

**SRAVATHI ADVANCE PROCESS TECHNOLOGIES PRIVATE
LIMITED**

AUDITED FINANCIALS FOR THE FINANCIAL YEAR 2023-24

CIN : U24299KA2019PTC121993

PAN : ABBCS6830P

TAN : BLRS70407B

DOI : 28-02-2019

Directors:

Mr. Kishan Gurrum

Mr. Vishnukant C Bhutada

Mr. Ramakant Innani

DIN Nos.

06869882

01243391

03222748

PAN Nos.

AHSPK0846M

ADQPB5719G

AACPI8392K

Registered Office:

1st Floor, Site No. 40, 2nd Main Road,
Industrial Town, Rajajinagar,
BENGALURU - 560010

Contact Information:

Contact No. : 080-49738885

E-mail ID : sravathiadvanceprocess@yahoo.com

Website Link : www.sravathi.com

Statutory Auditors:

Bohara Bhandari Bung & Associated LLP,
Chartered Accountants
#12-10-89/1, Anagha Complex, 2nd Floor,
Above Canara Bank, Sath Kacheri Road,
RAICHUR - 584101



INDEPENDENT AUDITOR'S REPORT

To the Members
Sravathi Advance Process Technologies Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Sravathi Advance Process Technologies Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

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

Basis for Opinion

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

Key audit matters

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.



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Information Other than the financial statements and Auditor's Report

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report but does not include the financial statements and our auditor's report thereon, and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.

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

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

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

Management's Responsibility for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the financial statements

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



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

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

Materiality

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Report on Other Legal and Regulatory Requirements

As per the information and explanation given to us the Company meets the exemption criteria prescribed under clause 2(v) of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, statement on the matters specified in paragraphs 3 and 4 of the Order, is not applicable to it.



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1. 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 except for the matters stated in paragraph 2(f) below on reporting under rule 11(g);
 - c) The Balance Sheet, the Statement of Profit and Loss (Incl. other comprehensive income), the Statement of Cash Flows and the Statement of changes in Equity 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 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) Since the Company's turnover as per the last audited financial statements is less than Rs.50 Crores and its borrowing from banks or financial institutions or any Body Corporate at any time during the year is less than Rs.25 Crores, the Company is exempted from getting report of the auditor with respect to existence of internal financial controls with reference to financial statements of the company and its operating effectiveness of such controls vide notification dated 13th June 2017.
 - g) Matter to be included in the Auditors' Report under Section 197(16) is applicable only to a public limited Company and not to a private limited company. Hence, it is not applicable to the company.
2. 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:
 - a) The Company does not have any pending litigations which would impact its financial position.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
 - d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources 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



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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;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, 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

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- e) The company has neither declared nor paid any dividend during the year.
- f) Based on our examination, which included test checks, and relying on the representations / explanations from the Company, the Company has used accounting software for maintaining its books of account for the financial year ended March 31,2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded.

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

For Bohara Bhandari Bung and Associates LLP

Chartered Accountants

(Firm’s Regn No.008127S/S200013)

Sd/-

CA. Pankaj Kumar Bohara

Partner

Membership No. 215471

Place: Raichur

Date: 22.05.2024

UDIN: 24215471BKGEOW1873

Sravathi Advance Process Technologies Private Limited**Part - I - Balance Sheet**

(All amount are in Indian Rupees unless otherwise stated)

