in NRV, expiry provision and damages.

8.	**Trade receivables**		
	Trade receivables	56,579,242	33,003,421
		56,579,242	33,003,421

The following tables summarize the impact of accounts receivable reserves on the gross trade accounts receivable balances at each balance sheet date

Gross trade accounts receivable	75,938,217	42,909,378
Chargebacks, rebates and other deductions	(19,358,975)	(9,905,957)
	56,579,242	33,003,421

The Company generally have a credit period of approximately 60 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure.

9.	**Cash and cash equivalent**		
	Balances with banks:		
	– On current accounts	3,601,204	5,697,270
		3,601,204	5,697,270

10.	**Other short-term financial assets**		
	Other receivables		
	- From related party (Refer note 24)	2,268,780	4,010,142
		2,268,780	4,010,142

10.1	**Other current assets**		
	Advance to suppliers	17,678	12,126
	Prepaid expenses	47,561	-
		65,239	12,126

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Notes to the special purpose financial statements as at and for the year ended 31 March 2024
(Amounts expressed in USD, unless otherwise stated)

Note 10.2: Share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of USD 1 each	500,000	500,000	500,000	500,000
Total	500,000	500,000	500,000	500,000
Issued, subscribed and fully paid up				
Equity shares of USD 1 each	500,000	500,000	500,000	500,000
Total	500,000	500,000	500,000	500,000

a) **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period**

Balance at the beginning of the year	500,000	500,000	500,000	500,000
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	500,000	500,000	500,000	500,000

b) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of USD 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, 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 shareholders.

c) **Details of shareholders holding more than 5% of shares and promoter shareholding.**

c) (i) Equity shares

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number	% Shareholding	Number	% Shareholding
Invagen Pharmaceuticals, Inc.	500,000	100%	500,000	100%

c) (ii) Details of shares held by promoters in the Company

Particulars	As at 31 March 2024		As at 31 March 2023		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Invagen Pharmaceuticals, Inc.	500,000	100.00%	500,000	100.00%	0.00%

Particulars	As at 31 March 2023		As at 31 March 2022		% Change during the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Invagen Pharmaceuticals, Inc.	500,000	100.00%	500,000	100.00%	0.00%

Note 10.3: Retained Earnings (refer statement of changes in equity for movement)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	24,699,518	14,951,607
Profit for the year	19,534,251	9,747,911
	44,233,769	24,699,518

Nature and purpose of reserve:-

Retained earnings : Retained earnings represent the Company's undistributed profits.

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Particulars	As at 31 March 2024	As at 31 March 2023
11. Provisions		
Compensated absence	13,297	11,234
Long-term incentive plan provision	179,996	-
	193,293	11,234
12. Trade payables		
Trade payables - Others	7,552,487	5,698,681
Payable to related parties (refer note 24)	26,721,899	23,939,852
	34,274,386	29,638,533
13. Other current liabilities		
Other payables (Refer note below)	17,796	2,632,688
Statutory dues	2,916	1,100
	20,712	2,633,788

Note:
During previous year (FY 22-23), the Company received one-time non-refundable amount of $ 2,632,688 from a vendor with respect to cost increase for a product. This amount has been adjusted against purchases made during the year from the said vendor and now balance remains $17,796 as on 31 March 2024.

13.1 Other short term financial liabilities		
Employee related liabilities	13,730	18,345
Payable to related party (Refer note 24)	6,058,606	8,283,634
	6,072,336	8,301,979
14. Provisions		
Sales return	8,078,909	7,923,562
Medicaid rebates	674,663	295,386
Performance bonus	211,068	351,847
Compensated absences	10,170	17,558
	8,974,810	8,588,353

Compensated absences
The compensated absences cover the Company's liability for earned leave. The amount of the provision of USD 10,170 (31 March 2023 – USD 17,558) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. Further, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Movement in provision for sales return		
Opening balance	7,923,562	8,197,271
Add: Accrued during the year	1,124,589	4,966,006
Less: Claims received and adjusted	(969,242)	(5,239,715)
	8,078,909	7,923,562
Movement in provision for medicaid rebate		
Opening balance	295,386	247,579
Add: Accrued during the year	1,024,945	515,946
Less: Claims received and adjusted	(645,668)	(468,139)
	674,663	295,386
Movement in provision for performance bonus		
Opening balance	351,847	240,144
Add: Accrued during the year	384,470	254,792
Less: Paid/adjusted during the year	(525,249)	(143,089)
	211,068	351,847

