



**S.N.M. Nandury & Co**  
CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

TO,

**THE MEMBERS OF SHILPA THERAPEUTICS PRIVATE LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **SHILPA THERAPEUTICS PRIVATE LIMITED**, which comprise the Balance Sheet as at **31/03/2024**, the Statement of Profit and Loss, **the cash flow statement** for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Auditor's Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2024**, and its **Loss and its cash flows** for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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



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When we read such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

### **Responsibility of Management and Those Charged with Governance (TCWG)**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we



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are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

**As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.**

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



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- (c) The Balance Sheet, the Statement of Profit and Loss, and **the cash flow statement** dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31/03/2024** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2024** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- (g) With respect of financial year commencing from 1<sup>st</sup> April 2023, company has used the accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- (h) As the company is private limited company provisions of section 197 of the act is not applicable to it
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



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- (b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

**FOR S.N.M.NANDURY & CO**  
**(Chartered Accountants)**  
**Reg No. :0006199S**

Sd/-

Date : 22/05/2024  
Place : HYDERABAD

**SURYA NARAYANA MURTHY N**  
**Proprietor**  
**M.No. : 201040**  
**UDIN: 24201040BKBMLZ5284**



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## ANNEXURE - A

### Reports under The Companies (Auditor's Report) Order, 2020 (CARO 2020) for the year ended on 31st March 2024

To,

The Members of SHILPA THERAPEUTICS PRIVATE LIMITED

We report that:-

Sl. No.	Comment Required on	Auditor's Opinion on Following Matter	Auditor's Remark
i (a) (A)	Property, Plant and Equipment and Intangible Assets	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.	The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
i (a) (B)		Whether the company is maintaining proper records showing full particulars of intangible assets;	The Company has maintained proper records showing full particulars of Intangible assets.
i (b)		Whether these Plant and Equipment and Intangible Assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts?	Property, Plant and Equipment have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
i (c)		Whether the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, if not, provide the details thereof	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
i (d)		Whether the company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
i (e)		Whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements;	According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
ii (a)	Inventory and other current assets	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and	Physical verification of inventory has been conducted at reasonable intervals by the management.



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		procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account?	
ii (b)		Whether during any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed any amount of working capital limits
(iii)	Investment, Loans or Advances by Company	Whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,	The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.
iii (a)		whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-	The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.
iii (a) (A)		The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates	Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiaries, joint ventures and associates.
iii (a) (B)		The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates	Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted loans to a party other than subsidiaries, joint ventures and associates.
iii (b)		Whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest	This clause is not applicable in view of the remarks for point no.(iii), iii(a), iii(a)A and iii(a)B
iii (c)		In respect of loans and advances in the nature of loans, whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular?	This clause is not applicable in view of the remarks for point no.(iii), iii(a), iii(a)A and iii(a)B
iii (d)		If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest?	This clause is not applicable in view of the remarks for point no.(iii), iii(a), iii(a)A and iii(a)B
iii (e)		Whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans	This clause is not applicable in view of the remarks for point no.(iii), iii(a), iii(a)A and iii(a)B



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		granted during the year [not applicable to companies whose principal business is to give loans];	
iii (f)		Whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
(iv)	Loan to Directors and Investment by the Company	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	This clause is not applicable in view of the remarks for point no.(iii)f
(v)	Deposits Accepted by the Company	In respect of deposits accepted by the company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not	The company has not accepted any Deposits.
(vi)	Maintenance of Cost records	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained?	The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
vii (a)	Statutory Dues	Whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees state insurance, income-tax, sales- tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated?	The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, GST, duty of customs and any other statutory dues applicable to it.
vii (b)		Where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned	There is no dispute with the revenue authorities regarding any duty or tax payable.
(viii)	Disclosure of Undisclosed Transactions	Whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, if so, whether the previously unrecorded income has been properly recorded in the books of account during the year	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
ix (a)	Loans or Other Borrowings	Whether the company has defaulted in repayment of loans or other borrowings or in	The company has not defaulted in repayment of dues to financial institution, bank or





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		the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported in the format given	debenture holders.
ix (b)		Whether the company is a declared wilful defaulter by any bank or financial institution or other lender;	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
ix (c)		Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;	According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable
ix (d)		Whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated;	According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
ix (e)		Whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;	According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
ix (f)		Whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;	According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
x (a)	Money raised by IPO, FPOs	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification? if any, as may be applicable, be reported.	The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Hence this clause is not applicable.
x (b)		Whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
xi (a)	Reporting of Fraud During the Year	Whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated	Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.
xi (b)		Whether any report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central	According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit



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		Government;	and Auditors) Rules, 2014 with the Central Government.
xi (c)		Whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;	There were no whistle-blower complaints received during the year. Hence, this clause is not applicable.
xii (a)	Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability?	As per information and records available with us The company is not Nidhi Company.
xii (b)		Whether the Nidhi Company is maintaining ten per cent. unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable
xii (c)		Whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;	There were no deposits collected by the company and hence, this clause is not applicable.
(xiii)	Related party transactions	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards?	Yes , All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
xiv (a)	Internal audit system	Whether the company has an internal audit system commensurate with the size and nature of its business;	Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has no internal audit system. However, its internal controls are commensurate with the size and nature of its business.
xiv (b)		Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;	This clause is not applicable in view of comments for clause xiv(a)
(xv)	Non cash transactions	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with?	The company has not entered into any non-cash transactions with directors or persons connected with him.
xvi (a)	Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained?	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.
xvi (b)		Whether the company has conducted any Non-Banking Financial of Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934;	The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
xvi (c)		Whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria;	The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
xvi (d)		Whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;	According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not



**S.N.M. Nandury & Co**  
CHARTERED ACCOUNTANTS

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Hyderabad 500007.

			applicable.
(xvii)	Cash Losses	Whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;	The Company has incurred cash losses in the current and in the immediately preceding financial year. Cash Loss FY 2023-24: Rs.8.04 Cr Cash Loss FY 2022-23: Rs.8.70 Cr
(xviii)	Consideration of outgoing auditors	Whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;	There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
(xix)	Material uncertainty in relation to realisation of financial assets and payment of financial liabilities	On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;	According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
xx (a)	Compliance of CSR	Whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;	In our opinion and according to the information and explanations given to us, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
xx (b)		Whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;	In our opinion and according to the information and explanations given to us, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
(xxi)	Qualifications or adverse remarks in the consolidated financial statements	Whether there have been any 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, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks.	There were no Qualifications or Adverse remarks on company

Place : Hyderabad  
Date : 22/05/2024

FOR S.N.M.NANDURY & CO  
(Chartered Accountants)  
Reg No. :0006199S

Sd/-



**S.N.M. Nandury & Co**  
CHARTERED ACCOUNTANTS

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SURYA NARAYANA MURTHY N  
(Proprietor)  
Membership No : 201040  
UDIN: 24201040BKBMLZ5284



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**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of SHILPA THERAPEUTICS PRIVATE LIMITED.**

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

We have audited the internal financial controls over financial reporting of SHILPA THERAPEUTICS PRIVATE LIMITED as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A



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company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issues by the Institute of Chartered Accountants of India.

**FOR S.N.M.NANDURY & CO**  
**(Chartered Accountants)**  
**Reg No. :0006199S**

Date : 22/05/2024  
Place : Hyderabad

**Sd/-**  
**SURYA NARAYANA MURTHY N**  
**Proprietor**  
**M.No. : 201040**  
**UDIN: 24201040BKBMZ5284**

**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Balance Sheet as at 31.03.2024**

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

PARTICULARS	Note No.	As at 31.03.2024	As at 31.03.2023
		Audited	Audited
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant and Equipment	1A	254,022.17	275,121.44
b) Capital work-in-progress	1A	-	-
c) Intangible assets	1A	178.42	581.13
d) Intangible assets under development	1A	7,824.82	7,824.82
e) Financial Assets		-	-
(i) Other financial assets	2	3,099.54	3,099.54
f) Deferred tax assets (net)	3	150,771.50	129,761.91
g) Other non-current assets	4	469.49	1,679.55
<b>Total Non-Current Assets</b>		<b>416,365.94</b>	<b>418,068.38</b>
<b>Current assets</b>			
a) Inventories	5	17,749.31	23,038.51
b) Financial Assets		-	-
(i) Trade receivables	6	12,701.94	19,770.77
(ii) Cash and cash equivalents	7	1,768.79	3,537.84
(iii) Other financial assets	8	119.64	88.52
c) Other current assets	9	32,753.24	33,736.60
d) Current Tax Assets (net)	10	32.04	428.75
<b>Total Current Assets</b>		<b>65,124.96</b>	<b>80,600.98</b>
<b>Total Assets</b>		<b>481,490.90</b>	<b>498,669.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	11	18,376.34	18,376.34
b) Other Equity	12	(408,128.94)	(327,961.00)
<b>Total Equity</b>		<b>(389,752.60)</b>	<b>(309,584.66)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	13	800,506.04	686,055.04
b) Provisions	14	5,347.75	4,770.29
c) Other non-current liabilities	15	474.90	608.23
<b>Total Non-Current Liabilities</b>		<b>806,328.69</b>	<b>691,433.56</b>
<b>Current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	16	-	62,500.00
(ii) Trade payables	17		
Total outstanding dues of micro and small enterprises		2,560.76	1,286.25
Total outstanding dues of other than micro and small enterprises		2,373.54	4,471.15
(iii) Other financial liabilities	18	49,088.61	38,519.76
b) Other current liabilities	19	8,960.64	8,495.18
c) Provisions	20	1,931.26	1,548.12
<b>Total Current Liabilities</b>		<b>64,914.81</b>	<b>116,820.46</b>
<b>Total Equity and Liabilities</b>		<b>481,490.90</b>	<b>498,669.36</b>