Particulars	Note	As at 31.03.2024	As at 31.03.2023
ASSETS			
Non Current Assets			
(a) Property Plant & Equipment	2	15,96,96,825	17,46,54,268
(b) Capital Work in Progress	3	2,55,858	10,88,344
(c) Intangible assets under development	4	6,94,448	-
(d) Right of Use Asset	5	32,99,146	1,40,21,674
(e) Financial Assets			
- Other financial assets	6	66,82,086	61,12,884
(f) Deferred Tax (Net)	7	5,09,05,103	3,10,31,548
(g) Other Non-curent Assets	8	44,89,484	3,86,100
Total Non-Current Assets		22,60,22,950	22,72,94,818
Current Assets			
(a) Financial Assets			
(i) Trade Receivable	9	2,79,20,144	2,44,36,550
(ii) Cash and Cash Equivalents	10	17,21,909	24,09,389
(b) Other Current Assets	11	2,28,70,565	2,84,91,549
Total Current Assets		5,25,12,618	5,53,37,488
Total Assets		27,85,35,568	28,26,32,306
EQUITY AND LIABILITIES			
A) Equity			
(a) Equity Share Capital	12	12,61,470	10,00,000
(b) Other Equity	13	22,27,52,211	(11,64,75,234)
Total Equity		22,40,13,681	(11,54,75,234)
B) Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	-	34,18,55,263
(ii) Lease Liabilities	15	5,43,453	27,58,284
(b) Long Term Provisions	16	39,34,027	42,68,263
Total Non-Current Liabilities		44,77,480	34,88,81,810
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	1,59,58,465	41,74,368
(ii) Lease Liability	18	29,87,197	1,15,76,254
(iii) Trade Payables	19		
- total outstanding dues of micro enterprises and small enterprises		78,11,053	76,22,147
- total outstanding dues of creditors other than micro enterprises and small enterprises		59,54,078	33,71,104
(iv) Others	20	8,75,441	45,51,686
(b) Other Current Liabilities	21	1,36,39,068	1,65,18,253
(c) Short Term Provisions	22	28,19,105	14,11,919
Total Current Liabilities		5,00,44,408	4,92,25,730
Total Equity & Liabilities		27,85,35,568	28,26,32,306

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
 Firm's registration No.008127S/S200013

For and on behalf of Board of Directors

Sd/-

Sd/-

Sd/-
CA.Pankaj Kumar Bohara
 Partner
 M.No: 215471

Vishnukant C Bhutada
Director
 DIN No.01243391

Kishan Gurram
Managing Director
 DIN No. 06869882

Place : Raichur
 Date: 22.05.2024

Place : Raichur
 Date: 22.05.2024

Sravathi Advance Process Technologies Private Limited**Part - II - Statement of Profit and Loss***(All amount are in Indian Rupees unless otherwise stated)*

Particulars	Note	For the Year ended 31 March 2024	For the Year ended 31 Mar 2023
Revenue			
a) Revenue from operations	23	12,29,99,599	9,19,97,785
b) Other income	24	7,52,155	5,47,062
Total Income		12,37,51,753	9,25,44,847
Expenses			
a) Purchases Stock in Trade	25	58,63,900	76,73,800
b) Employee Benefits Expense	26	9,67,73,951	7,58,78,160
c) Depreciation and Amortisation Expense	2	3,31,92,490	2,72,93,040
d) Finance Cost	27	1,10,29,005	2,07,04,482
e) Other Expenses	28	3,58,89,249	3,47,09,873
Total expenses		18,27,48,596	16,62,59,355
Profit / (Loss) before tax		(5,89,96,843)	(7,37,14,508)
Tax expense			
i) Current Income tax		-	-
ii) Deferred Tax Expense / (reversal)		(1,47,83,350)	(1,83,22,879)
		(1,47,83,350)	(1,83,22,879)
Profit / (Loss) for the Period (A)		(4,42,13,492)	(5,53,91,629)
Other Comprehensive Income (B)			
A) Items that will not be reclassified profit or loss			
- Actuarial Gain / (Loss) for defined benefit plan (net)		13,65,267	(9,85,357)
- Tax effect on the above		(3,54,969)	2,56,193
Total Comprehensive income for the year (A+B)		(4,32,03,195)	(5,61,20,793)
Earning per equity share			
Basic and Diluted EPS per share of Rs.10/- each	36	(372.66)	(561.21)

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for Bohara Bhandari Bung & Associates LLP
Chartered Accountants
Firm's registration No.008127S/S200013