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	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
15 a.	**Revenue from operations**		
	Revenue from sale of products	165,224,081	113,119,872
		165,224,081	113,119,872
	(i) Reconciliation of revenue from sale of products with the contracted price		
	Contracted price	270,777,434	173,492,559
	Less : Chargeback, rebates and expiry return etc.	(105,553,353)	(60,372,687)
		165,224,081	113,119,872
	(ii) Disaggregation of revenue : The following table gives details in respect of percentage of revenues generated from top customer and top five customers -		
	Revenue from a top customer	78%	81%
	Revenue from top five customers	100%	100%
15 b.	**Other income**		
	Other income	-	49,000
		-	49,000
16.	**Decrease/ (Increase) in inventories of stock-in-trade**		
	Opening stock	27,785,420	14,072,716
	Closing stock	25,935,504	27,785,420
		1,849,916	(13,712,704)
17.	**Employee benefit expenses**		
	Salaries and wages	1,156,331	1,022,991
	401K contribution	35,325	33,715
	Staff welfare expenses	49,093	23,022
	Total employee benefit expense	1,240,749	1,079,728
	The company maintains a 401K plan pursuant to which employees may make contributions which does not exceed statutory limits. Employer matching contributions are equal to employee contribution. For the year ended 31 March 2024 and 31 March 2023, the company made matching contribution of USD 35,325 and USD 33,715 respectively.		
18.	**Depreciation, impairment and amortisation expenses**		
	Depreciation on right-of-use asset (Refer note 4)	514,216	508,798
	Impairment of intangible asset under development (Refer note 4.2)	150,000	-
		664,216	508,798
19.	**Other expenses**		
	Contract manufacturing expenses	241,485	226,216
	Research - clinical trials, samples and grants	17,780	88,596
	Freight and forwarding	2,288,950	1,983,665
	Rates and taxes	71,066	35,633
	Postage and telephone expenses	45,195	48,371
	Travelling and conveyance	14,423	19,059
	Professional fees	2,210,294	1,829,637
	Industrial funding fees	792,132	619,983
	Miscellaneous expenses	117,665	55,666
		5,798,990	4,906,826
20.	**Finance costs**		
	Interest cost on lease liability (Refer note 4)	18,883	37,342
		18,883	37,342

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21. Earnings per share (EPS)

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table sets forth the computation of basic and diluted earnings per share. Since there are no dilutive potential equity shares the basic and diluted EPS are the same.

Particulars	As at 31 March 2024	As at 31 March 2023
Profit after tax attributable to ordinary shareholders	19,534,251	9,747,911
Weighted average number of equity shares for basic and diluted earnings per share	500,000	500,000
Basic and diluted earnings per ordinary share (USD)	39.07	19.50

22. Contingencies, guarantees and commitments

There are no contingent liabilities, guarantees and commitments as at 31 March 2024

23. Segment information

The Company is organised based on the nature of the business and there is only single reportable segment i.e. Trading of Pharmaceutical products. The operating segment monitored by the Company's chief operating decision maker and strategic decisions are made on the basis. The Company Chief Executive Officer has been identified as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the Company's performance and allocates resources based on revenue growth.

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24. Related party transactions

As per IFRS 24," Related Party Disclosures", the related party where control exist or where significant influence exists and with whom transaction have taken place are as follow:

List of Related parties and nature of control where control exists.

A. Ultimate holding company
1. Cipla Limited, India

B. Intermediate holding company
1. Cipla (EU) Limited, United Kingdom

C. Holding company
1. Invagen Pharmaceuticals, Inc., USA

D. Fellow subsidiaries
1. Cipla USA Inc.

E. Key managerial personnel
1. Mr. Brian Christensen - Director & President
2. Mr. Abhayan Jawaharlal - Director
3. Mr. Atul Sant - Director (w.e.f. 8 May 2023)
4. Mr. Biplab Mazumdar - Secretary & Treasurer

Summary of transactions with related parties during the year :

Name of party and nature of transaction	For the year ended 31 March 2024	For the year ended 31 March 2023
Invagen Pharmaceuticals, Inc.		
Purchase of goods	74,159,397	80,163,178
Purchase return of goods	104,328	-
Expenses incurred by Invagen on behalf of Company	7,838,601	1,259,296
Expenses incurred on behalf of Invagen Pharmaceuticals, Inc.	627,350	-
Cipla Limited		
Purchase of goods	4,210,155	1,673,384
Purchase of finished goods and services (purchase through third party)	223,440	-
Expenses incurred on behalf of Company	5,803	14,787
Receipt of services	11,255	13,008
Cipla USA Inc.		
Expenses incurred on behalf of Company	410,551	112,970
Expenses incurred on behalf of Cipla USA, Inc.	7,785	2,332,800
Remuneration paid to Directors		
Mr. Brian Christensen	632,278	438,380