Notes to account form an integral part of financial statement

As per our report of even date

**For S N M Nandury & Co.**

Chartered Accountants

(Firm Regn. No: 006199S)

Sd/-

**Surya Narayana Murthy N.**

Proprietor

M.No. 201040

For and on behalf of the Board of Directors

**of Shilpa Therapeutics Private Limited**

Sd/-

**Vishnukant C. Bhutada**

Director

DIN 01243391

Sd/-

**Ramakant Inani**

Director

DIN 03222748

Place: Raichur

Date: 22.05.2024

# SHILPA THERAPEUTICS PRIVATE LIMITED

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

## Statement of Profit and Loss for the year ended 31.03.2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

PARTICULARS	Note No.	for the year ended 31.03.2024	for the year ended 31.03.2023
		Audited	Audited
<b>INCOME</b>			
Revenue from operations	21	30,748.07	42,288.72
Other Income	22	3,154.54	2,187.30
<b>Total Income</b>		<b>33,902.61</b>	<b>44,476.02</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	23	10,221.53	9,176.84
Changes in inventories of finished goods, work in progress and Stock-in- trade	24	4,987.79	31.14
Employee benefits expense	25	16,645.72	41,396.88
Finance Costs	26	60,335.83	56,938.79
Depreciation and amortization expense	1A	19,364.73	19,878.83
Other expenses	27	22,115.82	23,981.08
<b>Total Expenses</b>		<b>133,671.42</b>	<b>151,403.54</b>
<b>Profit before exceptional items and tax</b>		<b>(99,768.80)</b>	<b>(106,927.52)</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>(99,768.80)</b>	<b>(106,927.52)</b>
<b>Tax expense/(Credit):</b>			
(1) Current tax			
Taxes Pertaining to Earlier Years		-	(58.33)
(2) Deferred tax(Net)		(21,009.59)	(27,590.83)
		<b>(21,009.59)</b>	<b>(27,649.16)</b>
<b>Profit/(Loss) for the year</b>		<b>(78,759.22)</b>	<b>(79,278.36)</b>
<b>Other Comprehensive Income</b>		<b>(1,408.72)</b>	<b>3,773.49</b>
<b>-Items that will not be reclassified to profit or loss</b>			
Remeasurement of the net defined benefit (liability)/asset (net of tax)		(1,408.72)	3,773.49
<b>Total Comprehensive Income /(net of tax)(loss) for the year (Comprising Profit/ (Loss) and Other Comprehensive Income/(expenses) for the year)</b>		<b>(80,167.94)</b>	<b>(75,504.87)</b>
<b>Earnings per equity share:</b>			
(1) Basic		(43.63)	(41.09)
(2) Diluted		(43.63)	(41.09)

Notes to account form an integral part of financial statement

As per our report of even date attached

**For S N M Nandury & Co.**

(Firm Regn. No: 006199S)

For and on behalf of the Board of Directors  
**of Shilpa Therapeutics Private Limited**

Sd/-

**Surya Narayana Murthy N.**

Proprietor

M.No. 201040

Place : Raichur

Date: 22.05.2024

Sd/-

**Vishnukant C. Bhutada**

Director

DIN 01243391

Sd/-

**Ramakant Inani**

Director

DIN 03222748



# SHILPA THERAPEUTICS PRIVATE LIMITED

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

## Statement of Change in Equity for the year ended 31-03-2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

### A. Equity Share Capital:

Particulars	Total
Balance as at 01.04.2022	18,376.34
Changes in equity share capital during the year	-
Balance as at 31.03.2023	18,376.34
Changes in equity share capital during the period	-
Balance as at 31.03.2024	18,376.34

Refer Note 11 for details of Equity Share Capital

### B. Other Equity as at 31.03.2024

Particulars	Reserve and surplus					Total
	Securities Premium Reserve	Other Reserve (Revaluation Reserve under Previous GAAP)	General Reserve	Other Comprehensive Income (OCI)- Remeasurement of defined benefit plan	Retained Earnings	
Balance at 01.04.2022	43,092.81	9,631.18	-	632.90	(305,813.02)	(252,456.13)
Total Comprehensive Income/(Expenses) for the year	-	-	-	3,773.49	(79,278.36)	(75,504.87)
Balance at 31.03.2023	43,092.81	9,631.18	-	4,406.39	(385,091.38)	(327,961.00)
Total Comprehensive Income/(Expenses) for the year	-	-	-	(1,408.72)	(78,759.22)	(80,167.94)
Balance at 31.03.2024	43,092.81	9,631.18	-	2,997.67	(463,850.59)	(408,128.94)

Notes to account form an integral part of financial statements

Note:-

- Securities Premium** : This reserve is used to record the premium on issue of Shares. This reserve is utilised in accordance with the provision of section 52 of the Companies Act, 2013
- Other Reserve (Revaluation Reserve)** : This reserve is created to account for value fluctuation in long term assets including fixed asset revaluation
- Retained Earnings** : This reserve represents the cumulative profit/(loss) of the Company. This reserve can be utilised in accordance with the provision of Companies Act, 2013
- Remeasurement of the net defined benefits plan**: This reserve comprises the cumulative net gains/losses on actuarial valuation of post employment obligations

As per our report of even date attached

**For S N M Nandury & Co.**

Chartered Accountants

(Firm Regn. No: 006199S)

For and on behalf of the Board of Directors

**of Shilpa Therapeutics Private Limited**

Sd/-

**Surya Narayana Murthy N.**

Proprietor

M.No. 201040

Sd/-

**Vishnukant C. Bhutada**

Director

DIN:01243391

Sd/-

**Ramakant Inani**

Director

DIN 03222748

Place: Raichur

Date: 22.05.2024

**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Statement of Cash flow for the year ended 31.03.2024**

(All amounts are in Indian Rupees in Thousands, unless otherwise stated)

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
	Audited	Audited
<b>Cash Flow from Operating activities</b>		
<b>Net profit as per profit &amp; loss account (before extraordinary item &amp; tax)</b>	(99,768.80)	(106,927.52)
<b>Adjustments for:</b>		
Depreciation claimed during the year	19,364.73	19,878.83
Interest Paid	60,335.83	56,938.79
<b>Operating profit/(loss) before working capital changes &amp; Other Adjustments</b>	<b>(20,068.24)</b>	<b>(30,109.90)</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in loans & advances	2,590.13	4,263.19
(Increase)/Decrease in inventories	5,289.20	632.23
Increase/(Decrease) in current liability	(51,931.15)	27,269.01
Increase/(Decrease) in Trade Payable	(823.10)	(2,251.88)
(Increase)/Decrease in trade receivable	7,068.82	1,689.13
Increase/(Decrease) in Short term provision	848.59	(4,238.01)
<b>Net cash generated/(used) in operations (A)</b>	<b>(57,025.75)</b>	<b>(2,746.25)</b>
<b>Cash flow from Investing activities</b>		
Sale of Fixed Asset	2,606.41	9,291.73
Fixed assets purchased during the year	(469.16)	-
Investments/Other CA made during the year	(31.13)	-
Income from Interest on Electricity Deposits/Un amot. Finance Cost Corp.	719.45	54.48
Guarentee/trade payable written off		
Other Non-Current Liabilites	(133.33)	(133.33)
Long Term Provisions during the year	(831.25)	856.81
<b>Net cash used in investing activity (B)</b>	<b>1,860.98</b>	<b>10,069.68</b>
<b>Cash flow from financing activities</b>		
Unsecured loans/Long Term Borrowings raised during the year	114,451.00	51,000.00
Interest Paid During Year	(60,335.83)	(56,938.79)
<b>Net cash generated in financing activity ( C)</b>	<b>54,115.17</b>	<b>(5,938.79)</b>
<b>Net cash generated from operating , financing &amp; investing activity (A+B+C)</b>	<b>(1,769.05)</b>	<b>1,330.17</b>
Cash and cash equivalent at the beginning of the year	3,537.84	2,207.67
<b>Cash and cash equivalent at the end of the year</b>	<b>1,768.79</b>	<b>3,537.84</b>
<b>Component of Cash and Cash equivalent</b>	<b>1,768.79</b>	<b>3,537.84</b>
Cash in hand	27.39	3.00
Balances with Banks in Current Account	1,741.40	3,534.84

**Note:-**

1. Previous year figures hve been reclassified wherever necessary.
2. Cash flow statement has been prepared under "Indirect Method" as per Ind-AS-7-Statement of cash flows as prescribed under Companies (Accounting Standard) Rules, 2015.

