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## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF ANTHEM BIOSCIENCES PRIVATE LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying Consolidated Ind AS financial statements of **Anthem Biosciences Private Limited** (hereinafter referred to as "the Holding Company") and its **subsidiary** (Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 Consolidated State of Affairs of the Company as at March 31, 2023, the Consolidated profit, the Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows for the year ended.

### **Basis of Opinion**

We conducted our audit of the financial statements 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 Companies Act, 2013 and the Rules there under, 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 on the consolidated financial statements.

#### **Branches**

**Hyderabad** : 3rd Floor, D1, 6-3-652, Kautilya, Somajiguda, Hyderabad - 500 082. Ph.: 040-23322310

**Mysore** : 74, 2nd Main, First Stage, Vijayanagar, Mysore - 570 017. Ph.: 0821-4271908

**Chennai** : Flat 2-A, Second Floor, Shruthi 3/7, 8th Cross Street, Shastrinagar, Adayar, Chennai - 600 020. Ph.: 044- 24903137 / 45511564



**Board of Directors' Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position and financial performance, of the group in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of the companies included in the group are responsible for overseeing the financial reporting process of each company.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there no key audit matters to be reported for the year 2022-23.



Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with SAs, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to the consolidated 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 and Board of Directors.
- Conclude on the appropriateness of management and 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 appropriateness of this assumption. 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 disclosure 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other Company included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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 (Independent Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matter 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 of the aforesaid consolidated financial statements..





- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiary which are incorporated in India, as on 31 March 2023, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'
- g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a private limited company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 38 to the consolidated financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
- iv. The management has represented in Note 47(ii), that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- v. The management has represented in Note 47(i), that, to the best of its knowledge and belief, that no funds have been 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:
- 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 to or on behalf of the Ultimate Beneficiaries.
- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.



- vii. The Group has neither declared nor paid interim dividend or final dividend during the year. Therefore, reporting under Rule 11(f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

**For K.P.Rao & Co.**  
*Chartered Accountants*  
Firm Reg. No. 003135S



**Mohan R Lavi**  
*Partner*  
Membership No. 029340  
UDIN: **23029340BGWIBE2175**

Place: Bangalore  
Date: 6<sup>th</sup> September 2023

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in report on other legal and regulatory requirements Section of our report of even date)

There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

*For K.P.Rao & Co.*  
*Chartered Accountants*  
Firm Reg. No. 003135S



**Mohan R Lavi**  
*Partner*  
Membership No. 029340  
UDIN: **23029340BGWIBE2175**



Place: Bangalore  
Date: 6<sup>th</sup> September 2023



**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**Opinion**

In conjunction with our audit of the consolidated financial statements of Anthem Biosciences Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the holding company and such Companies incorporated in India which are its subsidiary company, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31<sup>st</sup> March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note of Internal Financial Controls With reference to consolidated financial statements issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Holding Company have to be completely and appropriately documented.

**Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to consolidated financial statements ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 respective 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 the Companies Act, 2013 ('the Act').



Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting in the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. This includes those policies and procedures that:

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the



Company are being made only in accordance with authorizations of management and directors of the company; and

- iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 K.P.Rao & Co.**

*Chartered Accountants*

Firm Reg No. 003135S



**Mohan R Lavi**

*Partner*

Membership No. 029340



**UDIN: 23029340BGWIBE2175**

Place: Bangalore

Date: 6<sup>th</sup> September 2023

Anthem Biosciences Private limited  
CIN:U24233KA2006PTC039703  
Registered office:No 49,F1 &F2,Canara Bank Road,  
Bommasandra Industrial Area Phase I,  
Bommasandra, Bangalore-560099.

Consolidated Balance Sheet as at March 31, 2023

(₹.in Lakhs)


		As at 31.03.2023	As at 31.03.2022
<b>I ASSETS</b>			
1) Non-current assets			
a) Property, plant and equipment	3	43,846.54	31,962.51
b) Right to use assets (IND AS)	3.3	133.76	248.60
c) Capital work-in-progress	3.1	16,407.84	15,382.94
d) Other Intangible assets	3.2	908.94	689.89
e) Financial Assets			
i) Investment	4.2	616.03	369.61
ii) Trade receivables	5	310.78	311.18
iii) Loans & Advances	6	478.60	477.39
iv) Other Financial Asset	7	460.79	432.08
f) Deferred tax assets (net)	8	2,490.84	1,593.78
g) Non-Current tax assets (net)	9	137.49	137.30
h) Other non current assets	10	3,337.48	950.89
<b>Total Non-current assets</b>		<b>69,129.08</b>	<b>52,556.17</b>
2) Current assets			
a) Inventories	11	12,941.63	5,823.00
b) Financial assets			
i) Investment	4.1	49,287.05	26,913.33
ii) Trade receivables	5	27,406.78	32,619.45
iii) Cash and cash equivalents	12	34,143.25	33,830.75
iv) Bank balances, other than (iii) above	13	141.44	1,059.54
v) Other Financial Asset	7	22.63	28.98
c) Other current assets	14	8,373.92	9,055.49
<b>Total Current assets</b>		<b>132,316.71</b>	<b>109,330.53</b>
<b>TOTAL ASSETS</b>		<b>201,445.80</b>	<b>161,886.70</b>
<b>II EQUITY AND LIABILITIES</b>			
Equity			
a) Equity Share capital	15	11,409.74	877.63
b) Other equity	16	162,657.14	134,622.24
<b>Total Equity</b>		<b>174,066.87</b>	<b>135,499.87</b>
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Lease liabilities	19	76.44	113.20
ii) Borrowings	17	9,618.84	589.84
iii) Other financial liabilities	19	616.02	392.17
b) Provisions	20	894.28	805.79
c) Other non-current liabilities	21	141.76	2,165.31
<b>Total non-current liabilities</b>		<b>11,347.34</b>	<b>4,066.31</b>
2) Current liabilities			
a) Financial liabilities			
i) Lease liabilities	19	32.22	117.22
ii) Borrowings	17	2,887.61	2,959.26
iii) Trade Payables	18		
(a) total outstanding dues of Micro enterprises & small enterprises			15.98
(b) total outstanding dues to other than Micro enterprises & small enterprises		7,194.13	6,468.14
iii) Other financial liabilities	19	449.79	236.24
b) Provisions	20	-	0.12
c) Other current liabilities	21	4,879.49	10,584.68
d) Current Tax Liabilities (net)	22	588.35	1,938.89
<b>Total current liabilities</b>		<b>16,031.58</b>	<b>22,320.52</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>201,445.80</b>	<b>161,886.70</b>
Corporate information and Significant accounting policies.	1&2		

As per our report of even date attached  
For and on behalf of the Board

For K.P. Rao & Co.,  
Chartered Accountants  
Firm Registration No. 003135S  
  
Anthon Lavi  
Partner  
Membership No.029340



For and on behalf of the Board

  
Ajay Bhardwaj  
Managing Director  
DIN:00333704

  
Ravindra K C  
Director  
DIN:01580534

  
Ramakrishnan K  
Company Secretary



Place : Bangalore  
Date : September 06, 2023



**Anthem Biosciences Private limited**  
**CIN:U24233KA2006PTC039703**  
**Registered office:No 49,F1&F2,Canara Bank Road,**  
**Bommasandra Industrial Area Phase I,**  
**Bommasandra, Bangalore-560099.**

**Consolidated Statement of Profit and Loss for the period ending on March 31, 2023**

**(₹.in Lakhs)**

PARTICULARS		Year Ended 31.03.2023	Year Ended 31.03.2022
I Gross Revenue from Operations	23	105,692.43	123,125.60
II Other income	24	7,706.85	4,898.05
III Total Revenue (I + II)		113,399.27	128,023.66
IV Expenses			
Cost of materials consumed	25	34,828.89	41,029.77
Change in Work in Progress	26	(901.20)	(137.35)
Employee benefits expense	27	15,323.70	13,751.39
Finance costs	28	668.45	1,008.63
Depreciation and amortization expense	3	6,369.60	5,775.64
Other expenses	29	13,560.30	11,981.50
Total expenses (IV)		69,849.75	73,409.57
V Profit/(Loss) before exceptional items and tax (III-IV)		43,549.53	54,614.09
VI Exceptional & Extra Ordinary items		6,180.24	-
VII Profit/(Loss) before tax (V+VI)		49,729.77	54,614.09
VIII Tax expense	30		
1) Current tax		12,004.84	14,238.89
2) Deferred tax		(793.58)	(178.76)
		11,211.26	14,060.14
IX Profit/(Loss) for the year( VII-VIII )		38,518.51	40,553.95
X Other comprehensive income/(loss)			
a) Items that will not be reclassified to profit or loss	31		
Remeasurements of the defined benefit plans		(27.92)	(111.38)
Deferred Tax on above items		103.48	28.03
b) Items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period (IX+X)			
XI (Comprising Profit(Loss) and Other Comprehensive Income for the period)		38,594.07	40,470.61
XII Earnings per equity share: (In Rs.)			
1) Restated Basic EPS for FY 21-22		7.09	-
2) Basic EPS		6.77	462.98
3) Diluted EPS		6.77	462.95
Corporate information & significant accounting policies	1&2		