Summary of balances with related parties during the year

Name of party and nature of balances	For the year ended 31 March 2024	For the year ended 31 March 2023
Invagen Pharmaceuticals, Inc.		
Trade payable	26,721,899	23,939,852
Inter company consolidated tax payable	6,058,606	8,199,634
Cipla Limited		
Other receivable	2,268,780	4,010,142
Cipla USA Inc		
Inter company consolidated tax payable	-	84,000

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25. Fair value measurement of financial instruments

a) **Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based in the observability of significant inputs to the measurement, as follows:**

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

There were no financial assets and liabilities measured at fair value on a recurring basis at 31 March 2024 and 31 March 2023.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

b)

	Carrying value		Fair value (Level 3)	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Trade receivables	56,579,242	33,003,421	56,579,242	33,003,421
Other receivables	2,268,780	4,010,142	2,268,780	4,010,142
Security deposit	7,112	7,112	7,112	7,112
Cash and cash equivalents	3,601,204	5,697,270	3,601,204	5,697,270
Total	62,456,338	42,717,945	62,456,338	42,717,945

c)

Trade payables	34,274,386	29,638,533	34,274,386	29,638,533
Other financial liabilities	6,072,336	8,301,979	6,072,336	8,301,979
Lease liabilities	210,260	597,391	210,260	597,391
Total	40,556,982	38,537,903	40,556,982	38,537,903

There is no transfer between Level 1 and Level 2 during the year ended 31 March 2024 and 31 March 2023

Carrying amounts of financials assets and liabilities as at 31 March 2024 and 31 March 2023 is approximately equal to the fair value because of their short-term nature.

26. Financial risk management objectives and policies

Financial risk factors

The Company activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk - interest rate risk and foreign currency risk.

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. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs comprehensive interest rate risk management. The Company is not exposed to interest rate risk as at the respective reporting dates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of change in foreign exchange rate. The Company evaluates exchange rate exposure arising from foreign currency transactions.

Company's transactions are carried out in USD which is also the Company's functional currency. During the year there have been no transactions in any other currency and there are no balances which shall be settled in any other currency, accordingly the Company is not exposed to foreign currency risks.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Exelan Pharmaceuticals, Inc.

26. Financial risk management objectives and policies (Contd.)

b) Credit risk analysis

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents. The credit risk in respect of cash balances held with bank are non-risky as they are with major reputable financial institution.

Trade and other receivables

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 credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, were past due or impaired as at 31 March 2024. Of the total trade receivables, USD 54,822,667 and USD 32,758,536 as at 31 March 2024 and 2023 consisted of customer balances which were neither past due nor impaired.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 0 – 60 days. The age analysis of the trade receivables has been considered from the due date of the invoice. The ageing of trade receivables, net of chargeback, other rebates and allowance for doubtful receivables, is given below:

	As at 31 March 2024 in USD	As at 31 March 2023 in USD
Not due	54,822,667	32,758,536
Due 0-90 days	1,756,575	244,885
Due 91-180 days	-	-
Due over 180 days	3,248	-
Total	56,582,490	33,003,421
Less : Allowances for expected credit loss	(3,248)	-
Trade receivables	56,579,242	33,003,421

The default in collection as a percentage of total trade receivables is low.

c) Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by raising additional funds from parent company or from group companies to meet the financial obligations. As of 31 March 2024 and 31 March 2023, the Company had surplus working capital of USD 38,970,579 and USD 20,829,314 respectively. Based on the projected cash flows, the Company has sufficient resources to meet the capital expenditure needs and working capital requirements over the course of the next 12 months.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 March 2024

	<1yr In USD	1-5 yrs. In USD	>5 yrs. In USD	Total In USD
Trade payables	34,274,386	-	-	34,274,386
Other financial liabilities	6,072,336	-	-	6,072,336
Lease liabilities	137,146	73,114	-	210,260
	40,483,868	73,114	-	40,556,982

As at 31 March 2023

	<1yr In USD	1-5 yrs. In USD	>5 yrs. In USD	Total In USD
Trade payables	29,638,533	-	-	29,638,533
Other financial liabilities	8,301,979	-		8,301,979
Lease liabilities	516,412	80,979		597,391
	38,456,924	80,979	-	38,537,903

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Exelan Pharmaceuticals, Inc.

27. Capital management

The Company's capital management objectives are:
- to ensure the Company's ability to continue as a going concern, and
- to provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The Company monitors capital on the basis of the carrying amount of equity plus its loan and lease liabilities, less cash and cash equivalents as presented in the statement of financial position. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

28. Net debt reconciliation

There are no borrowings as at 31 March 2024 and 31 March 2023. Hence, the net debt movement disclosure has not been presented and movement in respect to lease liability is covered under note 4.