Notes to account form an integral part of financial statement

As per our report of even date attached

**For S N M Nandury & Co.**

Chartered Accountants

FRN: 0061995

For and on behalf of the Board of Directors

of **Shilpa Therapeutics Private Limited****Sd/-****Surya Narayana Murthy N.**

M. No. : 201040

Place : Raichur

Date : 22.05.2024

**Sd/-****Vishnukant C. Bhutada**

Director

DIN 01243391

**Sd/-****Ramakant Inani**

Director

DIN 03222748

**SHILPA THERAPEUTICS PRIVATE LIMITED**  
(Formerly known as Nu Therapeutics Private Limited)

**01. NOTES TO THE FINANCIAL STATEMENTS**

**CORPORATE INFORMATION**

Shilpa Therapeutics Private Limited (formerly known as NU Therapeutics Pvt. Ltd.) (The “Company”) situated at Cherlapally, IDA Phase-III, Hyderabad, India, a progressive novel drug delivery company with an international outlook is dedicated to the development and commercialization of innovative and patient compliant novel drug delivery systems such as fast disintegrating oral strips.

The Company is the first company to commercialize prescription products as oral thin strips/films in India.

**Summary of significant accounting policies**

**1.1 Basis of Preparation**

- i. These financial statements have been prepared in accordance with the Indian Accounting Standards (IND-AS) as specified under section 133 of the Companies Act 2013 read together with the Rule 4 of Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Amendment Rules 2016 to the extent applicable and the other relevant provisions of the Act, pronouncements of the regulatory bodies applicable to the company.
- ii. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening IND-AS Balance Sheet as at 1st April, 2016 being the ‘date of transition to Ind AS’.

The financial statements of the Company for the year ended March 31, 2024 were approved by the Board of Directors on 22.05.2024.

- iii. The financial statements have been prepared to comply in all material aspects with applicable accounting principal in India and as notified under the Companies Act 2013 and the other relevant provisions of the Act.
- iv. The IND-AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities as specified and defined benefit plans which have been measured at actuarial valuation as required by relevant IND-AS.

**1.2 Significant Accounting Policies**

**a) Critical accounting Estimates and Judgements:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognized prospectively.

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligation (Note 1.2(g))
- Estimation of Useful life of property, plant and equipment and intangibles (Note 1.2( c))
- Recognition of deferred taxes (Note 1.2(m))
- Estimation of impairment (Note 1.2(e))
- Estimation of provision and contingent liabilities (Note 1.2(n))

**b) Property, Plant and Equipment & Depreciation:**

- i. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
- ii. Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.
- iii. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv. Depreciation on Fixed Assets is provided on ascertained useful life of assets under Straight Line Method (SLM) prescribed in Schedule II of the Companies Act-2013, with exception of those assets whose useful life is ascertained by the management.
- v. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed off during the year.

**c) Intangible Assets:**

Intangible Assets are stated at cost less accumulated amortization. Cost includes any expenditure directly attributable on making the asset ready for its intended use.

Intangible assets are amortized over their useful life.

**d) Impairment of Assets:**

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable value being higher of value in use and fair value less cost of disposal. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is identified as impaired.

**e) Inventory:**

Inventories are valued at the lower of cost and net realisable value. The cost is determined on FIFO basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale

**f) Cash and Cash Equivalents:**

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the Statement of Cash Flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of cash and cash equivalents.

**g) Trade Receivables:**

A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

## **h) Employee Benefits:**

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefits plan, compensated absences, deferred compensation and share-based payments. The employee benefits are recognized in the year in which the associated services are rendered by the Company employees. Short term employee benefits are recognized in Statement of Profit and Loss at undiscounted amounts during the period in which the related services are rendered.

### Short term employee benefits

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

### Defined Contribution plans

Contribution towards Provident Fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution schemes as the Company does not carry any further obligations, apart from the Contributions made on a monthly basis.

### Defined benefit plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income (OCI).

## **i) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### **i. Sale of products:**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as Gst, sales tax, value added tax, etc.

## **j) Other Income**

- i. Interest Income is recognized using the Effective interest rate (EIR) method.

## **k) Foreign Currency Transactions/Translations:**

### Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Translations

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

### Exchange Differences

The exchange difference arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized in the Statement of Profit and Loss in the period in which they arise as income or as expense.

**l) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Further, interest earned out of borrowed funds from temporary investments is reduced from the borrowing cost.

**m) Financial Instrument:**

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

**(l) Financial Asset:**

**Initial recognition and measurement**

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through P&L, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

**Subsequent Measurement**

For the purpose of subsequent measurement financial assets are classified as measured at:

- Amortized cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

**(a) Financial Asset measured at amortized cost**

Financial Assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the statement of Profit & Loss. The company while applying above criteria has classified the following at amortized cost:

- (a) Trade receivables
- (b) Loans
- (c) Other financial assets

**(b) Financial Assets Measured at fair value through other comprehensive income**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

### **(c) Financial Assets at fair value through profit or loss (FVTPL)**

Financial Assets are measured at Fair value through Profit & Loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of Profit & Loss.

#### **Equity Instruments**

All investments in equity instruments classified under financial assets are initially measured at fair value; the group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

#### **De-recognition of Financial Assets:**

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for De-recognition. On De-recognition of a financial asset in its entirety, the difference between the carrying amount (measured on the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the statement of Profit & Loss.

#### **Impairment of Financial Assets:**

In accordance with IND-AS 109, the company applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial Assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance
- (b) Financial Assets that are debt instruments and are measured at FVTOCI.
- (c) Lease receivables under IND-AS 17.
- (d) Trade receivables or any contractual right to receive cash or another financial asset
- (e) Loan commitments which are not measured at FVTPL
- (f) Financial guarantee contracts which are not measured at FVTPL

### **(II) Financial Liability**

#### **Initial recognition and measurement**

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

#### **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

#### **Financial Liabilities at amortized cost:**

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount.

The company is classifying the following under amortized cost

- Borrowings from banks

- Borrowings from others
- Trade payables
- Other Financial Liabilities

**Derecognition:**

A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

**n) Taxes on Income:**

Tax expense comprises of current and deferred tax.

- i. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Tax Act.
- ii. Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.
- iii. Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss account as current tax. The Company recognizes MAT credit available as an asset to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss account and shown as "MAT Credit Entitlement".

**o) Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Liabilities are not recognized but are disclosed in the notes.

**p) Earnings per share:**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

**q) Government Grant:**

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented in the balance sheet by setting up the grant as deferred income. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

**r) Recent accounting pronouncements:**

No new amendments to Ind AS has been notified by the Ministry of Corporate Affairs ("MCA") during the current financial year.



## SHILPA THERAPEUTICS PRIVATE LIMITED

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

### Notes forming part of financial statement for the year ended 31.03.2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

Note: 01A

#### Property, plant and equipment (Tangible Assets), Intangible Assets and Capital work in progress-Tangible & Intangible Assets