As per our report of even date attached

**For K.P. Rao & Co.,**  
**Chartered Accountants**  
**Firm Registration No. 003135S**

**Mohan Lavi**  
**Partner**  
**Membership No.029340**



**For and on behalf of the Board**

**Ajay Bhardwaj**  
**Managing Director**  
**DIN:00333704**

**Ravindra K C**  
**Director**  
**DIN:01580534**

**Ramakrishnan K**  
**Company Secretary**



**Place : Bangalore**  
**Date : September 06, 2023**

## STATEMENT OF CHANGES IN EQUITY

## A - Equity Share Capital

Particulars	(₹.in Lakhs)	
Particulars	Number	Amount
Balance as at April 01, 2022	8,776,254.00	877.63
Add: Equity shares allotted during the year by way of bonus shares and stock split without consideration	561,710,546.00	10,532.11
Balance as at March 31, 2023	570,486,800.00	11,409.74

## B - Other Equity

For the year ended March 31, 2023

B - Other Equity							(₹.in Lakhs)
For the year ended March 31, 2023							
Particulars	Reserves and Surplus				Items of other comprehensive income/(loss)	Equity Component of Compound Financial Instruments	Total
	Retained Earnings			Other items of Other Comprehensive Income			
	Capital Redemption Reserve	General Reserves	Securities Premium				
Balance as at April 01, 2022	500.00	9,838.61	27,001.83	97,423.67	(306.11)	164.24	134,622.24
Adjustment during the year	(500.00)			(10,078.75)			(10,578.75)
Profit for the year				38,518.51			38,518.51
Other Comprehensive income/(loss) for the year					75.56		75.56
Dividends & Dividend tax paid							
Deletions during the year						(164.24)	(164.24)
Additions during the year		3,851.85	183.81	(3,851.85)			183.81
Balance as at March 31, 2023		13,690.47	27,185.64	122,011.58	(230.55)	0.00	162,657.14

For the year ended March 31, 2022

Particulars		Reserves and Surplus				Items of other comprehensive income/(loss)	Equity Component of Compound Financial Instruments	Total
		Reserves and Surplus						
		Capital Redemption Reserve	General Reserves	Securities Premium	Retained Earnings			
Balance as at April 01, 2021		500.00	5,783.22	2,281.03	60,791.93	(222.77)	164.24	69,297.65
Adjustment during the year		-	-	-	133.30	-	-	133.30
Profit for the year		-	-	-	40,553.95	-	-	40,553.95
Other Comprehensive income/(loss) for the year		-	-	-	-	(83.34)	-	(83.34)
Dividends & Dividend tax paid		-	-	-	(0.12)	-	-	(0.12)
Additions during the year		-	4,055.39	24,720.80	(4,055.39)	-	-	24,720.80
Balance as at March 31, 2022		500.00	9,838.61	27,001.83	97,423.67	(306.11)	164.24	134,622.24

As per our report of even date attached

For K.P. Rao &amp; Co.,

Chartered Accountants

Firm Registration No. 0031355

Mohan Lakshmi  
Partner

Membership No. 029340

For and on behalf of the Board

Ajay Bhardwaj  
Managing Director  
DIN: 00333704

Ramakrishnan K  
Company Secretary

Place : Bangalore

Date : September 06, 2023

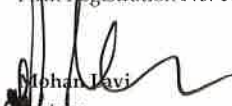
Ravindra K C  
Director  
DIN: 01580534



<b>Anthem Biosciences Private limited</b> <b>CIN:U24233KA2006PTC039703</b> <b>Registered office:No 49,F1&amp;F2,Canara Bank Road,</b> <b>Bommasandra Industrial Area Phase I,</b> <b>Bommasandra, Bangalore-560099.</b>		
<b>Consolidated Cash flow statement for the period ending March 31, 2023</b>		<b>(₹.in Lakhs)</b>
Description	As on 31.03.2023	As on 31.03.2022
<b>A. Cash Flow from operating activities:</b>		
Net Profit before taxation	49,729.77	54,502.71
<u>Adjustment:(+/-)</u>		
Depreciation/ Amortisation	6,377.41	5,783.45
Provision for gratuity and leave encashment	88.50	65.20
Interest and Finance charges	668.45	1,008.63
Interest from deposits & advances	(2,909.88)	(957.57)
Dividend/Capital Gain from Mutual Funds	(1,487.33)	(937.66)
(Profit)/Loss on sale of asset	(5.33)	16.46
<b>Operating Profit before Working Capital Changes</b>	<b>52,461.58</b>	<b>59,481.21</b>
<u>Adjustment for changes in working capital:</u>		
Other financial Assets	(22.36)	(61.36)
Other Current Assets	681.57	(1,482.08)
Other non-current Assets	(2,394.58)	169.91
Current Financial Liabilities	213.56	173.63
Trade and other receivables	5,213.06	(7,152.93)
Inventories	(7,118.63)	(2,316.66)
Trade payables and other liabilities	710.01	(1,208.38)
Other Current Liabilities	(7,645.57)	(2,012.09)
Provisions	(0.12)	-
Cash used in operations	42,098.52	45,591.26
Income taxes paid	(11,500.00)	(12,300.00)
<b>Net cash generated in Operating Activities</b>	<b>30,598.52</b>	<b>33,291.26</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of fixed assets and other capital expenditure	(17,867.98)	(2,066.05)
Right to use assets-IND AS	70.18	(178.05)
Sale of Fixed Assets	7.00	5.52
(Increase)/Decrease in CWIP	(1,024.91)	(13,514.96)
Purchase of Intangible Assets	(561.71)	(313.90)
Interest from deposits & advances	2,909.88	957.57
Dividend/capital gain from Mutual Funds	1,487.33	937.66
Investments in Mutual Fund and Equities	(22,620.15)	(6,370.60)
Receipt/(payment) of loans and advances to related party	(1.21)	(2.47)
<b>Net cash used in Investing activities</b>	<b>(37,601.56)</b>	<b>(20,545.27)</b>
<b>C. Cash flow from Financing activities:</b>		
Proceeds from issue of equity shares	-	24,749.97
Repayment of Borrowings	9,029.00	(1,382.31)
Other Non-Current liabilities	(1,836.47)	645.07
IND AS fair value adjustment	(54.99)	133.30
Repayment of short term borrowings	(71.65)	(5,069.68)
Interest and Finance charges	(668.45)	(1,008.63)
Preference dividend (inclusive of tax)	-	(0.12)
<b>Net cash (Used)/ Generated in Financing Activities</b>	<b>6,397.45</b>	<b>18,067.60</b>
<b>Net change in Cash and Cash Equivalents (A+B+C)</b>	<b>(605.59)</b>	<b>30,813.59</b>
Cash and Cash Equivalents (beginning of the year)	34,890.28	4,076.70
Cash and Cash Equivalents (ending period)	34,284.69	34,890.28


As per our report of even date attached

For K.P. Rao & Co.,  
Chartered Accountants  
Firm Registration No. 003135S

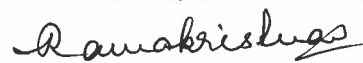
  
Mohan Lavi  
Chartered Accountant  
Membership No.029340



For and on behalf of the Board

  
Ajay Bhardwaj  
Managing Director  
DIN:00333704

  
Ravindra K C  
Director  
DIN:01580534

  
Ramakrishnan K  
Company Secretary

Place : Bangalore  
Date : September 06, 2023



**Anthem Biosciences Private Limited**

**Notes forming part of the consolidated financial statements**

15 Equity Share Capital	Particulars	As at 31.03.2023		As at 31.03.2022	
		No. of Shares	(₹. in Lakhs)	No. of Shares	(₹. in Lakhs)
<b>Authorised Share capital</b>	Equity Shares of Rs. 2/- each (Rs.10/- each in FY22)	600,000,000	12,000	25,000,000	2,500
	Preference shares of Rs. 10/- each	5,000,000	500	5,000,000	500
	0.05% Compulsorily Convertible Preference Share of Rs.1000/- each	-	-	25,000	250
		<b>605,000,000</b>	<b>12,500</b>	<b>30,025,000</b>	<b>3,250</b>
<b>Issued, subscribed &amp; fully paid share capital</b>	Equity Shares of Rs. 2/- each (Rs.10/- each in FY22)	570,486,800	11,410	8,776,254	878
	0.05% Compulsorily Convertible Preference Share of Rs.1000/- each	-	-	23,316	233
	<b>Total</b>	<b>570,486,800</b>	<b>11,410</b>	<b>8,799,570</b>	<b>1,111</b>

15.1 The Company has only equity shares having a face value of Rs.2/- each.(Post stock split and bonus issues during the FY23)

15.2 Terms/ Rights attached to equity shares

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 the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company after distribution of amounts payable to preference shareholders & any statutory liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.3 The details of shareholder holding more than 5% shares as at March 31, 2023 and March 31, 2022 set out below:

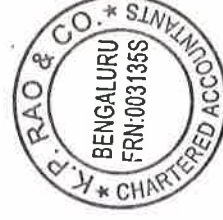
Sl. No	Name of the shareholder	As at 31.03.2023		As at 31.03.2022	
		No. of Shares held	% holding	No. of Shares held	% holding
1	Mr. Ajay Bhardwaj	301,320,825	52.82%	4,635,705	52.82%
2	Mr. Ravindra K C	67,497,430	11.83%	1,038,422	11.83%
3	Mr. Ganesh S	69,565,730	12.19%	1,070,242	12.19%
4	Viridity Tone LLP	47,492,640	8.32%	730,656	8.32%
5	*Portsmouth LLC (0.05% CCPS)	-	-	23,316	100%