Sd/-

CA.Pankaj Kumar Bohara**Partner**

M.No: 215471

For and on behalf of the Board of Directors

Sd/-

Vishnukant C Bhutada**Director**

DIN No.01243391

Sd/-

Kishan Gurram**Managing Director**

DIN No. 06869882

Place/Camp : Raichur

Date: 22.05.2024

Place/Camp : Raichur

Date: 22.05.2024

Sravathi Advance Process Technologies Private Limited
Cash Flow Statement for the year ended
(All amounts in Indian Rupees unless otherwise stated)

Particulars	31.03.2024	31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	(5,89,96,843)	(7,37,14,508)
Less: Adjustments		
Notional Interest on Security deposits	5,00,902	4,24,328
Unclaimed salary written back	15,536	34,842
Write off Lease Liability	4,172	6,19,738
Sundry credit balances written back	10,402	2,32,228
	(5,95,27,855)	(7,50,25,644)
Add: Adjustments		
Interest	1,10,29,005	2,07,04,482
Unrealized Exchange loss	29,193	-
Provision for Gratuity	14,85,414	16,20,885
Provision for Leave Encashment	3,58,921	4,64,750
Depreciation & Amortisation	3,31,92,490	2,72,93,040
Provision for Doubtful Debts	15,00,000	-
Loss on sale of assets	-	43,974
Asset Written off	-	5,50,658
Operating profit before working capital changes & Other Adjustments	(1,19,32,832)	(2,43,47,855)
Adjustments for Increase / (Decrease) in Operating Liabilities		
Trade Payables	27,82,283	79,40,234
Other Non-Current Liabilities	-	-
Other Financial Liabilities	(36,76,245)	(84,91,097)
Other Current Liabilities	(28,63,649)	19,74,230
Short Term Provision	6,32,574	(16,53,569)
Other Liabilities & Provisions	(38,691)	(5,307)
Adjustments for (Increase) / Decrease in Operating Receivables		
Non-current Financial Assets	(68,300)	(1,500)
Other Non Current Assets	(41,03,384)	13,53,719
Trade Receivables	(50,12,787)	(2,24,93,550)
Other Current Assets	26,23,088	46,46,776
	(2,16,57,943)	(4,10,77,919)
Less: Income Taxes (Net)	29,97,896	(46,76,104)
Net Cash flow from Operating activities	(1,86,60,047)	(4,57,54,023)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(82,06,968)	(11,72,43,777)
Capital Work in Progress	8,32,486	8,03,09,031
Sale of Fixed Assets	-	5,27,077
Net cash flow (used in) Investing Activities	(73,74,482)	(3,64,07,670)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Short term Borrowing	1,17,84,097	41,74,368
Issue of Compulsorily Convertible Preference Shares	(37,32,50,000)	8,89,00,000
Proceeds from Issue of Equity Share Capital	2,61,470	-
Finance Cost	(6,14,962)	(82,868)
Issue of Shares at Securities Premium	39,87,38,530	-
Payment of Lease Liabilities	(1,15,72,086)	(1,07,29,879)
Net cash flow from/(Used in) Financing Activities	2,53,47,049	8,22,61,622
Net Increase/(decrease)in Cash and Cash Equivalents	(6,87,480)	99,929
Cash & Cash Equivalents at the Beginning of the year	24,09,389	23,09,460
Cash & Cash Equivalents at the End of the year	17,21,909	24,09,389
Components of Cash and Cash Equivalents	31.03.2024	31.03.2023
Cash on Hand	3,290	18,365
Cash at Banks		
a) In Current Account	17,18,619	23,91,024
Total Cash and Cash Equivalents	17,21,909	24,09,389

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities	31.03.2024	31.03.2023
Opening Balance	34,18,55,263	24,44,33,968
Cash flows	(37,32,50,000)	8,89,00,000
Non-cash movements	3,13,94,737	85,21,295
Closing balance	-	34,18,55,263

The accompanying notes are an integral part of the financial statements

Cash Flow statement has been prepared under Indirect method as per Ind AS-7 "Statement of Cash flows " as prescribed under Companies (Indian Accounting Standard) Rules, 2015.