Sr No	Particulars	Gross Block			Depreciation/Amortisation				Net Block	
		As at 01.04.2023	Additions during the year	Deductions/adjustment during the year	As at 31.03.2024	As at 01.04.2023	For the year ended 31.03.2024	Disposal/Adjustment during the year	As at 31.03.2024	As at 31.03.2024
<b>I</b>	<b><u>Tangible Assets (Owned)</u></b>									
1	Land	10,028.06	-	-	10,028.06	-	-	-	-	10,028.06
2	Air Conditioners	2,559.48	-	-	2,559.48	1,986.81	273.75	-	2,260.56	298.92
3	Semi Automatic Strapping Machine	74.14	-	-	74.14	40.67	3.52	-	44.19	29.96
4	Computer	4,363.80	268.60	-	4,632.40	3,984.31	63.82	-	4,048.13	584.27
5	Electrical Equipment	20,919.39	-	-	20,919.39	7,590.43	1,943.90	-	9,534.33	11,385.06
6	Epabx & Communications	1,420.83	-	-	1,420.83	1,001.96	245.04	-	1,247.00	173.83
7	Factory Building	70,504.58	-	-	70,504.58	14,044.74	2,228.58	-	16,273.32	54,231.26
8	Furniture & Fixtures	8,669.12	-	-	8,669.12	4,308.68	660.29	-	4,968.97	3,700.15
9	Generator (15 KVA)	1,915.08	-	-	1,915.08	912.18	89.56	-	1,001.74	913.34
10	Lab Equipment	28,453.55	-	3,916.52	24,537.03	10,705.76	2,262.84	1,535.29	11,433.31	13,103.72
11	Clean Room & Stores Equipment	39,585.14	-	-	39,585.14	6,766.18	1,880.30	-	8,646.48	30,938.66
12	Fire & Safety Equipment	1,667.29	-	-	1,667.29	396.16	87.71	-	483.87	1,183.42
13	Motor Cycle (Passion Pro)	68.39	-	-	68.39	53.86	6.50	-	60.36	8.03
14	Plant and Machinery	189,967.74	200.56	344.35	189,823.95	53,661.69	9,113.96	119.16	62,656.49	127,167.46
15	Water Cooler	85.27	-	-	85.27	81.00	-	-	81.00	4.26
16	Office Equipment	486.64	-	-	486.64	149.31	102.27	-	251.57	235.07
17	Telephone equipment	8.39	-	-	8.39	7.97	-	-	7.97	0.42
18	Maruti swift car	725.00	-	-	725.00	688.75	-	-	688.75	36.25
	<b>Sub - Total (A)</b>	<b>381,501.90</b>	<b>469.16</b>	<b>4,260.86</b>	<b>377,710.20</b>	<b>106,380.47</b>	<b>18,962.02</b>	<b>1,654.45</b>	<b>123,688.03</b>	<b>254,022.17</b>
<b>II</b>	<b><u>Intangible Assets</u></b>									
1	Patents & Trade Mark	989.36	-	-	989.36	835.25	98.66	-	933.92	55.44
2	Computer Software	2,459.48	-	-	2,459.48	2,032.46	304.05	-	2,336.50	122.98
	<b>Sub - Total(B)</b>	<b>3,448.84</b>	<b>-</b>	<b>-</b>	<b>3,448.84</b>	<b>2,867.71</b>	<b>402.71</b>	<b>-</b>	<b>3,270.42</b>	<b>178.42</b>
	<b>Sub - Total(A+B)</b>	<b>384,950.74</b>	<b>469.16</b>	<b>4,260.86</b>	<b>381,159.04</b>	<b>109,248.17</b>	<b>19,364.73</b>	<b>1,654.45</b>	<b>126,958.45</b>	<b>254,200.59</b>
<b>III</b>	<b><u>Capital Work in Progress-Intangible</u></b>									
1	Product Under Development	7,824.82	-	-	7,824.82	-	-	-	-	7,824.82
	<b>Sub - Total (C')</b>	<b>7,824.82</b>	<b>-</b>	<b>-</b>	<b>7,824.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,824.82</b>
	<b>Total (A+B+C)</b>	<b>392,775.56</b>	<b>469.16</b>	<b>4,260.86</b>	<b>388,983.86</b>	<b>109,248.17</b>	<b>19,364.73</b>	<b>1,654.45</b>	<b>126,958.45</b>	<b>262,025.40</b>

## SHILPA THERAPEUTICS PRIVATE LIMITED

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

### Notes forming part of financial statement for the year ended 31.03.2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

#### Property, plant and equipment (Tangible Assets), Intangible Assets and Capital work in progress-Tangible & Intangible Assets

Sr No	Particulars	Gross Block			Depreciation/Amortisation				Net Block	
		As at 01.04.2022	Additions during the year	Deductions/adjustment during the year	As at 31.03.2023	As at 01.04.2022	For the year ended 31.03.2023	Disposal/Adjustment during the year	As at 31.03.2023	As at 31.03.2023
<b>I</b>	<b><u>Tangible Assets (Owned)</u></b>									
1	Land	10,028.06	-	-	10,028.06	-	-	-	-	10,028.06
2	Air Conditioners	2,559.48	-	-	2,559.48	1,662.88	323.93	-	1,986.81	572.67
3	Semi Automatic Strapping Machine	74.14	-	-	74.14	37.15	3.52	-	40.67	33.48
4	Computer	4,363.80	-	-	4,363.80	3,920.49	63.82	-	3,984.31	379.49
5	Electrical Equipment	20,919.39	-	-	20,919.39	5,646.52	1,943.90	-	7,590.43	13,328.97
6	Epabx & Communications	1,420.83	-	-	1,420.83	756.92	245.04	-	1,001.96	418.87
7	Factory Building	70,504.58	-	-	70,504.58	11,816.17	2,228.58	-	14,044.74	56,459.84
8	Furniture & Fixtures	8,669.12	-	-	8,669.12	3,648.39	660.29	-	4,308.68	4,360.44
9	Generator (15 KVA)	1,915.08	-	-	1,915.08	822.62	89.56	-	912.18	1,002.90
10	Lab Equipment	28,453.55	-	-	28,453.55	8,192.33	2,513.44	-	10,705.76	17,747.78
11	Clean Room & Stores Equipment	39,585.14	-	-	39,585.14	4,885.89	1,880.30	-	6,766.18	32,818.96
12	Fire & Safety Equipment	1,667.29	-	-	1,667.29	295.66	100.50	-	396.16	1,271.12
13	Motor Cycle (Passion Pro)	68.39	-	-	68.39	47.37	6.50	-	53.86	14.53
14	Plant and Machinery	191,024.74	-	1,057.00	189,967.74	44,635.86	9,219.48	193.65	53,661.69	136,306.05
15	Water Cooler	85.27	-	-	85.27	81.00	-	-	81.00	4.26
16	Office Equipment	486.64	-	-	486.64	32.49	116.82	-	149.31	337.34
17	Telephone equipment	8.39	-	-	8.39	7.97	-	-	7.97	0.42
18	Maruti swift car	725.00	-	-	725.00	688.75	-	-	688.75	36.25
	<b>Sub - Total (A)</b>	<b>382,558.90</b>	<b>-</b>	<b>1,057.00</b>	<b>381,501.90</b>	<b>87,178.45</b>	<b>19,395.66</b>	<b>193.65</b>	<b>106,380.47</b>	<b>275,121.44</b>
<b>II</b>	<b><u>Intangible Assets</u></b>									
1	Patents & Trade Mark	989.36	-	-	989.36	736.59	98.66	-	835.25	154.11
2	Computer Software	2,459.48	-	-	2,459.48	1,647.96	384.50	-	2,032.46	427.02
	<b>Sub - Total (B)</b>	<b>3,448.84</b>	<b>-</b>	<b>-</b>	<b>3,448.84</b>	<b>2,384.54</b>	<b>483.16</b>	<b>-</b>	<b>2,867.71</b>	<b>581.13</b>
	<b>Sub - Total (A+B)</b>	<b>386,007.74</b>	<b>-</b>	<b>1,057.00</b>	<b>384,950.74</b>	<b>89,562.99</b>	<b>19,878.83</b>	<b>193.65</b>	<b>109,248.17</b>	<b>275,702.57</b>
<b>III</b>	<b><u>Capital Work in Progress-Tangible</u></b>									
1	Building Under Construction	2,791.50	-	2,791.50	-	-	-	-	-	-
	<b>Sub - Total (C)</b>	<b>2,791.50</b>	<b>-</b>	<b>2,791.50</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
<b>IV</b>	<b><u>Capital Work in Progress-Intangible</u></b>									
1	Product Under Development	13,461.69	-	5,636.87	7,824.82	-	-	-	-	7,824.82
	<b>Sub - Total (D')</b>	<b>13,461.69</b>	<b>-</b>	<b>5,636.87</b>	<b>7,824.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,824.82</b>
	<b>Sub - Total (C+D)</b>	<b>16,253.19</b>	<b>-</b>	<b>8,428.38</b>	<b>7,824.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,824.82</b>
	<b>Total (A+B+C+D)</b>	<b>402,260.93</b>	<b>-</b>	<b>9,485.38</b>	<b>392,775.56</b>	<b>89,562.99</b>	<b>19,878.83</b>	<b>193.65</b>	<b>109,248.17</b>	<b>283,527.38</b>

**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Notes forming part of financial statement for the year ended 31.03.2024**

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

**Note 2 :****Non-Current Financial Assets****Others Financial Assets**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Security deposits (unsecured considered good)**</b>		
a) Electricity Deposit	2,645.04	2,645.04
b) IDPL Security Deposit	6.00	6.00
c) Deposit with Mana Effluent treatment Plant Ltd	31.50	31.50
d) Deposit with Ramky Enviro	50.00	50.00
e) Rent Security Deposit	350.00	350.00
f) Gas Deposit	5.00	5.00
g) Biowaste - Maridi Bio	12.00	12.00
<b>Total</b>	<b>3,099.54</b>	<b>3,099.54</b>

\*\*Security deposits (net of allowances as of March 31, 2024 and March 31, 2023, respectively) primarily includes deposits given towards premises, Electricity and Other Biowastes Companies.

**Note 3****Non-Current Assets****Deferred Tax Asset / Liability (Net)**

Particulars	As at 31.03.2024	As at 31.03.2023
Deferred Tax Asset	175,921.27	152,932.60
(on account of disallowable items under Income Tax Act)		
Deferred Tax Liability	(25,466.46)	(23,487.38)
(On account of timing difference of WDV of assets)		
MAT Credit Entitlement	316.69	316.69
<b>Total</b>	<b>150,771.50</b>	<b>129,761.91</b>

In line with accounting policy of the Company, deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward tax losses (including capital losses) can be utilised and deferred tax asset (net) has been recognised only to the extent of reasonable certainty of available tax profits in future.