\* Converted to equity in FY2023

16 Other Equity		(₹. in Lakhs)	
Particulars		31.03.2023	31.03.2022
a) Capital Redemption Reserve		-	500.00
b) General Reserve		13,690.47	9,838.61
c) Share Premium		27,185.64	27,001.83
d) Retained Earnings		122,011.58	97,423.67
e) Components of Other Comprehensive Income		(230.55)	(306.11)
f) Equity Component of Compound Financial Instruments		0.00	164.24
<b>Balance at the end of the period (a+b+c+d+e+f)</b>		<b>162,657.14</b>	<b>134,622.24</b>

Compound financial instrument

As per Ind AS 32, compound financial instruments need to be split into their debt and equity components from inception. The liability portion is first computed and the balance is the equity portion. This has been computed for the .05% Compulsorily convertible preference shares



**Anthem Biosciences Private Limited**  
**Notes forming part of the consolidated financial statements**

**3 Property, Plant and Equipment**

Particulars	Tangible Assets									(₹.in Lakhs)
	Land - Free Hold *	Road	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Laboratory Equipment	Computers & Accessories	
Cost or Deemed cost										
As at April 01, 2022	8,361.28	407.01	13,039.07	30,587.37	1,673.65	744.84	432.93	10,805.39	2,074.34	68,125.88
Additions during the year	-	-	2,747.55	11,621.44	176.82	-	131.42	2,162.59	1,028.15	17,867.98
Disposals/adjustments	-	91.97	-	-	-	-	-	69.44	-	161.40
As at March 31, 2023	8,361.28	315.04	15,786.63	42,208.81	1,850.47	744.84	564.35	12,898.55	3,102.49	85,832.46
Depreciation										
As at April 01, 2022	-	381.66	5,943.87	17,787.07	1,314.66	508.72	388.72	7,924.00	1,914.68	36,163.37
Charge for the period	-	9.42	979.33	3,436.08	107.40	73.07	27.23	1,158.42	191.33	5,982.28
Disposals/adjustments	-	91.68	-	-	-	-	-	68.05	-	159.74
As at March 31, 2023	-	299.39	6,923.20	21,223.16	1,422.06	581.80	415.94	9,014.37	2,106.01	41,985.92
Net block										
As at March 31, 2023	8,361.28	15.64	8,863.43	20,985.65	428.41	163.04	148.41	3,884.18	996.49	43,846.54
As at March 31, 2022	8,361.28	25.35	7,095.21	12,800.30	358.99	236.12	44.21	2,881.39	159.66	31,962.51

\* All title deeds of Immovable Properties are held in name of the Company except the below mentioned properties.

Below title deeds of immovable property not held in name of the company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land	8acre land Plot No. 313-P, 314-P & 318-P, Harohalli Industrial Area, 2nd Phase.	1313.21447			17/05/2018	
	2acre land Plot Nos. 276-P, 280-P & 281-A Harohalli Industrial Area, 2nd Phase.	367.15414	The Karnataka Industrial Areas Development Board (KIADB)	NA	26/09/2019	Lease cum sale basis (99 years lease)
	30acre land Plot no. 527 to 540 & 557 to 570 in Harohalli 3rd Phase Industrial Area.	4737.6864			02/02/2021	



### 3.1 Capital work-in-progress

Particulars	31.03.2023	31.03.2022
Capital work-in-progress	16,407.84	15,382.94
	16,407.84	15,382.94

### Capital work-in-progress ageing schedule

As at 31 March 2023

CWIP	Amount in capital work in progress for a period of				Total (₹. in Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project work in progress	11,816.54	4,532.90	58.40	-	16,407.84
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2022

CWIP	Amount in capital work in progress for a period of				Total (₹. in Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project work in progress	13,779.48	9.44	1,586.32	7.69	15,382.94
Projects temporarily suspended	-	-	-	-	-

### 3.2 Other intangible assets

Particulars	31.03.2023	31.03.2022
Other Intangible Assets	908.94	689.89
Total	908.94	689.89

Particulars	(₹. in Lakhs)
Cost or Deemed cost	
As at April 01, 2022	1,818.59
Additions during the year	561.71
Disposals	-
As at March 31, 2023	2,380.29
Amortisation	
As at April 01, 2022	1,128.69
Charge for the period	342.66
Disposals	-
As at March 31, 2023	1,471.35
Net block	
As at March 31, 2023	908.94
As at March 31, 2022	689.89

### 3.3 Right to use assets

Particulars	FY 22-23	FY 21-22
Opening Balance	248.60	193.42
Adjustment during the year	-	50.77
Additions during the year	11.44	127.28
Deletions during the year	(81.62)	-
Depreciation during the year	(44.66)	(122.87)
Closing Balance	133.76	248.60



4 Investments

Sl. No.	Particulars	As at 31.03.2023			As at 31.03.2022		
		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Total	Amortised Cost	Through profit or loss
	Mutual Funds (as per 4.1)	-	-	49,287.05	49,287.05	-	25,913.33
	Other investments (as per 4.2)	616.03	-	-	516.03	369.61	-
(A)	Total	616.03	-	49,287.05	49,903.08	369.61	25,913.33
(i)	Investments outside India	616.03	-	49,287.05	49,903.08	369.61	25,913.33
(ii)	Investments in India	616.03	-	49,287.05	49,903.08	369.61	25,913.33
(B)	Total	616.03	-	49,287.05	49,903.08	369.61	25,913.33
(A) - (B)		-	-	-	-	-	-
	Less: Impairment Loss Allowance	-	-	-	-	-	-
Total		616.03	-	49,287.05	49,903.08	369.61	25,913.33

Particulars		31.03.2023	31.03.2022
4.1 Trade - Quoted - at fair value			
a) Investments in Mutual Funds; Corporate Bonds & MLDs			
Aditya Birla Sun Life Mutual Fund		-	7,932.21
ABSL crisil IEX AAA June 2023		2,004.47	-
Aditya Birla Housing Finance Ltd		2,146.32	-
Asirvad Micro Finance Limited		173.52	-
Kotak Equity Arbitrage Fund Growth		-	1,377.41
Baroda BNP Paribas Liquid Fund		2,513.98	-
Bhara: Bond :OF		2,611.04	-
Edelweiss Broking Limited - MLD		2,499.47	-
Hinduja Levland Finance Ltd - MLD		171.02	-
FedBank Financial Services Limited		1,104.89	-
Tata Arbitrage Fund		-	2,789.64
ICICI Prudential Equity Arbitrage Fund-205		-	2,072.54
Kotak Mahindra Investment Ltd		2,500.00	-
Kotak Mahindra Investment Ltd- IIFL		854.43	-
Kotak Equity Arbitrage Fund-Direct Growth-523		-	2,076.37
UTI-Arbitrage Fund-Direct Growth-914		-	2,591.47
HDFC Overnight Fund		-	8,073.69
IIFL Wealth Prime Ltd		2,495.47	-
Infra Finance Pvt Ltd		479.71	-
Kotak Mahindra Prime Ltd - Wealth Bonds		1,512.92	-
L & T Finance Ltd		5,054.93	-
Mahindra & Mahindra Financial Services Ltd - MLD		1,525.89	-
Muthoot Fincorp Ltd - MLD		114.86	-
Nippon India Overnight Fund		1,166.86	-
REC Ltd -MLD		457.09	-
Shriram City Union Finance Ltd - MLD		116.88	-
Shriram Transport Finance Company Ltd		1,639.93	-
Shriram Transport Finance MLD		4,383.45	-
Shriram City Union Finance Ltd		2,493.29	-
Shriram Housing Finance Ltd		1,517.72	-
Tata Cleantech Capital Limited-MLD		2,577.65	-
Tata Capital Housing Finance Ltd		2,058.42	-
Tata Capital Limited (Tipsons Financial Serv Pvt Ltd)		1,549.56	-
Tata International Limited Perpetual (Tipson)		1,000.50	-
Tata Capital Financial Services Ltd		1,572.07	-
Tata Capital Limited		990.69	-
Total investments at Fair Value		49,287.05	26,913.33

Particulars		31.03.2023	31.03.2022
4.2 Other Investments			
a) Other Equity Investments			
Investment in Four EF Renewables Private Limited		205.35	123.20
b) Other Preference Investments			
Investment in Four EF Renewables Private Limited		410.68	246.41
Total investments at Fair Value		616.03	369.61





Notes forming part of the consolidated financial statements

Investment in Equity Instrument - Others

1. Investment in Four EF Renewables Private Limited, 205,338 equity shares of Rs. 100 each and 100 Equity shares of Rs.15/- each (FY2022: 123,203 equity shares of Rs. 100/- each)

2. Investment in Four EF Renewables Private Limited, 410,677 Preference shares of Rs. 100 each (FY2022: 246,406 equity shares of Rs.