29. Other significant notes

i) The figures for the corresponding previous year have been regrouped/reclassified wherever necessary to make comparable.

30. Subsequent events

No adjusting or significant non-adjusting events have occurred between the 31 March 2024 and the date of authorisation.

31. Authorisation of special purpose financial statements

These special purpose financial statements for the year ended 31 March 2024 (including comparative) were approved by the Board of Directors and authorized for issue on 03 May 2024.

As per our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.:001076N/N500013

Gautam Wadhera
Partner
Membership No: 508835

Place: Mumbai
Date: 3 May 2024

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Brian Christensen
Director

Place: Florida
Date: 3 May 2024

Abhayan Jawaharlal
Director

Place: Mumbai
Date: 3 May 2024

Exelan Pharmaceuticals, Inc.

Aspergen Inc.

Financial Statements for Financial Year 2023-24

KNAV
PARTNERS BEYOND BOUNDARIES

Independent Auditors' Report on Special Purpose Financial Statements

To,
Board of Directors,
Aspergen Inc.

Opinion

We have audited the accompanying special purpose financial statements of Aspergen Inc. ('the Company'), for purposes of your audit of the consolidated financial statements of Cipla Limited (the 'Group'), which comprise the special purpose balance sheets as of March 31, 2024 and 2023, and the related statement of loss, changes in equity, and cash flows for the year/period then ended and the related notes to the special purpose financial statements . This special purpose financial statements have been prepared solely to enable the Group to prepare its consolidated financial statements.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and 2023, and the results of its operations and its cash flows for the year/period then ended in accordance with the basis of accounting as described in Note 1.1(i) of the special purpose financial information.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ('GAAS'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Board of Directors for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with the basis of accounting as described in Note 1.1(i) of the special purpose financial statements, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special purpose financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the special purpose financial statements is available to be issued.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements 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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they

would influence the judgment made by a reasonable user based on the special purpose financial statements. As requested by you, we planned and performed our audit using the component materiality specified in your instructions of dated March 23, 2024, which is different from the materiality level that we would have used, had we been designing the audit to express an opinion on the financial statements of the Company alone.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special purpose financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the special purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restriction on Use and Distribution

This special purpose financial statements have been prepared for purposes of providing information to the Group to enable it to prepare its consolidated financial statements. As a result, the special purpose financial statements may, therefore, not be suitable for other purpose.

This report is intended solely for use by Walker Chandiok & Co LLP, India in connection with its audit of consolidated financial statements of Cipla Limited as at and for the year/period ended March 31, 2024, and March 31, 2023, and should not be used by, or distributed to, anyone in the Group, any of its components, or any other third party.

KNAV CPA LLP

May 02, 2024
Atlanta, Georgia

Aspergen Inc.
Balance sheet as at 31st March 2024
(All amounts in United states dollar (USD), unless otherwise stated)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
Assets			
1. Non-current assets			
(a) Property, plant and equipment	2.1	32,220	-
(b) Capital work-in-progress	2.2	18,01,934	8,24,916
(c) Other non-current assets	3	63,240	-
Total non-current assets		**18,97,394**	**8,24,916**
2. Current assets			
(a) Financial assets			
Cash and cash equivalents	4	43,31,257	20,74,025
Total current assets		**43,31,257**	**20,74,025**
Total assets		**62,28,651**	**28,98,941**
Equity and liabilities			
1. Equity			
(a) Equity share capital	5	100	100
(b) Other equity	6	23,65,179	(1,10,755)
Total equity		**23,65,279**	**(1,10,655)**
2. Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	7	35,79,434	30,09,596
(b) Provisions	8	2,83,188	-
(c) Current tax provision	9	750	-
Total current liabilities		**38,63,372**	**30,09,596**
Total liabilities		**38,63,372**	**30,09,596**
Total equity and liabilities		**62,28,651**	**28,98,941**

The accompanying notes form an integral part of these special purpose financial statements

For and on behalf of the
Board of Directors

Pradeep Bhadauria
Director

Place: Weston, Florida
Date: 02 May 2024

Aspergen Inc.
Statement of Profit and Loss for the year ended 31st March 2024
(All amounts in United states dollar (USD), unless otherwise stated)

Particulars	Note	For the year ended 31st March, 2024	For the period ended 31st March, 2023
1. Income			
(a) Revenue from operations		-	-
2. Total Income		-	-
3. Expenses			
(a) Employee benefits expense	10	5,37,116	-
(b) Depreciation expense	11	5,806	-
(c) Other expenses	12	79,80,394	41,10,655
Total expenses		**85,23,316**	**41,10,655**
4. Loss before tax		**(85,23,316)**	**(41,10,655)**
5. Tax expenses (Net)			
(a) Current tax charge	13	750	-
(b) Deferred tax credit		-	-
6. Loss for the year/period (4-5)		**(85,24,066)**	**(41,10,655)**
Loss per equity share of face value of USD 1 each	14		
Basic and diluted		(85,240.66)	(41,106.55)