**Note 4****Other Non Current Asset****Long Term Loans and Advances**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Other Loans and Advances - Unsecured</b>		
a) Unamortized Finance Cost (Corporate Guarantee by SML)	-	1,210.06
b) VAT Input Credit	469.49	469.49
<b>Total</b>	<b>469.49</b>	<b>1,679.55</b>

**Note 5:****Current Assets****Inventories**

Inventories	As at 31.03.2024	As at 31.03.2023
a) Raw Materials and components		
Raw Materials	7,466.75	8,139.90
Packing Materials	7,998.20	7,586.06
	<b>15,464.95</b>	<b>15,725.96</b>
b) Work-in-progress	764.24	5,427.53
c) Finished goods (Internally Manufactured)	1,267.67	1,592.17
d) Stores and spares Consumables	252.45	292.84
<b>Total</b>	<b>17,749.31</b>	<b>23,038.51</b>

**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

Notes forming part of financial statement for the year ended 31.03.2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)**Note 6****Current Financial Assets****Trade Receivables**

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good	12,701.94	19,770.77
	<b>12,701.94</b>	<b>19,770.77</b>
Unsecured, considered doubtful	3,262.55	3,262.55
Less: Provision for Doubtful Debts	(3,262.55)	(3,262.55)
	-	-
	-	-
<b>Total</b>	<b>12,701.94</b>	<b>19,770.77</b>

**Trade receivables ageing**

As of March 31, 2024	Current	Outstanding for the following period from due date of the Payment					Total
Particulars	but note due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables —considered good	7,536.14	2,943.65	2,170.13	-	-	3,314.57	15,964.49
Less: Provision/Allowances for doubtful receivables	-	-	-	-	-	3,262.55	3,262.55
<b>Total Trade Receivables</b>	<b>7,536.14</b>	<b>2,943.65</b>	<b>2,170.13</b>	<b>-</b>	<b>-</b>	<b>52.02</b>	<b>12,701.94</b>

As of March 31, 2023	Current	Outstanding for the following period from due date of the Payment					Total
Particulars	but note due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables —considered good	15,932.66	938.75	1,469.11	1,378.24	-	3,314.57	23,033.33
Less: Provision/Allowances for doubtful receivables	-	-	-	-	-	3,262.55	3,262.55
<b>Total Trade Receivables</b>	<b>15,932.66</b>	<b>938.75</b>	<b>1,469.11</b>	<b>1,378.24</b>	<b>-</b>	<b>52.02</b>	<b>19,770.78</b>

**Note 7****Current Financial Assets****Cash and cash equivalents**

Particulars	As at 31.03.2024	As at 31.03.2023
a) Cash on Hand	27.39	3.00
b) Balances with banks in current accounts	1,741.40	3,534.84
<b>Total</b>	<b>1,768.79</b>	<b>3,537.84</b>

**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

Notes forming part of financial statement for the year ended 31.03.2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)**Note 8****Other Current Financial Assets**

Particulars	As at 31.03.2024	As at 31.03.2023
Interest accrued but due	119.64	88.52
<b>Total</b>	<b>119.64</b>	<b>88.52</b>

**Note 9****Other Current Assets**

Particulars	As at 31.03.2024	As at 31.03.2023
<b><u>Short-term loans and advances</u></b>		
<b><u>Others</u></b>		
<b>Unsecured, considered good</b>		
a) Advances with creditors	994.67	1,161.34
b) Pre-paid Expenses	242.42	429.24
c) Advance to Staff	9.22	1.41
d) GST Receivable	31,506.93	32,144.61
<b>Total</b>	<b>32,753.24</b>	<b>33,736.60</b>

Note - Advances represent payments made to various Creditors under Supply of Goods/Services

**Note 10****Current Tax Assets (Net)**

Particulars	As at 31.03.2024	As at 31.03.2023
a) Income Tax Refund Receivable for FY 2022-23	-	308.89
b) Income Tax Refund Receivable for FY 2020-21	-	77.32
c) Income Tax Refund Receivable for FY 2021-22	-	37.58
d) Income Tax Refund Receivable for FY 2023-24	31.89	-
e) TCS Receivables	0.15	4.95
<b>Total</b>	<b>32.04</b>	<b>428.75</b>

**Note: 12****Other Equity**

Particulars	As at 31.03.2024	As at 31.03.2023
a. Securities Premium Reserver Account	43,092.81	43,092.81
b. (Other Reserve) Revaluation Reserve	9,631.18	9,631.18
c. Retained Earning	(463,850.59)	(385,091.38)
d. Reimbursement of defined benefit plan	2,997.67	4,406.39
<b>Total</b>	<b>(408,128.94)</b>	<b>(327,961.00)</b>

**SHILPA THERAPEUTICS PRIVATE LIMITED**

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**Notes forming part of financial statement for the year ended 31-03-2024**

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

Note:11

**Equity Share Capital**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Authorised Share Capital</b> 20,00,000 (P.Y 20,00,000), Rs. 10/- each par value	20,000.00	20,000.00
	<b>20,000.00</b>	<b>20,000.00</b>
<b>Issued Subscribed and fully paid up capital:</b>		
<b>Opening balance</b>	<b>18,376.34</b>	<b>18,376.34</b>
<b>Changes during the year shares</b>	-	-
<b>Closing balance</b> 18,37,634 (P.Y. 18,37,634), Rs.10/- each par value	<b>18,376.34</b>	<b>18,376.34</b>
<b>TOTAL</b>	<b>18,376.34</b>	<b>18,376.34</b>

(a) Reconciliation of the number of equity shares outstanding is set out below:

Particulars	As at 31.03.2024		As at 31.03.2023	
	Number	Amount	Number	Amount
<b>Shares outstanding at the beginning of the year</b>	<b>1,837,634</b>	<b>18,376.34</b>	<b>1,837,634</b>	<b>18,376.34</b>
Shares issued during the year	-	-	-	-
Adjustement during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,837,634</b>	<b>18,376.34</b>	<b>1,837,634</b>	<b>18,376.34</b>

b) Rights, Preference and restriction attached to each class of shares:-

**Equity Shares:**

The Company has class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C) Shares in respect of each class in the company held by its holding company in aggregate:

of the above 1,837,634(PY:1,837,634) equity shares of Rs.10/- each are held by Shilpa Medicare Limited, Its Holding Company.

**The details of shareholder holding more than 5% of the paid up equity capital of the Company**

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shilpa Medicare Limited	1,837,634	100	1,837,634	100
<b>Total</b>	<b>1,837,634</b>	<b>100</b>	<b>1,837,634</b>	<b>100</b>

**SHILPA THERAPEUTICS PRIVATE LIMITED**

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**Notes forming part of financial statement for the year ended 31.03.2024**(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)**Note 13****Non-Current Financial Liabilities****Long Term Borrowings**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Secured</b>		
Citibank NA- Term Loan	-	78,125.00
<b>Nature of Security:</b>		
Term Loan from Citibank NA is secured by exclusive charge on present & future current assets and movable and immovable assets of the company. Exclusive charge by way of equitable mortgage on land & buildings situated at 118, cherlapally, IDA Phase III, Hyderabad alongwith Corporate Guarantee by holding company Shilpa Medicare Limited		
<b>Terms of Repayment &amp; Interest Rate:</b>		
Repayment of Term Loan from Citibank NA have a moratorium period of 12 Months and repayable in 16 equal quarterly installments of Rs.156.25 lacs each. First installment was due on 23.07.2021 and final installment on 23.04.2025. This term loan fully repaid during current year.		
Interest @ 8.65% with monthly rests on the last date of each month in each year, or at such other rests as determined by the bank. Further the bank shall at any time or from time to time be entitled to change the specified rate of interest based upon relevant circumstances, including market conditions.		
<b>Unsecured</b>		
<b>Loans from Related Parties</b>		
Loan from Shilpa Medicare Ltd.(Holding Co.) Rate of Interest @ 7.50% p.a.	796,506.04	603,930.04
8% Cumulative Redemable Preference shares 4,00,000 (P.Y.4,00,000), Rs.10/- each par value	4,000.00	4,000.00
<b>Total</b>	<b>800,506.04</b>	<b>686,055.04</b>

**Note 14 :****Non-Current Liabilities****Provisions**

Particulars	As at 31.03.2024	As at 31.03.2023
a) Provision for Gratuity	2,146.92	1,889.46
b) Provision for dividend on Preference Share Capital	3,200.83	2,880.83
<b>Total</b>	<b>5,347.75</b>	<b>4,770.29</b>

Note - Refer note 29 for movement of provisions towards various employee benefits

**Note 15:****Other Non Current Liabilities**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Capital Subsidy Recd (Govt. Grant)</b>	608.23	741.56
Less:- Amortised in the Proporation of Dep	(133.33)	(133.33)
	<b>474.90</b>	<b>608.23</b>
<b>Total</b>	<b>474.90</b>	<b>608.23</b>

# SHILPA THERAPEUTICS PRIVATE LIMITED

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Notes forming part of financial statement for the year ended 31.03.2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