100/- each)

5 Trade Receivables

a) Non-current

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
Trade Receivables from Related parties	310.78	311.18
<b>Total</b>	<b>310.78</b>	<b>311.18</b>

Trade Receivables Ageing  
(For Current Reporting period)

Particulars	Outstanding for following periods from due date of payment				Total (₹ in Lakhs)
	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	-	310.78	310.78
(ii) Undisputed Trade receivables - which have	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
(iv) Disputed Trade receivables- considered good	-	-	-	-	-
(v) Disputed Trade receivables - which have significant	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>310.78</b>	<b>310.78</b>

Trade Receivables Ageing  
(For Previous Reporting period)

Particulars	Outstanding for following periods from due date of payment				Total (₹ in Lakhs)
	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	0.40	-	-	311.18
(ii) Undisputed Trade receivables - which have	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
(iv) Disputed Trade receivables- considered good	-	-	-	-	-
(v) Disputed Trade receivables - which have significant	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0.40</b>	<b>-</b>	<b>310.78</b>	<b>311.18</b>

b) Current

Particulars	31.03.2023	31.03.2022
Unsecured, considered good		
(i) Trade Receivables	27,406.78	32,619.45
Unsecured, considered doubtful		
(ii) Doubtful Debtors- Credit Impaired	-	-
(iii) Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>27,406.78</b>	<b>32,619.45</b>





## Notes forming part of the consolidated financial statements

## Trade Receivables Ageing

(For Current Reporting period)

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables - considered good	27,387.08	-	-	17.00	2.71
(ii) Undisputed Trade receivables - which have	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
(iv) Disputed Trade receivables- considered good	-	-	-	-	-
(v) Disputed Trade receivables - which have significant	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-
<b>Total</b>	<b>27,387.08</b>	<b>-</b>	<b>-</b>	<b>17.00</b>	<b>2.71</b>
					<b>27,406.78</b>

## Trade Receivables Ageing

(For Previous Reporting period)

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables - considered good	32,490.87	64.22	55.19	9.09	0.08
(ii) Undisputed Trade receivables - which have	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
(iv) Disputed Trade receivables- considered good	-	-	-	-	-
(v) Disputed Trade receivables - which have significant	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-
<b>Total</b>	<b>32,490.87</b>	<b>64.22</b>	<b>55.19</b>	<b>9.09</b>	<b>0.08</b>
					<b>32,619.45</b>

## ECL Model

Ind AS 109 requires an impairment assessment to be made for Trade Receivables on an Expected Credit Loss Model. For Trade Receivables,

Ind AS 109 permits a simplified approach of calculating only life time credit losses.

Considering the industry in which the company is operating and the gestation period of its projects, impairment assessment is made annually for the entire block of Trade Receivables and impairment losses are recognised for trade receivables on a case to case basis.

## 6 Loans &amp; Advances

Sl. No	Particulars	31.03.2023			31.03.2022		
		Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Total	Amortised Cost	Through Other Comprehensive Income
	Loan to related party	478.60	-	-	478.60	477.39	-
	Advances to related party	-	-	-	-	-	-
(A)	<b>Total</b>	<b>478.60</b>	<b>-</b>	<b>-</b>	<b>478.60</b>	<b>477.39</b>	<b>-</b>
	(i) Investments outside India	-	-	-	-	-	-
(ii)	Investments in India	478.60	-	-	478.60	477.39	-
(B)	<b>Total</b>	<b>478.60</b>	<b>-</b>	<b>-</b>	<b>478.60</b>	<b>477.39</b>	<b>-</b>
	(A' - (B))	-	-	-	-	-	-
	Less: Impairment Loss Allowance	-	-	-	-	-	-
<b>Total</b>		<b>478.60</b>	<b>-</b>	<b>-</b>	<b>478.60</b>	<b>477.39</b>	<b>-</b>
							<b>477.39</b>



7 Other Financial Asset

a) Non- Current

Particulars	31.03.2023	31.03.2022
Un-secured Considered good		
Staff advances	23.02	79.24
Security Deposits	437.77	352.85
<b>Total</b>	<b>460.79</b>	<b>432.08</b>

b) Current

Particulars	31.03.2023	31.03.2022
Un-secured Considered good		
Accrued interest	13.67	13.40
Staff advances-Current	8.95	15.58
<b>Total</b>	<b>22.63</b>	<b>28.98</b>

c) Fair Value Hierarchy

Particulars	Carrying value		Fair value	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Amortised cost				
(i) Loans	478.60	477.39	478.60	477.39
(ii) Other Investments	616.03	369.61	616.03	369.61
(iii) Trade Receivables	27,717.57	32,930.63	27,717.57	32,930.63
(iv) Other Financial Assets	483.42	461.06	483.42	461.06
(v) Cash and Cash Equivalents	34,284.69	34,890.28	34,284.69	34,890.28
<b>Fair Value through Profit and Loss</b>				
(i) Investments	49,287.05	26,913.33	49,287.05	26,913.33
<b>Total Financial Assets</b>	<b>112,867.36</b>	<b>96,042.30</b>	<b>112,867.36</b>	<b>96,042.30</b>

d) Fair- Value Hierarchy

Particulars	Level 1		Level 2		Level 3		Total
	31.03.2023		31.03.2022		31.03.2023		31.03.2022
Financial Assets							
Mutual Fund Units	49,287.05		0.00		0.00		49,287.05
Other Investments	616.03		0.00		0.00		616.03
<b>Total</b>	<b>49,903.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>49,903.08</b>

8 Deferred Tax Assets (Net)

Particulars	31.03.2023	31.03.2022
Deferred tax assets		
Deferred tax assets	1,593.78	1,386.99
Add: Adjustments during the year	897.06	206.79
<b>Total</b>	<b>2,490.84</b>	<b>1,593.78</b>



## 8.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	31.03.2023	31.03.2022
<b>Deferred tax asset</b>		
Expenditure disallowed under Income Tax Act, 1961	7,253.03	805.79
Prepaid rent written off	1.64	1.93
Property, plant and equipment	5,130.62	5,082.34
On OCI (Gratuity)	411.12	129.81
Significant financing component	188.46	685.31
Deferred Loan finance cost	7.81	7.81
Employee benefit expenses on staff loans	6.62	11.94
Interest on BIRAC Loan	44.78	50.02
Lease	55.03	145.72
	<b>13,099.11</b>	<b>6,920.66</b>
<b>Deferred tax liability</b>		
Interest income due to fair valuation of security deposits	1,688.81	2.01
Interest income recognised on Staff loan	6.64	13.46
Notional interest income on loan to Associate company	6.32	6.23
Actuarial gain/loss (OCI)	-	18.43
Compound financial Instruments	2.99	6.58
BIRAC Loan grant recognised	23.64	23.78
Lease	53.02	140.74
	<b>94.31</b>	<b>211.23</b>
<b>Total</b>	<b>13,004.81</b>	<b>6,709.43</b>

## 9 Tax Assets (Net)

	31.03.2023	31.03.2022
<b>Particulars</b>		
Income Tax Refundable	137.49	137.30
<b>Total</b>	<b>137.49</b>	<b>137.30</b>

## 10 Other Non-current Assets

	31.03.2023	31.03.2022
<b>Particulars</b>		
<b>Un-secured Considered good</b>		
(i) Capital advances	3,044.65	630.09
(ii) Prepaid Rent	(1.21)	0.43
(iii) Deferred Employees Benefit	2.50	7.04
(iv) Deferred Loan - Anthem Biopharma Private Limited	234.39	242.20
(v) Prepaid Expenses-long term	57.16	71.13
<b>Total</b>	<b>3,337.48</b>	<b>950.89</b>



11 Inventories

Particulars	31.03.2023	31.03.2022
(i) Raw materials	10,283.61	3,784.51
(ii) Work in Progress	2,025.16	1,176.10
(iii) Finished goods	507.50	455.36
(iv) Goods in transit	125.36	407.03
<b>Total</b>	<b>12,941.63</b>	<b>5,823.00</b>

12 Cash and Cash Equivalents

Particulars	31.03.2023	31.03.2022
<b>Balances with banks:</b>		
(i) in current accounts	728.05	513.10
(ii) in deposit accounts	33,415.21	33,317.64
<b>Cash in Hand:</b>		
(i) Cash on hand	-	-
<b>Total</b>	<b>34,143.25</b>	<b>33,830.75</b>

13 Other Bank Balances

Particulars	31.03.2023	31.03.2022
<b>Earmarked balances with Banks</b>		
(i) Margin Money & Other Deposits	61.13	712.63
(ii) Debit balance in cash credit	80.31	346.90
<b>Total</b>	<b>141.44</b>	<b>1,059.54</b>

14 Other Current Assets

Particulars	31.03.2023	31.03.2022
<b>Unsecured, Considered good</b>		
(i) Balances with other statutory authorities	7,760.28	7,904.18
(ii) Prepaid Expenses	194.34	250.38
(iii) Advances to Suppliers	311.35	181.99
(iv) Export Incentives Receivable	-	718.93
(v) Others Receivable	107.95	-
<b>Total</b>	<b>8,373.92</b>	<b>9,055.49</b>



17 Borrowings						
a) Non-current						
Sl.No.	Particulars	31.03.2023			31.03.2022	
		At Fair Value (₹.in Lakhs)	Through Other Comprehensive Income	Through profit or loss	Amortised Cost	Total
(a)	Term Loans					
	Secured					
(i)	from Banks	9,213.27	-	-	-	9,213.27
(ii)	from other parties	405.57	-	-	459.10	459.10
	Unsecured					
(i)	from Banks	-	-	-	-	-
(ii)	from Related parties	-	-	-	-	-
(b)	Finance lease obligations	-	-	-	-	-
(A)	Total	9,618.84	-	-	130.74	130.74
	Borrowings in India	9,618.84	-	-	589.84	589.84
	Borrowings outside India	-	-	-	589.84	589.84
(B)	Total	9,618.84	-	-	589.84	589.84
	(A) - (B)	-	-	-	-	-

b) Current

31.03.2022						
Sl.No.	Particulars	31.03.2023			31.03.2022	
		At Fair Value (₹.in Lakhs)	Through Other Comprehensive Income	Through profit or loss	Amortised Cost	Total
(a)	Term Loans					
	Secured					
(i)	from Banks	1,900.00	-	-	-	1,900.00
(ii)	from other parties	113.01	-	-	114.95	114.95
	Unsecured					
(i)	from Banks	-	-	-	-	-
(ii)	from Related parties	-	-	-	-	-
(b)	Finance lease obligations	-	-	-	-	-
(c)	Cash Credit	874.60	-	-	95.00	95.00
(A)	Total	2,887.61	-	-	2,749.30	2,749.30
	Borrowings in India	2,887.61	-	-	2,959.26	2,959.26
	Borrowings outside India	-	-	-	2,959.26	2,959.26
(B)	Total	2,887.61	-	-	2,959.26	2,959.26
	(A) - (B)	-	-	-	-	-