The accompanying notes form an integral part of these special purpose financial statements

For and on behalf of the
Board of Directors

Pradeep Bhadauria
Director

Place: Weston, Florida
Date: 02 May 2024

Aspergen Inc.
Statement of Changes in Equity for the year ended 31st March, 2024
(All amounts in United states dollar (USD), unless otherwise stated)

(a) Equity share capital (Refer Note 5)

Particulars	As at 31st March 2024
Balance at the beginning of the period	100
Changes in equity share capital during the period (100 equity shares of USD 1 each)	-
Balance at the end of the period	**100**

(a) Other equity (Refer Note 6)

Particulars	Retained earnings	Securities Premium	Total other equity
As at 30th, August 2022	-	-	-
Securities premium received during the year	-	39,99,900	**39,99,900**
Loss for the year	(41,10,655)	-	(41,10,655)
As at 31st, March 2023	**(41,10,655)**	**39,99,900**	**(1,10,755)**
Securities premium received during the year	-	1,10,00,000	1,10,00,000
Loss for the year	(85,24,066)	-	(85,24,066)
As at 31st, March 2024	**(1,26,34,721)**	**1,49,99,900**	**23,65,179**

The accompanying notes form an integral part of these special purpose financial statements.

For and on behalf of the
Board of Directors

Pradeep Bhadauria
Director

Place: Weston, Florida
Date: 02 May 2024

Aspergen Inc.
Statement of cash flows for the year ended 31st March, 2024
(All amounts in United states dollar (USD), unless otherwise stated)

Particulars	For the year ended 31st March 2024	For the period ended 31st March, 2023
Cash flows from operating activities		
Loss before tax	(85,23,316)	(41,10,655)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expenses	5,806	-
Operating loss before working capital changes	**(85,17,510)**	**(41,10,655)**
Adjustments for changes in working capital:		
Increase in trade payables	5,69,837	30,09,596
Increase in provision	2,83,188	-
Operating loss after working capital changes	**(76,64,485)**	**(11,01,059)**
Income tax paid during the period	-	-
Net cash flows used in operating activities (a)	**(76,64,485)**	**(11,01,059)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(38,026)	-
Capital work-in-progress	(9,77,018)	(8,24,916)
Capital advance for equipment	(63,240)	-
Net cash flows used in investing activities (b)	**(10,78,283)**	**(8,24,916)**
Cash flows from financing activities		
Proceeds from issuance of equity shares	-	100
Proceeds from securities premium	1,10,00,000	39,99,900
Net cash flows generated from financing activities (c)	**1,10,00,000**	**40,00,000**
Net increase in cash and cash equivalents (a+b+c)	**22,57,232**	**20,74,025**
Cash and cash equivalents at the beginning of the period	20,74,025	-
Cash and cash equivalents at the end of the period	**43,31,257**	**20,74,025**

The accompanying notes form an integral part of these special purpose financial statements.

For and on behalf of the
Board of Directors

E-Sign

Pradeep Bhadauria
Director

Place: Weston, Florida
Date: 02 May 2024

Aspergen Inc.
Notes to the special purpose financial statements

Note 1(a): Corporate information

Aspergen Inc. ('the Company) is a Company incorporated on August 30, 2022, in the State of Delaware under Delaware General Coporation law having its registered office in State of Delaware and business address in Wilmington. The Company is held by Cipla (EU) Limited to the extent of 60% equity and 40% is held by Kemwell Biopharma UK Limited. The principal activities of the Company are to research, develop, own, acquire and commercialize biosimilars products.

Note 1(b): Significant accounting policies and key accounting estimates and judgements

1.1 Basis of preparation

(i) Compliance with Group accounting policies

The special purpose financial statements comply in all material aspects with group accounting policies which is in accordance with the Indian Accounting standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as amended from time to time, guidelines issued by the Securities and Exchange Board of India (SEBI) and other relevant provisions of the Act and accounting principles generally accepted in India.

(ii) Historical cost convention

The special purpose financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value or at amortised cost depending on classification.

(iii) Consistency of accounting policy

The accounting policies are applied consistently to all the periods presented in the special purpose financial statements, unless otherwise stated.

(iv) Functional currency and rounding of amounts

The special purpose financial statements are presented in United States Dollars which is also the functional currency of the Company.

1.2 Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as upto 12 months for the purpose of current/non-current classification of assets and liabilities.