## Note 16

### Current Financial Liabilities

#### Borrowings

Particulars	As at 31.03.2024	As at 31.03.2023
<b><u>Secured Loan</u></b> <b><u>Current Maturities of Long Term Debt</u></b> <b><u>Citibank NA- Term Loan</u></b> <b><u>Nature of Security:</u></b> Term Loan from Citibank NA is secured by exclusive charge on present & future current assets and movable and immovable assets of the company. Exclusive charge by way of equitable mortgage on land & buildings situated at 118, cherlapally, IDA Phase III, Hyderabad alongwith Corporate Guarantee by holding company Shilpa Medicare Limited <b><u>Terms of Repayment &amp; Interest Rate:</u></b> Repayment of Term Loan from Citibank NA have a moratorium period of 12 Months and would be repayable in 16 equal quarterly installments of Rs.156.25 lacs each. First installment was falling due on 23.07.2021 and final installment on 23.04.2025 but the Company has repaid fully this Term Loan in current year FY 2023-24 Interest @ 8.65% with monthly rests on the last date of each month in each year, or at such other rests as determined by the bank. Further the bank shall at any time or from time to time be entitled to change the specified rate of interest based upon relevant circumstances, including market conditions.	-	62,500.00
<b>Total</b>	-	<b>62,500.00</b>



**SHILPA THERAPEUTICS PRIVATE LIMITED**

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**Notes forming part of financial statement for the year ended 31.03.2024**(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)**Note 17****Current Financial Liabilities****Trade Payable**

Particulars	As at 31.03.2024	As at 31.03.2023
Trade Payables (Refer Note No. 17.01)		
'- due to Micro and Small Enterprises (Refer Note No.17.02 )	2,560.76	1,286.25
-Other than micro and small Enterprises	2,373.54	4,471.15
<b>Total</b>	<b>4,934.30</b>	<b>5,757.40</b>

**Note**

17.01. Balances as at the year end are subject to confirmation.

17.02 A Sum of Rs. 2,560.77, thousands is payable to Micro, Small and Medium Enterprises as at 31.03.2024 (1,286.25 thousand as on 31.03.2023), there are no Micro to whom the company is overdue, for more than 45 days during the year ended 31.03.2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act has been determined to the extent such parties has been identified on the basis of the information available with the company and relied upon by the Auditors.

**Trade Payable ageing**

As of March 31, 2024	Current	Outstanding for the following period from due date of the Payment					Total
Particulars	but note due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Dues to micro and small enterprises considered good	2,560.76	-	-	-	-	-	2,560.76
(ii) Others	895.70	1,199.50	278.34	-	-	-	2,373.54
<b>Total Trade Payables</b>	<b>3,456.46</b>	<b>1,199.50</b>	<b>278.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,934.30</b>
As of March 31, 2023	Current	Outstanding for the following period from due date of the Payment					Total
Particulars	but note due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Dues to micro and small enterprises considered good	1,286.25	-	-	-	-	-	1,286.25
(ii) Others	1,834.27	1,189.50	859.03	588.36	-	-	4,471.15
<b>Total Trade Payables</b>	<b>3,120.52</b>	<b>1,189.50</b>	<b>859.03</b>	<b>588.36</b>	<b>-</b>	<b>-</b>	<b>5,757.40</b>

# SHILPA THERAPEUTICS PRIVATE LIMITED

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Notes forming part of financial statement for the year ended 31.03.2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

## Note 18

### Other Current Financial Liabilities

Particulars	As at 31.03.2024	As at 31.03.2023
a) Interest Due to CITI Bank on Term Loan	-	1,101.19
b) Interest accrued and due on unsecured loan from SML	49,088.61	37,418.57
<b>Total</b>	<b>49,088.61</b>	<b>38,519.76</b>

## Note 19

### Other Current Liabilities

Particulars	As at 31.03.2024	As at 31.03.2023
a) Current maturities of Government Grant	133.33	133.33
b) Advance from Customers	17.47	88.44
c) Salaries & Reimbursements	1,657.26	1,856.94
d) Gratuity Payable	389.88	371.96
e) Provident Fund Payable	151.06	166.33
f) ESI Payable	2.23	2.90
g) Bonus Payable	1,004.86	1,536.92
h) Audit Fee Payable	30.00	60.00
i) TDS payable	5,562.79	4,262.81
j) Professional Tax Payable	11.76	15.55
<b>Total</b>	<b>8,960.64</b>	<b>8,495.18</b>

Note - Other Current Liabilities mainly Payable towards Salaries, Wages, PT, TDS EPF and ESIC for the Current Month, Provision for Bonus and Audit fee etc for the Current Financial Year .

## Note 20

### Current Liabilities

#### Provisions

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Expenses	1,931.26	1,548.12
<b>Total</b>	<b>1,931.26</b>	<b>1,548.12</b>

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Notes forming part of financial statement for the year ended 31.03.2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

**Note 21****Revenue from operations**

Particular	for the year ended 31.03.2024	for the year ended 31.03.2023
a) Sales	30,545.46	31,514.02
b) Other Operating Revenue	202.61	10,774.70
<b>Gross Revenue from Operation</b>	<b>30,748.07</b>	<b>42,288.72</b>

Note - Refer note 33 for Information about Revenue from Product and Services and Information about geographical areas

**Note 22****Other Incomes**

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
a) Interest on Electricity Deposit/IT/GST Refund	140.94	355.95
b) Business Support Services	1,748.54	1,551.33
c) Other Incomes - Grant (amortisation)	133.33	133.33
d) Duty Draw Back from Customs	86.01	92.21
e) Other Income	326.28	-
f) Trade Payables Written Off	719.44	54.48
<b>Total</b>	<b>3,154.54</b>	<b>2,187.30</b>

**Note 23****Cost of Material Consumed**

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
<b>Inventory at the beginning of the year</b>		
Raw Materials	8,139.90	7,736.09
Packing materials	7,586.06	8,762.23
<b>Total</b>	<b>15,725.96</b>	<b>16,498.32</b>
<b>Add: Purchases</b>		
Raw Materials	3,053.37	3,599.74
Packing materials	6,907.15	4,804.74
<b>Total</b>	<b>9,960.52</b>	<b>8,404.48</b>
<b>Total</b>	<b>25,686.48</b>	<b>24,902.80</b>
<b>Less: Inventory at the end of the year</b>		
Raw Materials	7,466.75	8,139.90
Packing materials	7,998.20	7,586.06
<b>Total</b>	<b>15,464.95</b>	<b>15,725.96</b>
<b>Total consumption</b>	<b>10,221.53</b>	<b>9,176.84</b>

**Note 24****Changes in inventories of finished goods, work in progress and stock in trade**

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
<b>Inventory at the beginning of the year</b>		
Finished Goods	1,592.17	1,729.99
Work in progress	5,427.53	5,320.85
<b>Less: Inventory at the end of the year</b>		
Finished Goods	1,267.67	1,592.17
Work in progress	764.24	5,427.53
<b>Change in the inventory of finished goods, Work In Progress and stock in trade</b>	<b>4,987.79</b>	<b>31.14</b>

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Notes forming part of financial statement for the year ended 31.03.2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

**Note 25****Employee Benefits Expense**

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
a) Salaries and Incentives	13,890.38	35,266.72
b) Contribution to Provident Fund & ESI	897.22	2,255.21
c) Bonus	1,131.19	2,872.12
d) Gratuity	461.91	751.79
e) Staff welfare exp	265.02	251.04
<b>Total</b>	<b>16,645.72</b>	<b>41,396.88</b>

Note - It mainly includes Salaries/recruitment and training expenses of Employees

**Note 26****Finance Costs**

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Interest expense		
-Term Loan	4,262.87	13,484.07
-Unsecured Loans	54,542.90	41,576.19
-Dividend on Preference Shares	320.00	320.00
-Corporate Guarantee Finance Cost	1,210.06	1,558.53
<b>Total</b>	<b>60,335.83</b>	<b>56,938.79</b>

**Note 27****Other expenses**

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
a) Consumption of Stores and spares\Consumables	629.87	1,101.21
b) Power and Fuel	9,533.65	10,050.69
c) Repairs and Maintainance:		
(i) Plant and Machinery	825.51	1,126.89
(ii) Others	655.38	346.52
d) Rates and Taxes	530.57	354.24
e) Insurance	256.33	459.06
f) Traveling and Conveyance	802.40	703.67
g) Contract Labour charges	2,247.38	2,014.34
h) Payment to Auditor's	30.00	30.00
i) R&D Expenses & Quality control Expenses	1,405.19	1,829.98
j) Bank charges	23.29	63.39
k) Loss/(Gain) on Sale of Asset	-	122.80
l) Advertisement and Sales promotion expenses	37.94	1,094.28
m) Transportation Charges	175.60	363.71
n) Legal, Professional & Consultancy Charges	488.70	456.24
o) Foreign Exchange Fluction Loss/ (Profit)	(43.00)	(30.96)
p) Cylinder Printing Charges	576.63	115.23
q) Effulent Treatment Charges	52.44	95.80
r)Books & Periodicals	-	51.00
s) Rent Godown/New Office	105.00	-
t) Commission paid	-	1,360.17
u) Facility Fee	608.79	-
v) Miscellaneous Expenses	3,174.15	2,272.82
<b>Total</b>	<b>22,115.82</b>	<b>23,981.08</b>