## Notes forming part of the consolidated financial statements

## Break up of Loans- Borrowings with Repayment Terms

Loan Type	Loan Name	Repayment Terms	Total Outstanding (₹.in Lakhs)	
			(For Current Reporting period)	(the previous reporting period)
Term Loan-Project	Citi Bank	20 Quarterly Instalments	9,000	-
Term Loan-Project	Biotechnology Industry Research Assistance Council	10 Years #	594.89	697.30
Term Loan-Project	Federal Bank	24 Quarterly Instalments	1,113.27	-
Cash credit	Citi Bank	Yearly Renewal	1,874.60	1,010.01
PCFC	Citi Bank	Yearly Renewal	-	1,739.29
Vehicle Loan	HDFC Bank	60 EMI *	-	2.08
Vehicle Loan	Kotak Bank	60 EMI *	-	2.10
Vehicle Loan	Federal Bank	60 EMI *	-	221.56

\* Prepayment in FY23.

# Excluding IND AS effect

## Terms of Security

## From Banks

17.1 Term loan from BIRAC (Biotechnology Industry Research Assistance Council), along with interest is secured by Equipment and Machinery which is procured From the sanctioned amount and carry an interest rate of 2.00% p.a (concessional rate)

17.2 Term loan from federal bank along with interest is secured by first pari-passu charge of EM of lease hold right of Anthem Biosciences Pvt Ltd on 32,932 sqm of land at plot no.313-D/314-P&318-P in Harohalli 2nd Phase Industrial area, and second pari-passu charge with the current assets (both present and future)/hypothecation of moveable fixed assets of the company procured/to be procured to the extent of Rs.400 crores; Entire cash flow of the company. Term loan carries a fixed rate of interest@6.45% p.a

## 17.3

Cash Credit and other fund and non fund facilities from Citibank & HDFC Bank are secured by the first charge on pari-passu basis on all inventories and receivables, Demand promissory note and letter of continuity. These facilities are payable on demand and carry an interest rate (re-set) in the range of 7.55% to 8.50% p.a.

17.4 Term loan from Citi Bank is secured by an exclusive charge on Moveable fixed assets and carry an interest rate which is equivalent to 3Months T bill+125 bps.

## Terms of security and repayment

- Mortgage / charge over the company's immovable and movable properties (other than project assets but including all receivables) both present and future;
- Charge/ assignment of revenues receivables
- Charge over / assignment of the rights, titles and interests of the company in to and in respect of all project agreements (in accordance with concession agreement);
- Assignment of insurance policies, interest, benefits, claims, guarantees ,performance bonds and liquidated damages;
- The aforesaid charge will rank Pari - Passu with the mortgages and charges created/ to be created in favour of participating institutions/banks.





17.5 Obligations towards finance leases

Particulars	31.03.2023	31.03.2022
Minimum Lease payments		
(i) Not later than one year	39.77	131.21
(ii) Later than one year but not later than five years	83.07	127.42
<b>Total</b>	<b>122.84</b>	<b>258.63</b>

18 Trade Payables

Particulars	31.03.2023	31.03.2022
<b>Current</b>		
(i) Dues to micro, small and medium enterprises	-	15.98
(ii) Dues to others	6,058.22	5,593.45
(iii) Other Creditors	1,135.90	874.68
<b>Total</b>	<b>7,194.13</b>	<b>6,484.12</b>

Trade Payables Ageing  
(For Current Reporting period)

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
MSME	-	-	-	-
Others	6804.42	232.34	84.87	72.50
Disputed dues - MSME	-	-	-	-
Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>6,804.42</b>	<b>232.34</b>	<b>84.87</b>	<b>72.50</b>

Trade Payables Ageing  
(For Previous Reporting period)

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
MSME	15.98	-	-	-
Others	6300.93	92.93	2.50	71.78
Disputed dues - MSME	-	-	-	-
Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>6,316.91</b>	<b>92.93</b>	<b>2.50</b>	<b>71.78</b>

19 Other Financial Liabilities  
Non Current

Particulars	31.03.2023	31.03.2022
Lease Liability	76.44	113.20
Liability Component of Compound Financial Instruments	-	22.56
Performance guarantee deposit	616.02	369.61
<b>Total</b>	<b>692.45</b>	<b>505.37</b>

Current

Particulars	31.03.2023	31.03.2022
Retention money	449.79	236.24
Lease Liability	32.22	117.22
<b>Total</b>	<b>482.01</b>	<b>353.46</b>



Notes forming part of the consolidated financial statements

Note - During the year, the Company made a reassessment of its lease agreements in order to ascertain whether the agreements meet the definition of a lease. The net impact of these changes has been transferred to Retained Earnings.

Fair Value Hierarchy

Particulars	Carrying value as at		Fair value as at	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Amortised cost</b>				
(i) Borrowings	12,506.45	3,549.09	12,506.45	3,549.09
(ii) Trade Payables	7,194.13	6,484.12	7,194.13	6,484.12
(iii) Other financial liabilities	1,174.47	858.83	1,174.47	858.83
<b>Total Financial Liabilities</b>	<b>20,875.04</b>	<b>10,892.04</b>	<b>20,875.04</b>	<b>10,892.04</b>

20 Provisions

a) Non Current		(₹.in Lakhs)	
Particulars		31.03.2023	31.03.2022
Provision for employee benefits			
(i) Gratuity Payable		583.10	523.21
(ii) Leave encashment		311.18	282.58
<b>Total</b>		<b>894.28</b>	<b>805.79</b>

(i) Movement in provisions

		(₹.in Lakhs)	
Particulars		31.03.2023	31.03.2022
<b>a) Provision for Gratuity</b>			
Opening Balance		523.21	479.66
Additional Provisions made		192.45	132.55
Provisions released (paid)		132.55	89.00
Closing Balance		<b>583.10</b>	<b>523.21</b>
<b>b) Leave Encashment</b>			
Opening Balance		282.58	260.93
Additional Provisions made		218.72	193.46
Provisions released (paid)		190.11	171.81
Closing Balance		<b>311.18</b>	<b>282.58</b>

b) Current

		(₹.in Lakhs)	
Particulars		31.03.2023	31.03.2022
Dividend		-	0.12
<b>Total</b>		<b>-</b>	<b>0.12</b>



Notes forming part of the consolidated financial statements

21 Other Liabilities

a) Non-Current

Particulars	31.03.2023	31.03.2022
Endo Global Biologicals - significant financing component	0.00	1,998.93
Deferred Grant	141.76	166.38
<b>Total</b>	<b>141.76</b>	<b>2,165.31</b>

b) Current

Particulars	31.03.2023	31.03.2022
Other accrued liabilities	1,878.63	1,914.12
Advances from customers	140.01	5,789.13
Capital creditors	2,558.27	2,637.45
Dues to statutory/ government authorities	264.06	243.97
Grants received in advance	38.52	-
<b>Total</b>	<b>4,879.49</b>	<b>10,584.68</b>

22 Current Tax Liability (Net)

Particulars	31.03.2023	31.03.2022
<b>Current</b>		
Income Tax Provision	12,088.35	14,238.89
Less: Advances tax paid	11,500.00	12,300.00
<b>Total</b>	<b>588.35</b>	<b>1,938.89</b>



23 Revenue From Operations

Particulars	31.03.2023	31.03.2022
Sale of products & services		
Domestic sales	21,302.43	23,215.28
Export sales	84,390.00	99,910.32
<b>Total</b>	<b>105,692.43</b>	<b>123,125.60</b>

23.1 Change in Contract Liabilities:

Particulars	31.03.2023	31.03.2022
Balance at the beginning of the year	1,998.93	1,313.62
Add: Interest expense during the year	188.46	685.31
Less: Invoices raised during the year	-	-
<b>Balance at the end of the year</b>	<b>2,187.39</b>	<b>1,998.93</b>
Expected revenue recognition from remaining performance obligations		
-within one year	2,187.39	1,998.93
-more than one year	-	-

23.2 Performance Obligation

In relation to information about company's performance obligation, the entity satisfies the performance obligation at a point in time .