1.3 Use of estimates and judgements

The preparation of special purpose financial statements requires management of the Company to make estimates and assumptions that affect the reported assets, liabilities, and expenses and disclosures relating to contingent liabilities. Management believes that the estimates used in the preparation of the special purpose financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed by management at each reporting date. Actual results could differ from these estimates. Any revision of these estimates is recognized prospectively in the current and future periods.

Initial
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(i) Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

1.4 Property, plant and equipment

(i) Recognition and measurement:
All items of property, plant and equipment are initially recorded at cost. Cost of property, plant and equipment comprises purchase price, non-refundable taxes, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. Subsequent to initial recognition, property, plant and equipment measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognised in the profit or loss as and when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criterion for a provision is met.

(ii) Depreciation:
Depreciation on the property, plant and equipment is provided based on useful life of the assets as described hereunder:

a) Computers – 3 years
b) Lab equipment – 5 years

Depreciation on property, plant and equipment, which are added/ disposed off during the year, is provided on pro-rata basis with reference to the month of addition/deletion, in the profit or loss.

(iii) De-recognition:
An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss.

1.5 Foreign currency transactions and balances

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank including short-term highly liquid investments with an original maturity of three months or less.

Initial &
PB

1.7 Provisions

Provision for legal claims is recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1.8 Income Tax

Income tax expense comprises of current tax expense and deferred tax charged/credit. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity.

(i) Current income tax:

The tax jurisdictions for the Company is United States of America. Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

(ii) Deferred tax:

Deferred tax is recognised using the balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

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1.9 Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.10 Research and development

Research expenditure and development expenditure that do not meet the below criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

- it is technically feasible to complete the intangible asset so that it will be available for use
- management intends to complete the intangible asset and use or sell it
- there is an ability to use or sell the intangible asset
- it can be demonstrated how the intangible asset will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available, and
- the expenditure attributable to the intangible asset during its development can be reliably measured

The Company has not capitalised any research and development expenditure in the balance sheet as on March 31, 2024, and March 31, 2023.

1.11 Loss per share

Basic loss per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

1.12 Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.13 Financial instruments

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

(i) Financial assets

Initial recognition and measurement

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

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Subsequent measurement

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

- Debt instruments at amortised cost
- Derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive (FVTOCI)

De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

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

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

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an expected 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss.

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

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

Subsequent measurements

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

De-recognition

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

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Aspergen Inc.
Notes to the special purpose financial statements
(All amounts in United states dollar (USD), unless otherwise stated)

Note 2.1 : Property, plant and equipment

Particulars	Plant and equipment	Computers	Total
Gross block			
Balance as at 30th, August 2022	-		-
Additions for the year			-
Deletions and adjustments during the year	-		-
Balance as at 31st March 2023	-		-
Additions for the year	37,000	1,026	38,026
Deletions and adjustments during the year		-	-
Balance as at 31st March 2024	**37,000**	**1,026**	**38,026**
Depreciation			
Accumulated balance as at 30th, August 2022			
Depreciation charge for the year			
Deletions and adjustments during the year	-		-
Accumulated balance as at 31st, March 2023	-	-	-
Depreciation charge for the year	5,550	256	5,806
Deletions and adjustments during the year	-		-
Accumulated balance as at 31st, March 2024	**5,550**	**256**	**5,806**
Net book value			
At 31st March 2024	**31,450**	**770**	**32,220**
At 31st March 2023	-	-	-

Initial

Particulars	As at 31st March 2024	As at 31st March 2023
Note 2.2 : Capital work-in-progress		
Opening balance	**8,24,916**	**-**
Add : Additions during the period	9,77,018	8,24,916
Closing balance	**18,01,934**	**8,24,916**

Particulars	Outstanding for following periods from the transaction date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work in progress	9,77,018	8,24,916			18,01,934
Total	**9,77,018**	**8,24,916**	**-**	**-**	**18,01,934**

Note 3: Other non-current assets

	As at 31st March 2024	As at 31st March 2023
Capital advances for equipment	63,241	-
Total	**63,241**	**-**

Note 4: Cash and cash equivalents

	As at 31st March 2024	As at 31st March 2023
Balances with bank		
Balances with bank		
- In current account	43,31,257	20,74,025
Total	**43,31,257**	**20,74,025**

Initial PB

Note 5 : Equity share capital

Particulars	As at 31st March 2024	As at 31st March 2023
Equity share capital		
Authorised capital		
100 equity shares of USD 1 each	100	100
Issued, subscribed and fully paid up		
100 equity shares of USD 1 each	100	100
	100	**100**

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the year/period	100	100	-	-
Add : Issuance during the year/period	-	-	100	100
Balance at the end of the year/period	**100**	**100**	**100**	**100**

(c) Details of shares held by promoters and shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Cipla (EU) Limited	60	60	60	60
Kemwell Biopharma UK Limited	40	40	40	40

(d) The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares since incorporation.