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**Notes forming part of financial statement for the year ended 31.03.2024**(All amounts are in Indian Rupees, except share data and per share data, unless otherwise stated)**Note: 28****CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	As at 31.03.2024	As at 31.03.2023
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	59.70	87.69
(ii) Claims against the Company not acknowledged as debts	20,000.80	20,000.80
<b>Total</b>	<b>20,060.50</b>	<b>20,088.49</b>

**Note: 29****Employee Benefits****Defined Contribution Plan**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Provident Fund</b>	873.72	2,219.40
Defined Benefit Plan (Gratuity)		
Movement of present value of the defined benefit obligation		
Obligations at period beginning	2,261.42	5,371.19
Service cost	354.76	361.84
Interest on defined benefit obligation	120.08	389.95
Benefits settled	(1,241.90)	(88.07)
Actuarial (gain)/loss	1,042.45	(3,773.49)
<b>Obligations at period end</b>	<b>2,536.81</b>	<b>2,261.42</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>		
Closing PBO	2,536.81	2,261.42
Closing fair value of plan assets	-	-
Closing funded status	<b>(2,536.81)</b>	<b>(2,261.42)</b>
<b>Unrecognised actuarial (gains)/losses</b>		
<b>Net asset/(liability) recognized in the balance sheet</b>	<b>(2,536.81)</b>	<b>(2,261.42)</b>
<b>Expenses recognised in the p &amp; I account</b>		
Service cost	354.76	361.84
Interest cost	120.08	389.94
<b>Net gratuity cost</b>	<b>474.84</b>	<b>751.78</b>
Experience adjustment on plan assets		
Experience adjustment on plan liabilities		

<b>B.Principal actuarial assumptions</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
<b>Interest rate</b>		
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)	7.23%	7.32%
Expected rate of return on assets	0.00%	0.00%
Salary increase (taking into account inflation, seniority, promotion and other relevant factor)	8.00%	8.00%
Attrition rate of employees	17.50%	20.00%
Retirement age of employees (Years)	58	58

Actuarial gain / loss is recognised immediately. The estimates of salary increase, inflation, promotion, Seniority etc taken in account. The Company has calculated at specific no. of days (ranging from 15 days to 1 month) of the last drawn salary depending upon tenure of service for each year of completed service subject to minimum of five years payable at the time of separation upon superannuation or on exit otherwise.

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## Notes forming part of financial statement for the year ended 31.03.2024

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

### Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	As at 31.03.2024		As at 31.03.2023	
	Increase (in %)	Decrease (in %)	Increase (in %)	Decrease (in %)
Discount rate	(4.60)	5.05	(4.20)	4.58
Salary increase	5.17	(4.80)	4.71	(4.40)
Attrition rate	(0.25)	0.26	(0.35)	0.36

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by 100 basis points, keeping all other actuarial assumptions constant.

### Note:30

#### Fair value measurement hierarchy:

Financial Assets	Carrying Amount as at 31.03.2024			
	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial Assets</b>				
Other Non-current financial asset	-	-	3,099.54	3,099.54
Trade receivable	-	-	12,701.94	12,701.94
Cash and Cash Equivalent	-	-	1,768.79	1,768.79
<b>Total</b>	<b>-</b>	<b>-</b>	<b>17,570.27</b>	<b>17,570.27</b>
<b>Financial Liability</b>				
Long Term Borrowings	-	-	800,506.04	800,506.04
Short Term Borrowings	-	-	-	-
Trade payables	-	-	4,934.31	4,934.31
Other Non-current financial liability	-	-	49,088.61	49,088.61
<b>Total</b>	<b>-</b>	<b>-</b>	<b>854,528.95</b>	<b>854,528.95</b>

Financial Assets	Carrying Amount as at 31.03.2023			
	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial Assets</b>				
Other Non-current financial asset	-	-	3,099.54	3,099.54
Trade receivable	-	-	19,770.77	19,770.77
Cash and Cash Equivalent	-	-	3,537.84	3,537.84
<b>Total</b>	<b>-</b>	<b>-</b>	<b>26,408.15</b>	<b>26,408.15</b>
<b>Financial Liability</b>				
Long Term Borrowings	-	-	686,055.04	686,055.04
Short Term Borrowings	-	-	62,500.00	62,500.00
Trade payables	-	-	5,757.41	5,757.41
Other Non-current financial liability	-	-	38,519.76	38,519.76
<b>Total</b>	<b>-</b>	<b>-</b>	<b>792,832.21</b>	<b>792,832.21</b>

\*Since all the financial assets & financial liabilities are measured at amortised cost, fair value hierarchy is not provided.

#### Valuation technique used to determine fair value:

1. The use of quoted market prices or dealer quotes for similar instruments
2. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
3. The fair value of forward foreign exchange contracts and principal swap is determined using forward exchange rates at the balance sheet date

#### 1. Financial Risk Management

The company's activities expose it to a variety of financial risks such as Market Risk, Credit Risk and Liquidity Risk. The company's focuses on minimizing potential adverse effect on its financial performance.

##### (A) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The changes in the values of financial assets /liability may result from change in the foreign currency exchange rates (Foreign Currency Risk),change in interest rates (Cash flow & interest rate risk), and change in price of investments (Price Risk).

##### (i) Foreign Currency Risk (if applicable)

The company operates internationally and a major portion of the business is transacted in USD, EURO & GBP currencies and consequently, the company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The company holds derivative instruments such as foreign exchange forward, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

Particulars	31-Mar-24		31-Mar-23	
	USD	EUR	USD	EUR
<b>Financial Assets:-</b>				
Loan	-	-	-	-
Trade receivables	82.70	-	119.90	-
Cash and cash equivalents	-	-	-	-
Other financial assets	-	-	-	-
<b>Total</b>	<b>82.70</b>	<b>-</b>	<b>119.90</b>	<b>-</b>
<b>Financial liabilities:-</b>				
Long term borrowings	-	-	-	-
Short-term borrowings	-	-	-	-
Trade payables	-	-	-	-
Other current financial liabilities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Notes forming part of financial statement for the year ended 31.03.2024**

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

**Sensitivity analysis**

Sensitivity analysis of 1% change in exchange rate at the ending of the reporting period net of hedges. Impact on profit &amp; loss

Particulars	31.03.2024	31.03.2023
<b>USD -Sensitivity</b>		
Increase by 1% ( loss)	(10.00)	(96.65)
Decrease by 1% gain	10.00	96.65
<b>Euro -Sensitivity</b>		
Increase by 1% gain		
Decrease by 1%( loss)		

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses/ income and to manage the interest rate risk, the Company manage its interest rate risk by having portfolio of fixed / variable interest rate on long /short term borrowings.The analysis is prepared assuming the amount of liability outstanding at the ending of the reporting period is average weighted balance of the respective reporting period.

According to the company interest rate risk exposure is only for floating rate borrowings,change in 0.5% in the interest rate component applicable to the short term borrowings would effect the group's net profit before tax at the end of the reporting period year ended 31.03.2024 and 31.03.2023 respectively.

Particulars	31.03.2024	31.03.2023
Impact of net profit before tax due to Change in 0.50% interest on WCL	-	312.50

**(iii) Price Risk**

The company does not hold any investment and hence not exposed to any price risk.

**(B) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises from its operation activity primarily from trade receivable and from its financial activity . Customer credit risk is controlled by analysis of credit limit and credit worthness of the customer on a continuous basis to whom the credit has been granted.

Long outstanding receivables from customers are regularly monitored with appropriate follow up actions. The maximum exposure to credit risk at the reporting date is the carrying value of trade and other receivables.

**(C)Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations of its financial liability. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for making liability when they are due, under normal and stressed condition without incurring losses and risk.

The present available working capital facility is sufficient to meet its current requirement. Accordingly no liquidity risk is perceived. In addition, the company maintains the following line of credit facility.

**Maturity profile of financial liabilities as on 31.03.2024**

Particulars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Short term borrowing	-	-	-	-
Long term borrowings	-	192,576.00	603,930.04	4,000.00
Trade and other payable	-	4,934.30	-	-
Other financial liability	-	49,088.61	-	-
<b>Total</b>	<b>-</b>	<b>246,598.91</b>	<b>603,930.04</b>	<b>4,000.00</b>

**Maturity profile of financial liabilities as on 31.03.2023**

Particulars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Short term borrowing	-	62,500.00	-	-
Long term borrowings	-	51,000.00	631,055.04	4,000.00
Trade and other payable	-	5,757.40	-	-
Other financial liability	-	38,519.76	-	-
<b>Total</b>	<b>-</b>	<b>157,777.16</b>	<b>631,055.04</b>	<b>4,000.00</b>

**Note: 31****Capital Management**

The company's objectives when managing capital are to-

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet)

Particulars	31.03.2024	31.03.2023
Net Debt	798,737.25	745,017.20
Total Equity	386,734.35	309,584.66
Debt Equity Ratio	2.07	2.41

**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Notes forming part of financial statement for the year ended 31.03.2024**

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

**Note: 32****Income Tax****Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate**

\*Since there is no profit offered for tax company has incurred loss. Hence tax rate reconciliation not provided.