24 Other Income

Particulars	31.03.2023	31.03.2022
Interest from deposits & advances	2,909.88	957.57
Other income	528.43	292.70
Capital Gain and Dividend	1,487.33	937.66
Fair value Gain-Mutual Fund	(797.61)	422.16
Forex gain (net)	1,288.86	1,332.57
Grant received	98.11	115.85
MEIS Duty Credit Scripts	-	835.11
Fair value SFC written back	2,187.39	-
Lease rent received	4.44	4.44
<b>Total</b>	<b>7,706.85</b>	<b>4,898.05</b>



## 25 Cost of materials consumed

Particulars	31.03.2023	31.03.2022
Opening stock	3,784.51	1,534.74
Add: Chemicals and reagents	41,328.00	43,279.54
	<b>45,112.51</b>	<b>44,814.28</b>
Less: Closing stock	10,283.61	3,784.51
<b>Total</b>	<b>34,828.89</b>	<b>41,029.77</b>

## 26 Change in Work in Progress

Particulars	31.03.2023	31.03.2022
Opening stock		
Finished goods	455.36	358.57
Work-in-progress	1,176.10	1,135.54
	<b>1,631.46</b>	<b>1,494.11</b>
Less: Closing stock		
Finished goods	507.50	455.36
Work-in-progress	2,025.16	1,176.10
<b>Total</b>	<b>(901.20)</b>	<b>(137.35)</b>

## 27 Employee Benefits Expense

Particulars	31.03.2023	31.03.2022
Salaries and allowances	13,945.41	12,443.43
Contribution to provident and other funds	711.08	646.83
Staff welfare	660.58	649.19
Employees Benefit Expense	6.62	11.94
<b>Total</b>	<b>15,323.70</b>	<b>13,751.39</b>

## 28 Finance Costs

Particulars	31.03.2023	31.03.2022
<b>Interest Expense on</b>		
(i) Interest - Term loans	355.17	182.84
(ii) Interest - Cash credit	43.68	30.69
(iii) Interest - Finance lease	18.58	23.53
(iv) Interest - IND AS lease	10.37	22.86
(iv) Bank charges	52.19	62.90
Interest on Endo Global-Significant Financing Component	188.46	685.31
(vi) Interest on MSME	-	0.50
<b>Total</b>	<b>668.45</b>	<b>1,008.63</b>



## Notes forming part of the consolidated financial statements

## 29 Administrative Expenses

Particulars	31.03.2023	31.03.2022
Advertisement and business promotion	53.53	11.68
Auditors' remuneration	21.00	17.50
Amortisation of deferred loan (ABPPL)	7.81	7.81
Commission expenses	415.71	430.52
Communication expenses	80.75	88.06
Corporate social responsibility expenses	601.08	81.72
Donation	2.50	7.50
Freight and forwarding charges	514.96	531.60
Health and safety expenses	286.84	377.73
Insurance	349.17	299.99
Interest on statutory dues	195.90	210.29
Internal Audit Fees	7.50	5.50
Legal and professional fees	222.80	108.89
Loss from sale of assets	0.28	18.41
Membership and subscription	68.75	70.43
Miscellaneous expenses	127.22	18.52
Fair value measurement expenses	46.41	51.28
Pollution control expenses	490.27	338.88
Power and fuel	3,901.08	3,633.18
Printing and stationery	247.19	162.80
Processing charges	295.69	390.54
R & D expenses	2,586.13	2,478.80
R & M - Building	64.43	43.32
R & M - Others	523.95	595.74
R & M - Plant and machinery	1,227.02	1,172.92
Rates and taxes	641.27	517.84
Rent	25.90	24.01
Security charges	152.18	150.82
Training and recruitment expenses	5.37	7.69
Travelling and conveyance	397.60	127.52
<b>Total</b>	<b>13,560.30</b>	<b>11,981.50</b>





Notes forming part of the consolidated financial statements

29.1 As per Section 135 of Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

29 Auditor's remuneration break-up

Particulars	31.03.2023	31.03.2022
(i) Statutory audit fees	21.00	17.50
(ii) Certification and other reimbursement	2.62	1.92
(iii) Internal audit fees	7.50	5.50
<b>Total</b>	<b>31.12</b>	<b>24.92</b>

30 Tax Expense

Particulars	31.03.2023	31.03.2022
<b>A - Current Tax</b>		
Current tax on profits for the year	12,004.84	14,238.89
<b>Total</b>	<b>12,004.84</b>	<b>14,238.89</b>

30.1 Reconciliation of tax expenses to accounting profit

Particulars	31.03.2023	31.03.2022
Accounting profit before tax	49,729.77	54,614.09
Tax @ 25.168%	12,515.99	13,745.27
<b>Adjustments</b>		
Expenses that are disallowed as per Income Tax Act	7,253.03	4,271.71
Expenses that are specifically allowed as per the Income Tax Act	(6,267.52)	(4,660.49)
Short term Capital gains	461.73	379.80
Long term Capital gains	1,025.60	557.86
Deduction under section 80JJA	(50.55)	(55.27)
<b>Tax Expenses recognised in the statement of profit and loss</b>	<b>14,938.29</b>	<b>14,238.89</b>
<b>Income tax credit/(expense) recognised in Other Comprehensive Income :</b>	<b>103.48</b>	<b>28.03</b>
<b>Tax effect on actuarial gains/losses on defined benefit obligations</b>	<b>103.48</b>	<b>28.03</b>



Notes forming part of the consolidated financial statements

31 Other comprehensive income

(₹.in Lakhs)		
Particulars	31.03.2023	31.03.2022
Items that will not be reclassified to profit or loss		
i) Actuarial gains & losses	(27.92)	(111.38)
ii) Deferred tax	103.48	28.03
Total	75.56	(83.34)

32 Research and development expenditure

Expenditure on research activities are recognized as expenses and charged to Statement of profit and loss. Development costs of products are also charged to the Statement of profit and loss unless a product's technological feasibility has been established and the ability of the asset to generate future economic benefits, in such case expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Assets and Intangible Assets. During the year, the below mentioned expenditure is incurred towards research and development:

(₹.in Lakhs)		
Particulars	31.03.2023	31.03.2022
Salaries and allowances	1,056.26	654.19
Consumables	1,461.84	1,650.51
Electricity expenses	63.17	64.66
Other expenses	4.86	109.43
Total expenses charged to statement of profit and loss	2,586.13	2,478.80

33 Earnings per share

Particulars	For the year ended			
	31.03.2023		31.03.2022	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the year	5,049,352	5,049,626	8,484,581	8,485,047
Weighted no of equity shares issued during the year	230,839,950	230,839,950	284,481	284,481
Weighted average number of equity shares for calculation of earnings per share	235,889,302	235,889,577	8,769,062	8,769,528

33(a) Extraordinary Income

During the financial year 2022-23, company has forfeited the outstanding advance money received to the extent of Rs.61.80 crores, from an overseas customer, which was due to pre-mature termination of the supply contract by the customer. Based on mutual consent between both the parties, company has no obligation to re-pay the said forfeited money to the overseas customer.



## 34 Employee benefit expenses

Particulars	For the year ended	
	31.03.2023	31.03.2022
(i) Salaries and Wages	13,945.41	12,443.43
(ii) Contribution to provident and other funds*	711.08	646.83
(iii) Staff training and welfare expenses	660.58	649.19
(iv) Employee benefit expenses	6.62	11.94
<b>Total</b>	<b>15,323.70</b>	<b>13,751.39</b>

\*Includes contribution to defined contribution plan for the year ended March 31, 2023 Rs.411.16 lacs (for the year ended March 31, 2022:Rs.326.00 lacs)

## Amount recognized in the statement of profit and loss in respect of gratuity and leave encashment cost

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
(i) Present value of projected benefit obligation	1,042.12	909.72	311.18	282.58
(ii) Service cost	130.76	121.05	56.03	51.61
(iii) Net interest on net defined liability/ (asset)	33.77	29.94	13.86	12.04
(iv) Re-measurement - actuarial (gain)/loss recognised in OCI	27.92	(18.43)	148.79	129.81
<b>Net present value of projected benefit obligation</b>	<b>1,234.56</b>	<b>1,042.28</b>	<b>529.86</b>	<b>476.03</b>
(i) Discount rate	7.53%	7.39%	7.53%	7.39%
(ii) Salary increase	6.00%	6.00%	6.00%	6.00%

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Change in projected benefit obligations</b>				
(i) Obligations at the beginning of the year	909.72	795.60	282.58	260.93
(ii) Service cost	130.76	121.05	56.03	51.61
(iii) Interest expense	63.89	53.27	13.86	12.04
(iv) Benefits settled	(90.25)	(42.52)	(190.07)	(171.81)
(v) Actuarial (gain)/loss	27.99	(17.68)	148.79	129.81
<b>Obligations at end of the year</b>	<b>1,042.12</b>	<b>909.72</b>	<b>311.18</b>	<b>282.58</b>



Bifurcation of present value of obligations at the end of the valuation period as per schedule III of the Companies Act, 2013

Particulars	Gratuity		Leave Encashment	
	For the year ended	31.03.2022	For the year ended	31.03.2022
(i) Current liabilities	247.07	203.30	108.39	94.89
(ii) Non-Current liabilities	795.05	706.42	202.79	187.68
Particulars	Gratuity		Leave encashment	
	For the year ended	31.03.2022	For the year ended	31.03.2022
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>Change in plan assets</b>				
Plan assets at the beginning of the year, at fair value	386.51	315.95	-	-
(i) Interest income on plan assets	30.13	23.34	-	-
(ii) Re-measurement - actuarial gain/ (loss)	0.07	0.75	-	-
(iii) Benefit payments from plan assets	(90.25)	(42.52)	-	-
(iv) Contributions from employers	132.55	89.00	190.07	171.81
(v) Benefits settled	-	-	(190.07)	(171.81)
<b>Plan assets at the end of the year at fair value</b>	<b>459.01</b>	<b>386.51</b>	<b>-</b>	<b>-</b>