As per our report of even date attached
For **Bohara Bhandari Bung & Associates LLP**
Chartered Accountants
Firm's registration No.008127S / S200013

For and on behalf of the Board of Directors

Sd/-
CA.Pankaj Kumar Bohara
Partner
M.No: 215471

Sd/-
Vishnukant C Bhutada
Director
DIN No.01243391

Sd/-
Kishan Gurram
Managing Director
DIN No. 06869882

Place : Raichur
Date: 22.05.2024

Place : Raichur
Date: 22.05.2024

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Company Overview

Sravathi Advance Process Technologies Private Limited was incorporated in FY 2018-19. Company Corporate office has been shifted from 1st Floor & Unit-1 R&D is located at 2nd & 3rd Floor, No. 113/40, Industrial Town, Rajajinagar in Bengaluru to Plot No.63B, Bommasandra Industrial Estate, Attibele Hobli Taluk, Bangalore South, Bengaluru with a built-up facility of about 7000 sq.ft for office & 18000 sq.ft for R&D and can embrace total strength of 50+ employees. Global Advanced process Innovator with Competitive Advantage in Pharmaceuticals, fine chemicals, high value chemicals, petrochemicals, agro chemicals, flavors and fragrances. Having 3 technocrats each having more than two decades of global experience and expertise gained from world reputed multinational companies. The company is MSME, which provides advanced differentiated process technologies, research and development support for Sravathi's businesses.

Sravathi's aim is to contribute to the enhancement of quality of life through creation of innovative advanced technologies using state-of-art techniques such as Artificial Intelligence and Process Intensification and through the provision of pharmaceuticals and other chemicals addressing diverse needs of people.

Sravathi is a dynamic organization with a blend of employees with varied backgrounds, experience levels, expertise & competencies in different scientific fields. We have doctorates in science and engineering with applied research experience in respective fields and young graduates and postgraduates with an attitude to achieve excellence. Our multi-disciplinary skills in Research and development include capabilities in:

1. Advanced Synthetic Chemistry - Lab scale from grams to kilograms scale.
2. Process development and Process Intensification – Lab Screening modules and Bench Scale Modules.
3. Data Sciences and Predictive Chemistry.
4. Analytical chemistry.

Our highly experienced multi-disciplinary teams ensure development of novel advanced differentiated process intensification technologies from reaction section to downstream section, scalability, CDP, BEP and support in building scale-up facilities.

Shilpa Medicare Limited holding the Equity Share by 65% in SRAVATHI.

2. Basis of Preparation of Financial Statements

a) Statement of Compliance

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.

These financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting

date, March 31, 2024. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of the Company for the year ended March 31, 2024 were approved by the Board of Directors on May 22, 2024.

b) Basis of Measurement

The financial statements have been prepared on the historical cost basis ((i.e., on accrual basis), except for the following assets and liabilities which have been measured at fair value, wherever applicable.

- Derivative financial instruments
- Certain financial assets / liability measured at fair value.
- Defined Benefit Plan's at fair value less present value of defined obligations.

c) Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency for the Company. All amounts have been rounded-off to the nearest lakhs unless otherwise stated.

d) Current non-current classification

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

An asset is current when it satisfies the below mentioned criteria :

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- (ii) Held primarily for the purpose of trading, or
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when it satisfies the below mentioned criteria :

- (i) Expected to be settled in normal operating cycle, or
- (ii) Held primarily for the purpose of trading, or
- (iii) Due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

e) Use of accounting Estimates and Judgments:

The preparation of the standalone financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

The areas involving critical estimates or judgments are:

- Estimation of Useful life of Property, plant and equipment and intangibles (Note 3.(a) & (b))
- Estimation of impairment (Note 3(d))
- Leases (Note 3(e))
- Recognition of deferred taxes (Note 3(j))
- Estimation of provision (Note 3(l))

3. Material Accounting Policies

a) 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. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalized. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- v. Any gain or loss on disposal of an item of property plant & equipment is recognized in statement of profit & loss account.
- vi. Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

- vii. Depreciation is calculated on items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight-Line Method (SLM) prescribed in Schedule II of the Companies Act 2013, with exception of those assets whose useful life is ascertain by the management. Freehold land is not depreciated.
- viii. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.
- ix. The Company follows the policy of charging depreciation on pro-rate basis on the assets acquired or disposed of during the year.