(e) Percentage change in share holding

Particulars	As at 31st March 2024		% Change during the year
	Number of shares	% of holding	
Cipla (EU) Limited	60	60	-
Kemwell Biopharma UK Limited	40	40	-

Note:
Pursuant to Board resolution passed on 18 September 2022, the Company has issued 60 shares of USD 1 each to Cipla (EU) Limited and 40 shares of USD 1 each to Kemwell Biopharma UK Limited.

(f) Rights, preferences and restrictions attached to equity shares

The Company has only equity shares having a par value of USD 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in USD. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the annual general meeting, except 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 6: Other equity	As at 31st March 2024	As at 31st March 2023
Retained earnings	(1,26,34,721)	(41,10,655)
Securities premiuim	1,49,99,900	39,99,900
Total	**23,65,179**	**(1,10,755)**

Note:
Movement of other equity is not disclosed as it forms part of statement of equity.

Nature and purpose of reserves
(i) 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.

(ii) Securities Premium
Securities premium reserve is used to record the premium on issue of shares.

Initial PB

Particulars	As at 31st March 2024	As at 31st March 2023
Note 7: Trade payables		
Related party (refer note 15)	33,56,882	23,49,246
Others	2,22,552	6,60,350
Total	**35,79,434**	**30,09,596**

Particulars	Unbilled	Outstanding for following periods from the transaction date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Related Party	20,35,583	13,21,299				33,56,882
(ii) Others	10,000	2,10,000	2,552			2,22,552
Total	**20,45,583**	**15,31,299**	**2,552**	**-**	**-**	**35,79,434**

Note 8: Provisions

	As at 31st March 2024	As at 31st March 2023
Provision for employee benefits	2,83,188	-
Total	**2,83,188**	**-**

Note 9: Current tax liabilities

	As at 31st March 2024	As at 31st March 2023
Current tax provision	750	-
Total	**750**	**-**

Particulars	For the year ended 31st March 2024	For the period ended 31st March 2023
Note 10: Employee benefits expense		
Salaries and wages	5,23,141	-
Contribution to 401K fund	5,618	-
Staff welfare expense	8,358	-
Total	**5,37,116**	**-**

Note 11: Depreciation expense

	For the year ended 31st March 2024	For the period ended 31st March 2023
Depreciation of property,plant and equipment (Refer note 2.1)	5,806	-
Total	**5,806**	**-**

Note 12: Other expense

	For the year ended 31st March 2024	For the period ended 31st March 2023
Research and development cost	74,76,659	35,48,903
Loss on foreign exchange fluctuation	410	-
Professional fees	4,79,940	5,54,985
Payment to auditors	10,000	6,200
Miscellaneous expenses	13,386	567
Total	**79,80,394**	**41,10,655**

Note 13: Tax expenses

	For the year ended 31 March 2024	For the period ended 31st March 2023
Current tax charge	750	-
Total	**750**	**-**

PB

Note 14: Loss per share

Particulars	For the year ended 31st March 2024	For the period ended 31st March 2023
Loss for the year/period	(85,24,066)	(41,10,655)
Weighted average number of equity shares outstanding during the period	100	100
Nominal value of share	1	1
Basic and diluted loss per share	(85,240.66)	(41,106.55)

Note 15: Related party disclosures

As per group accounting policy , the related parties where control exists or where significant influence exists and with whom transactions have taken place are as below:

(A) List of related parties
Holding company
Cipla Limited - Ultimate Holding Company
Cipla (EU) Limited - Immediate Holding Company

Fellow Subsidiaries
Cipla USA Inc.

Associates
Kemwell Biopharma UK Limited
Kemwell Biopharma Pvt Ltd

Key Management Personnel
Ms Samina Hamied - Director
Mr Umang Vohra - Director
Mr. Pradeep Bhadauria - Director
Mr. Anurag Bagaria - Director
Mr. Karan Bagaria - Director

(B) Disclosures of transactions between the company and related parties and outstanding balances at year ended 31st March 2024

(I) Transactions during the period

Particulars	For the year ended 31 March 2024	For the period ended 31st March 2023
Cipla Limited		
Expenses from services rendered	2,73,075	2,55,404
Total	**2,73,075**	**2,55,404**
Cipla (EU) Limited		
Equity infusion	66,00,000	24,00,000
Total	**66,00,000**	**24,00,000**
Cipla USA Inc		
Expenses from services rendered	5,31,007	6,29,546
Total	**5,31,007**	**6,29,546**
Kemwell Biopharma UK Limited		
Equity infusion	44,00,000	16,00,000
Total	**44,00,000**	**16,00,000**
Kemwell Biopharma Pvt Ltd		
Expenses from services rendered	60,98,845	14,64,296
Total	**60,98,845**	**14,64,296**