The experience adjustments, meaning difference between changes in plan assets and obligations expected on the basis of actuarial assumption and actual changes in those assets and obligations are as follows:

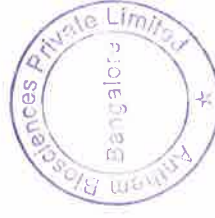
Particulars	Gratuity		Leave encashment	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
(i) Experience adjustment on plan liabilities	31.38	2.01	149.24	132.10
Percentage of opening plan liabilities	3.45%	0.25%	52.81%	50.63%
(ii) Experience adjustment on plan assets	0.07	0.75	-	-
Percentage of opening plan assets	0.02%	0.24%	-	-

**Maturity profile of defined benefit obligation:**

Particulars	Gratuity		Leave encashment	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Year 1	247.78	203.30	108.39	94.89
Year 2	201.57	162.63	74.55	65.52
Year 3	184.14	146.88	57.04	49.19
Year 4	145.72	136.79	40.17	38.43
Year 5	120.44	107.56	28.10	27.43
Next 5 year Payouts	522.71	310.84	72.25	57.05

The weighted average of the defined benefit obligation for gratuity is 4.22 as at 31 March 2023

The weighted average of the defined benefit obligation for leave encashment is 3.01 as at 31 March 2023



Information about Leases Assets for which the Company is a lessee is presented below:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	248.60	193.42
Additions	11.44	127.28
Adjustments during the year	0.00	50.77
Deletions	(81.62)	0.00
Depreciation*	44.66	122.87
Balance as at end of the year	133.76	248.60

\*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in Statement of Profit and Loss.

The changes/movement in Lease Liabilities of the Company are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	230.43	236.12
Additions	13.98	127.28
Adjustments during the year	0.00	-15.08
Deletions	-93.09	
Payment of lease liabilities	-53.02	-140.74
Accreditation of interest	10.37	22.86
Balance as at end of the year	108.66	230.43
Current Liabilities	32.22	117.21
Non-Current Liabilities	76.44	113.21
Total cash outflow for leases	53.02	140.74

The table below provides details regarding amounts recognised in the Standalone Statement of Profit and Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expenses relating to short-term leases and/or leases of low-value items		
Interest on lease liabilities	10.37	22.86
Depreciation expense	44.66	122.87
Total	55.03	145.72

Contractual maturities of Lease Liabilities on undiscounted basis

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	39.77	131.21
One to five years	83.07	127.42
	122.84	258.64



### 36 Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate 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. The primary market risk to The Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is The Company's policy that no trading in derivative for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) 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, and arises principally from The Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(b) 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 customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

(c) Investments:

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

(d) Liquidity risk

Liquidity risk is the risk that The Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Cash & cash equivalents	34,143.25	33,830.75
Investments in mutual funds (quoted)	49,287.05	26,913.33





**Contractual maturities of significant financial liabilities as at**

(₹ in Lakhs)

Particulars	As at March 31, 2023		
	Less than 1 year	More than 1 year	Total
Borrowings	2,887.61	9,618.84	12,506.45
Lease Liabilities	32.22	76.44	108.66
Trade payables and accrued expenses	7,194.13	-	7,194.13
Other Financial liabilities	449.79	616.02	1,065.81

Particulars	As at March 31, 2022		
	Less than 1 year	More than 1 year	Total
Borrowings	2,959.26	589.84	3,549.09
Lease Liabilities	117.22	113.20	230.42
Trade payables and accrued expenses	6,484.12	-	6,484.12
Other Financial liabilities	236.24	392.17	628.41

(e) Foreign currency risk:

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. Dollars). A significant portion of The Company's revenues are in US Dollars while a significant portion of its costs are in Indian Rupees. As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, The Company's revenues measured in Rupees may decrease. The exchange rate between the Indian Rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has an internal committee which meets on a periodic basis to formulate the strategy for foreign currency risk management. When necessary, the Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables.

(f) 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 and investments. The Company's borrowings and investments are primarily short-term, which do not expose it to significant interest rate risk.

**37 Capital Management Structure**

The Company'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 Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

The Company is predominantly equity financed which is evident from the capital structure table. Further, The Company has always been a net cash Group with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of debt.



Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Total equity attributable to the equity share holders of the group	174,066.87	135,499.87
As percentage of the total capital	100%	100%
current loans & borrowings	2,887.61	2,959.26
Non current loans & borrowings	9,618.84	589.84
<b>Total loans &amp; borrowings</b>	<b>12,506.45</b>	<b>3,549.09</b>
As percentage of the total capital	7.18%	3%
Total capital (loans and borrowings and equity)	186,573.32	139,048.96

### 38 Contingent Liabilities & Capital Commitments

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Commitments</b>		
Estimated amount of expected capital commitments	13,563	24,968
<b>Contingent Liabilities</b>		
Claims against the company not acknowledged as debts:		
Income tax - AY 2015-16 - CIT Appeals 1, Bengaluru	326	326
Income tax - AY 2017-18 - ITAT, Bengaluru	55	55
Income tax - AY 2020-21 - CIT (A) Bengaluru	51	-
Service Tax-Appeal-FY: 2011-2015	12	12
Others:		
Letter of credit	286	47
Bank guarantees	70	70
Corporate guarantees:		
Guarantees given to Federal Bank on behalf of wholly owned subsidiary & associate company for securing financial assistances in the form for term loan and working capital loans.	21,800	100



### 39 Segment information :

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Operating Segments", taking into consideration the internal organization and business activities in which it engages and the economic environments in which it operates and separate financial information availability.

Company has identified two business segments viz, Contract Manufacturing, Development & Discovery Services and Specialty Ingredients (product business) during the year. Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Segmental Performance</b>		
Business Vertical:		
Contract Manufacturing	88,379	110,233.48
R&D Services	17,314	12,903.22
<b>Total</b>	<b>105,693</b>	<b>123,137</b>
<b>Revenue wise</b>		
Export	84,122	99,950
Domestic	21,570	23,186
<b>Total</b>	<b>105,693</b>	<b>123,137</b>
<b>Geography wise sales</b>		
North America (USA)	49,743	51,771
Europe	30,620	45,959
India	21,580	23,186
Rest of asia	3,019	1,431
Others	731	789
<b>Total</b>	<b>105,693</b>	<b>123,137</b>



#### 40 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. During the financial year 2022-23 the company has spent below amounts towards The Akshaya Patra Foundation for serving mid day meals; The Art & Photography Foundation, Sri Sringeri Sharada Peetham Charitable Trust; Janseva Trust Param: Construction of schools at Rampura, Anumanahalli & Aadnakupee Urdu School, Government primary school at Hebhidarametu; Government Primary School-Kitchen & Dining hall at Jakkasandra karnataka and construction of government higher primary school at Bannikuppe etc. Also company has undertaken various CSR initiatives to construct more schools and other social welfare measures.

Particulars	(₹.in Lakhs)	
	Year ended March 31,2023	Year ended March 31,2022
Gross amount required to be spent during the year	688.56	399.96
Amount spent during the year	601.08	81.72
Amount spent in local area	594.08	81.72
Shortfall at the end of the year / period	87.48	318.25
Total of previous years shortfall.	538.34	450.86

As on March 31, 2023, a cumulative amount of Rs.538.34 lakhs is unspent. No provision towards the CSR expenditure has been made in the books of account.

#### 41 Unhedged Foreign Currency Exposure:

Particulars	(₹.in Lakhs)				
	As at March 31, 2023				
	Unhedged		Hedged through forward or derivative		Natural Hedge
	</=1 year	>1 year	</=1 year	>1 year	</=1 year >1 Year
FCY-Receivables (A)					
Exports	19,551.74	-	-	-	-
Loans to JV/WOS	-	-	-	-	-
Others	-	-	-	-	-
Total (A)	19,551.74	-	-	-	-
FCY-Payables (B)					
Imports	2,291.43	-	-	-	-
Trade credits	-	-	-	-	-
ECBs	-	-	-	-	-
Other FCY loans	-	-	-	-	-
Total (B)	2,291.43	-	-	-	-
Total Exposure (A-B)/(B-A)	17,260.31	-	-	-	-



#### 42 Trade Payables and Micro, Small and medium Enterprises

Trade Payables have been classified as Current and Non-Current. The Management has identified:

(₹.in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	15.98
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	0.50
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	0.50
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	2.32
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above actually paid	-	-

#### 43 Related Parties

Name of the related party	Nature of relationship with the company	Country of Incorporation/ Residential Status
Ajay Bhardwaj	Managing Director	Indian
Ravindra KC	Director	Indian
Ganesh Sambasivam	Director	Indian
Ramakrishnan K	Company Secretary	Indian
Gawir Baig	Vice President cum CFO	Indian
Ishaan Bhardwaj	Manager-I	Indian
Krithika Ganesh	Dp.Manager-II	Indian
Keerthana Ravindra	Dp.Manager-II	Indian
Anthem Biopharma Pvt Ltd	Common directors	India
Neoanthem Lifesciences Pvt Ltd	Wholly Owned Subsidiary	India



43.1 Transactions with above related parties

Name of the related party	Nature of transaction	Year Ended		(₹.in Lakhs)
		March 31,2023	March 31,2022	
Ishaan Bhardwaj	Remuneration paid	43.54	28.60	
Keerthana Ravindra	Remuneration paid	8.11	-	
Krithika Ganesh	Remuneration paid	9.70	5.07	
	Business support services	7.53	8.69	
Arthem Biopharma Pvt Ltd	Interest income (Interest charged on loans given )	60.99	51.38	