**Movement of Deferred tax Assets / Liability**

Deferred Tax Liability For the year ended 31.03.2024	Opening Balance	Charge (Credit ) to Profit & Loss account	Through OCI	Closing Balance
Property, plant and equipment, and intangible assets	23,487.38	1,979.08	-	25,466.46
<b>Gross deferred tax Liability</b>	<b>23,487.38</b>	<b>1,979.08</b>	-	<b>25,466.46</b>
<b>Gross deferred tax assets</b>				
Defined benefit obligations	1,057.49	2,536.81	-	3,594.30
Capital Subsidy written back	248.87	34.67	-	283.53
Loss as per IT Act	151,626.24	23,442.83	-	175,069.07
<b>Gross deferred tax assets</b>	<b>152,932.60</b>	<b>26,014.31</b>	-	<b>178,946.90</b>
<b>Net Deferred Tax Liability/(Asset)</b>	<b>(129,445.22)</b>	<b>(24,035.23)</b>	-	<b>(153,480.44)</b>

**Note:33****Segment Information**

The Company is mainly engage in the business of manufacturing of formulation and product development are inter related and integral part of business of " pharmaceutical products ". In accordance with the provision of Ind AS -108 hence segment reporting is not applicable.

**(a) Information about Products and Services:**

Product/Services	for the year ended 31.03.2024	for the year ended 31.03.2023
Formulation	30,748.07	42,288.73

**(b) Information about geographical areas**

Geographical Information	for the year ended 31.03.2024	for the year ended 31.03.2023
(A) Within India	24,101.72	32,623.53
<b>(B) Outside India</b>		
(i) Kenya	4,078.32	980.85
(ii) Singapore	-	215.05
(iii) Maurities	155.32	6.73
(iv) Ghana	412.04	10.10
(v) Dubai	-	2,421.74
(vi) USA	-	2,349.73
(vii) Hongkong	-	3,681.00
(viii) Congo	292.86	-
(ix) Uganda	48.81	-
(x) Macau	1,659.00	-
<b>Total</b>	<b>30,748.07</b>	<b>42,288.73</b>

**Note: 34****Payments to Auditors:**

Particulars	for the year ended 31.03.2024	for the year ended 31.03.2023
Audit fee	30.00	30.00
Tax consultancy services & certification	140.00	140.00
<b>Total</b>	<b>170.00</b>	<b>170.00</b>



**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Notes forming part of financial statement for the year ended 31.03.2024**

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

**Note: 35****Related party transactions:****Related parties where control exists and related parties with whom transactions have taken place during the year are listed below:****(i) Key Management Personnel****Directors:**

1. Mr. Vishnukant.C.Bhutada
2. Mr. Ramakant Innani

**(ii) Holding Company**

Shilpa Medicare Limited

**Chief Executive Officer:**

- 1.Mr. Venkatesh Katakam

Name of the related party	Relationship	Description of transaction	01.04.2023 to 31.03.2024  Income /( Expenses) & Other Transactions	Balance as at 31.03.2024  (Payable) / Receivable	01.04.2022 to 31.03.2023  Income /( Expenses) & Other Transactions	Balance as at 31.03.2023  (Payable) / Receivable
1. Mr. Venkatesh Katakam	Key Management Personnel	Managerial remuneration	-	-	(3,749.46)	-
2. Shilpa Medicare Ltd.	Holding Company	Sale of goods/service*	2,825.95	2,228.24	21,832.57	10,750.95
		Purchase of Goods*	(475.25)	-	(1,273.72)	-
		Interest on Unsecured Loan	(54,542.90)	(49,088.61)	(41,576.19)	(37,418.57)
		Interest on Preference Shares	(320.00)	(3,200.83)	(320.00)	(2,880.83)
		Unsecured Loan	(192,576.00)	(796,506.04)	(113,500.00)	(603,930.04)
		Corporate Gurantee	-	-	-	(300,000.00)
3. Shilpa Biologicals Pvt Limited	wholly owned subsidiary of Holding Company	Sale of goods/service*	58.13	58.13	701.58	-
4. Shilpa Biocare Pvt Limited	wholly owned subsidiary of Holding Company	Sale of goods/service*	265.72	-	-	-
5. Shilpa Pharma Lifesciences Ltd	wholly owned subsidiary of Holding Company	Sale of goods/service*	4,435.18	421.88	1,830.56	398.49
		Purchase of Goods*	(177.00)	-	(70.80)	-

a) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures".

b) As the provisions for gratuity are obtained on an actuarial basis for the Company as a whole amounts pertaining to the Key Management Personnel are not specifically identified and hence not included in the above.

\* Net of taxes

**SHILPA THERAPEUTICS PRIVATE LIMITED**

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

**Notes forming part of financial statement for the year ended 31.03.2024**

(All amounts are in Indian Rupees in Thousands, except share data and per share data, unless otherwise stated)

**36. Additional Regulatory Information****a) Financial Ratios**

Particular	Numerator	Denominator	31.03.2024	31.03.2023	Variation %	Reasons for variance of above 25%
Current Ratio(in times)	Current Assets	Current Liabilities	1.00	0.69	45%	Increased due to Increase in Current Asset over Liability compare to Last year
Debt Equity Ratio(in times) **	Total Debt	Share holder equity	-	-	0%	Ratio is not calculated as the equity value is in Negative
Debt service coverage ratio(in times)	Earnings avaialbe for debt service	debt service	(0.11)	(1.70)	-93%	Decreased due to increase in Finance Cost availed on Term Loan and USL.
Inventory turnover ratio(in times)	Sales	Average inventory	2.01	1.81	11%	-
Return on equity(in %) **	Net profit after taxes	Average shareholders equity	-	-	0%	Ratio is not calculated as the equity value is in Negative
Trade receivable turnover ratio(in times)	Revenue	Average Trade Receivables	1.89	2.05	-8%	-
Trade payble turnover ratio(in times)	Purchase for trade and services	Average Trade Payables	1.91	1.33	43%	Variation due to increase in payment to creditors
Net Capital turnover ratio(in times)	Revenue	Working Capital	(0.85)	(1.17)	-27%	Decrease due to Continuous Business Losses
Net Profit ratio(in %)	Net Profit	Revenue	(2.46)	(1.70)	45%	EBITDA increased during the year in absolute terms though revenues decreased but due to minimise of Expenses it result in increase
Return on Capital Employed(in %)	Earning Before Interest and Tax	Capital Employed	(0.19)	(0.46)	-59%	Decrease due to decrease in EBITA
Return on investment (in %)	income generated from invested funds	Average invested funds in treasury investments	N.A	N.A	-	The company is not having any market linked Investment

\*\* Debt Equity ratio and Return on Equity ratio is not calculated as the Shareholder's Equity is negative

**b) In the opinion of the Board, all assets other than fixed assets, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.****c) Title deeds of immovable properties:-**

The company holds no immovable properties during the year.

**d) Valuation of Property Plant & Equipment, intangible asset**

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year

## SHILPA THERAPEUTICS PRIVATE LIMITED

(formerly known as NU THERAPEUTICS PRIVATE LIMITED)

### Notes forming part of financial statement for the year ended 31.03.2024

#### **e) Loans or advances to specified persons:-**

No loans or advances in the nature of loans are granted to promoters, directors, KMPS and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms

#### **f) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

#### **g) Borrowing secured against current assets:-**

The Company has no borrowings from banks on the basis of security of current assets.

#### **h) Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

#### **i) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

#### **j) Registration of charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

#### **k) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

#### **l) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

#### **m) Utilisation of borrowed funds and share premium**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

#### **n) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account

#### **o) Details of crypto currency or virtual currency**

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

#### **p) Utilisation of borrowings availed from banks and financial institutions**

Company has fully repaid its Term Loan of Rs. 25.00 Cr and Working Capital of Rs. 1.50 Cr availed from Citi Bank N.A. The said Term Loan was Utilized for the Intended and approved purpose of Project Financing.

37. Balances of Trade Receivables/Trade Payables/Advances and Security Deposits are subject to balance confirmation and/or reconciliation

38 .All Figures have been rounded off to the nearest rupees.

39. Previous year figures have been reclassified wherever necessary.

Notes to account form an integral part of financial statements

As per our report of even date attached

**For S N M Nandury & Co.**

Chartered Accountants

(Firm Regn. No: 006199S)

For and on behalf of the Board of Directors

**of Shilpa Therapeutics Private Limited**

Sd/-

**Surya Narayana Murthy N.**

Proprietor

M.No. 201040

Sd/-

**Vishnukant C. Bhutada**

Director

DIN : 01243391

Sd/-

**Ramakant Inani**

Director

DIN: 03222748

Place: Raichur

Date: 22.05.2024