(ii) Outstanding balances

Particulars	As at 31st March 2024	As at 31st March 2023
Cipla Limited		
Trade payables	1,28,488	2,55,404
Total	**1,28,488**	**2,55,404**
Cipla USA Inc		
Trade payables	2,53,914	6,29,546
Total	**2,53,914**	**6,29,546**
Kemwell Biopharma Pvt Ltd		
Trade payables	29,74,480	14,64,296
Total	**29,74,480**	**14,64,296**

Aspergen Inc.
Notes to the special purpose financial statements
(All amounts in United states dollar (USD), unless otherwise stated)

Note 16: Fair value measurement of financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods or assumptions were used to estimate fair values
Fair value of cash and cash equivalent and trade payable approximate their carrying amounts largely due to short term maturities of these instruments.

Financial Instrument by category and hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The carrying value and fair value of financial instruments by categories as at 31 March 2024, are as follows:

Particulars	Measurement	As at 31st March 2024			
		Level 1	Level 2	Level 3	Total
Financial assets at amortised cost: Cash and cash equivalents	Amortised cost	-	-	-	-
Total		-	-	-	-
Financial liabilities at amortised cost: Trade payables	Amortised cost	-	-	-	-
Total		-	-	-	-

There were no transfers between Level 1 and Level 2 in year period 31st March 2024

Note 17: Financial instruments risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The most significant financial risks to which the Company is exposed are described below.

17.1: Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk primarily relates to fluctuations in trade payables denominated in Pound against the functional currency of the company.

(a) Foreign currency exchange rate risk

Nature of Instrument	Currency	Cross Currency	31st March 2024
Unhedged foreign exchange exposures:			
Payables	USD	GBP	38,915
Payables	USD	Euro	6,719

Sensitivity Analysis

A reasonably possible change in foreign exchange rates by 5% would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular interest rates remain constant.

Particulars	31st March 2024
Movement in exchange rate	
GBP - USD	5%
Euro - USD	5%
Impact on profit/loss	
GBP - USD	1,946
Euro - USD	336

17.2 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

Particulars	As at 31st March 2024
Cash and cash equivalents	43,31,257

Credit risk on cash and cash equivalents is limited as the Company generally have deposited in bank with high credit rating assigned by international and domestic credit rating agencies.

17.3 Liquidity risk

Liquidity risk is 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. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables.

Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

As at 31 March 2024, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Financial liabilities maturing within one year:

Particulars	As at 31st March 2024
Trade payables	35,79,434

PB

Note 18: Capital Management

The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns for its stakeholders. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue of new shares. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place to investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

Note 19: Segment reporting
The Company has only one segment which is development and commercialization of biosimilars. The Director of the Company has been identified as the Chief Operating Decision Maker. The Company's Director, reviews the operating performance of the Company as a whole on a periodic basis. Therefore, disclosure relating to segments is not applicable and accordingly not made.

Note 20: Contingent liability and capital commitment
There are no contingent liabilities and capital commitments as at the reporting date.

Note 21: Subsequent events
The Company evaluated all events and transactions that occurred after March 31, 2024, through the date the special purpose financial statements are available to be issued.Based on the evaluation, the Company is not aware of any other subsequent events or transactions which would require recognition or disclosure in the special purpose financial statements.

Note 22: Other significant notes
The Company has not recognised deferred tax assets on unabsorbed losses in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Note 23: Going concern
As the Company is incorporated for the strategic purpose of developing biosimilar drugs which takes longer gestation period, the Company will be requiring continuous support from its promotors i.e. Cipla (EU) Limited and Kemwell Biopharma UK Limited in the ratio of 60:40.The Company generated negative operating cash flows of $7,664,485 and incurred a net loss of $8,524,066 for the year ended March 31, 2024.
Based on support of promoters and Company's business plan, the management believes that the Company will continue as a going concern and meet its liabilities as they fall due for payment and consequently will be in a position to continue its operation for the foreseeable future to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the special purpose financial statements have been prepared on a going concern basis.

Note 24: Authorisation of special purpose financial statements
The special purpose financial statements for the period ended March 31, 2024 were approved by the Board of Directors on May 02, 2024.

For and on behalf of the
Board of Directors

Pradeep Bhadauria
Director

Place: Weston, Florida
Date: 02 May 2024