43.2 Balances receivable from related parties are as follows

Name of the Related Party	Classification	Year Ended		(₹.in Lakhs)
		March 31,2023	March 31,2022	
Anthem Biopharma Pvt Ltd	For sale of goods & services	-	310.78	
	For rendering of services	-	0.40	
	For loans and advances given	719.50	724.62	

44 Remuneration paid to key management personnel

Name	Designation	Remuneration paid for the Year ended		(Rs. in Lakhs)
		March 31,2023	March 31,2022	
Ajay Bhardwaj	Managing Director	467.36	434.86	
Ravindra K C	Director	471.40	434.86	
Ganesh Sambasivam	Director	471.55	434.86	
Ramakrishnan K	Company Secretary	39.00	64.65	
Gawir Baig	Vice President cum CFO	104.14	-	





#### 45 Key financial ratios

Particulars	Figures for the current reporting period	Figures for the previous reporting period	Reason if the variance is more than 25%
1. Current Ratio	8.25	4.91	Reduction in borrowings
2. Debt - Equity Ratio	0.07	0.03	Reduction in borrowings
3. Debt Service Coverage Ratio	59.27	7.65	Reduction in borrowings
4. Return on Equity Ratio	0.25	0.39	Due to decrease in net profit
5. Inventory turnover ratio	11.27	26.40	Due to increase in inventory
6. Trade Receivables turnover ratio	3.52	4.24	NA
7. Trade payables turnover ratio	6.04	6.11	NA
8. Net capital turnover ratio	1.04	2.04	Due to decrease in sales
9. Net profit ratio (Net Profit/Net Sales)	0.37	0.33	
10. Return on Capital employed (EBIT/Capital Employed)	0.29	0.41	Decrease in revenue and profit

#### 46 Other Statutory Disclosures

- (i) 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 (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.
- (ii) 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) (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.
- (iii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (iv) No Relationship or Transactions with any struck off companies during the year.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) The Company has not 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).



**ANTHEM BIOSCIENCES PRIVATE LIMITED**  
**CIN: U24233KA2006PTC039703**

**Notes forming part of the Audited Consolidated Financial Statements for the year  
ended March 31, 2023**

**1. Corporate information:**

Anthem Biosciences Private Limited ("the Company") has been set up as a Life sciences/ Biotechnology based venture specialising in the manufacture of catalytic preparation, other organic compounds such as speciality organic molecules, biologically active peptides etc., which are high-value products used in drug, agrochemical and speciality chemicals industries. During the financial year 2020-21, the company set up a wholly owned subsidiary Neoanthem Lifesciences Private Limited (CIN No . U24239KA2020PTC136337). The company along with its subsidiary are hereby referred to as "The Group".

The Company has received the letter of permission under the 100% EOU scheme for manufacture of catalytic preparation and other organic compounds from the office of the Development Commissioner, CSEZ, sub office in Karnataka, vide letter No. 1/80/2006:PER:EOU:KR:CSEZ/106 dated 19<sup>th</sup> January 2007, which is further extended vide letter No : 1/80/2006:EOU:CSEZ/1276 dated 11<sup>th</sup> July 2022, valid till 10<sup>th</sup> July 2027 . In accordance with the said letter of permission, the facilities at the factory located at Bommasandra Industrial Area are with its best in class infrastructure which includes a modern c-GMP kilo lab and a versatile GMP pilot plant. Anthem Biosciences has the capacity to do GMP synthesis from milligram to kilogram and multi kilogram scale. The projects results are initially transmitted by means of reports followed by the manufacture of small sample quantities that are sent to clients for testing purpose. The Company has received approval from Department of Scientific and Industrial Research Technology for in-house research and development for the purpose of section 35 (2AB) of the Income Tax Act, 1961 beginning 1 April 2011 to 31 March 2017 and further renewed till 31.03.2024 vide approval letter no:F.No.TU/IV-RD/2954/2021 dated 18<sup>th</sup> March 2021.

**2. Significant accounting policies:**

**(A) Basis of preparation and presentation:**

**a) Statement of compliance:**



These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Group's annual reporting date, March 31, 2023. These consolidated financial statements were authorized for issuance by the Company's Board of Directors on 6<sup>th</sup> September 2023.

**b) Basis of measurement:**

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii. Defined benefit and other long-term employee benefits.

**c) Basis of Consolidation**

The Company consolidates its entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealized gains arising from intra-group transactions, are eliminated. Unrealized losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions are recognized as per Ind AS 12, Income Taxes.

For the purpose of preparing these consolidated financial statements, the accounting policies of the subsidiary have been aligned with the policies adopted by the Parent.

**d) Use of estimates and judgements:**

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, 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.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods 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 amounts recognized in the consolidated financial statements is included in the notes.

**e) Fair valuation:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as a net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

**(i) Functional and presentation currency:**

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (i.e. the “functional currency”). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Group.

**(ii) Foreign currency transactions and balances:**

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from



the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**(iii) Financial instruments:**

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL. The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

**(a) Non-derivative financial assets:**

**(i) Financial assets at amortized cost:**

A financial asset shall be measured at amortized cost if both of the following conditions are met:

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

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss.

Amortized cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets. Cash and cash equivalents comprise cash in hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system.

**(ii) Financial assets at FVTPL:**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition the Group may elect to designate the financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Financial assets included within the FVTPL category are measured at fair values with all changes in the consolidated statement of profit and loss.

**(b) Non-derivative financial liabilities:**

**(i) Financial liabilities at amortized cost:**

Financial liabilities at amortized cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

**(B) Property, plant and equipment:**

**a) Recognition and measurement:**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

**b) Depreciation:**

The Group depreciates property, plant and equipment over the estimated useful life on a written down value basis from the date the assets are ready for intended use. Assets





acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Category	Useful Life (years)
Land	0
Roads	5-10
Buildings	5-60
Plant and machinery	15-20
Electrical installations	10
Furniture and fittings	10
Laboratory equipments	10
Office equipment	5
Pipelines	15
Computers and DP units	3-6
Motor vehicles	8

Depreciation methods, useful lives and residual values are reviewed at each reporting date. 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. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the consolidated statement of profit and loss.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work-in-progress respectively.

#### (C) Intangible assets:

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a written down value basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of

the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangibles are as follows:

Category	Useful Life
Software licenses	Earlier of license period or 1-3 years

(D) Leases:

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.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the incremental borrowing rate, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-



measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

#### **(E) Impairment:**

##### **(a) Financial assets:**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Group 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. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12-months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the group expects to receive (i.e. all shortfalls), discounted at the original effective interest rate (EIR). When estimating the cash flows, the group is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the group is required to use the remaining contractual term of the financial instrument.

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the consolidated statement of profit and loss.

The balance sheet presentation for various financial instruments is described below: Financial assets measured at amortized cost, contractual revenue receivable. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

**(b) Non-financial assets:**

The Group assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**(F) Employee benefits:**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with



no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following employee benefit plans:

**a) Provident Fund:**

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the consolidated statement of profit and loss for the year when the employee renders the related service and the contributions to the government funds are due. The Company has no obligation other than the contribution payable to provident fund authorities.

**b) Gratuity:**

For the purpose of administration of gratuity of the employees of the Company, the Company has established Anthem Biosciences Private Limited Employees Gratuity Trust. In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

**c) Compensated absences:**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and

utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement.

The Company measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the consolidated statement of profit and loss.

#### (G) Provisions:

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of there porting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

#### (H) Revenue :

##### a) Sale of goods & services:

Groups earns revenue primarily from sale of goods, providing scientific & technical consultancy services. Revenue is recognised upon transfer of control of promised products or services (performance obligation) to the customers in an amount that reflects the consideration which the company expects to receive in exchange for those products or services.





The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices.

Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

The Group adjusts the promised amount of consideration for the effects of time value of money if the timing of payments agreed to by the parties to the contract provides the customer with a significant benefit of financing the transfer of goods or services to the customer. The impact of the time value of money is shown as Contract Liability.

**b) Rental income:**

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

**c) Dividend & interest income :**

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

**(I) Finance expense:**

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the consolidated statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

**(J) Income tax:**

Income tax comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) **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 income for the period.

The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group 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.

b) **Deferred income tax:**

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in consolidated 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 the transaction.

Deferred income tax asset is 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. Deferred income tax liabilities are recognized for all taxable temporary differences.

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.

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

(K) **Earnings per share (EPS):**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity



shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**(L) Research and development costs :**

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably.

**(M) Government grants:**

Grants from the government are recognised when there is reasonable assurance that:

- (i) the Group will comply with the conditions attached to them; and
- (ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When loan or similar assistance is provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

**(N) Inventories:**

Inventories consist of (a) Raw materials, (b) Work-in-progress and (d) Finished goods. Inventories are carried at lower of cost and net realizable value. The cost of raw materials is determined on a moving average basis and/specific cost wherever applicable. Cost of work in progress & finished goods produced includes direct material, labour cost and a proportion of manufacturing overheads.

(O) Previous year's figures have been re-grouped or re-classified to conform to the present year's presentation.

## **Recent pronouncements:**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### **Ind AS 1- Presentation of Financial Statements:**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

### **Ind AS 12-Income Taxes:**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

### **Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors:**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements



Since the effective date for adoption of the above amendments is annual periods beginning on or after 1<sup>st</sup> April 2023, there is no impact on the financial statements for the year ended 31<sup>st</sup> March 2023.