Estimated useful life considered during the year is as follows:

Assets Description	Management estimate of useful life	Useful life as per schedule II
Buildings		
Borewells	-	-
Factory buildings	30	30
Roads	-	-
Non factory buildings	-	-
Plant and Equipment		
Process Machinery	8-20	8-20
Lab Equipments	8-20	8-20
Others	20	20
Furniture & Fixtures	10	10
Vehicles	-	-
Office Equipment	05	05
Data Processing equipment		
Servers	06	06
Computers & Peripherals	03	03

b) Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Intangible Assets are stated at cost less accumulated amortization. Cost includes only such expenditure that is directly attributable to making the asset ready for its intended use. Intangible assets are amortized over their useful life. Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use. Intangible Assets include capitalized expenditure on filing and registration of any patents or any other significant amount incurred, which are in respect of products for which commercial value has been established by virtue of third-party agreements / arrangements. Amortization of capitalized development expenditure is recognized on a straight-line basis, over the useful life of the asset. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

c) Research and Development Research:

All expenditure on research activities is recognized in the Profit and Loss Statement when incurred.

Development:

Expenditure on development activities is also recognized in the Profit and Loss Statement in the year such expenditure is incurred. However, development expenditure is capitalized only in cases where such costs can be measured reliably, the technological feasibility has been established in respect of the product or process for which costs are incurred, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Payments to third parties that generally take the form of up-front payments and milestones for in-licensed product are capitalized. The Company's criteria for capitalization of such assets are consistent with the guidance given in paragraph 25 of Ind AS 38 (receipt of economic benefit out of the separately purchased transaction is considered to be probable).

Acquired research and development intangible assets that are under development are recognized as Intangible Assets under Development. These assets are not amortized, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Where a determination of impairment in respect of any such asset is made, the impairment of such asset is recognized in the Profit and Loss Statement in the year in which such determination is made. Where a determination is made to the effect that future economic benefits are probable, the total cost is capitalized in the year in which such determination is made. Amortization of capitalized development expenditure is recognized on a straight-line basis, over the useful life of the asset.

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) Leases

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's borrowing rate. Generally, the company uses its borrowing rate as the discount rate. Lease payments are included in the measurement of the lease liability

f) 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.

Company deploys revenue recognition both as (a) over a period of time, and (b) at a point of time, as considered appropriate to the nature of product / service delivered to the customer.

Company determines the performance obligations, considering the nature and scope of each contract.

i. Development Revenue

Development revenues are recognized over the time period of the development activity and are recognized on the completion of each milestone as per term of the agreement.

ii. Sale of products:

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

ii. Other Income and expense

Interest Income or expense is recognized using the Effective interest rate (EIR) method.

g) 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 recognised in the Statement of Profit and Loss in the period in which they arise as income or as expense.

h) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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

i) 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.

I. 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:

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

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:

- Trade receivables
- Other financial assets

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

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 recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

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.

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 Derecognition. On Derecognition 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:

- Lease receivables under Ind AS 17.
- Trade receivables or any contractual right to receive cash or another financial asset.

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 are measured at fair value with all changes in fair value recognised 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 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.

j) Taxes on Income:

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

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

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

— temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction; and

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

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

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

k) Employee Benefits:

i. Short term employee benefits

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

ii. Post-employment benefits:

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

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. Presently, the gratuity is non-funded.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense

(income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

l) 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 recognised but are disclosed in the notes.

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of the pending matters with accuracy.

m) 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.

n) Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

o) Cash and Cash Equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk. Cash flow statement is prepared under the indirect method as per Ind AS 7, For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

p) Offsetting

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

q) Recent accounting pronouncements:

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

2 Property, Plant & Equipment

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block			
	As at 01/04/2023	Additions	Deletions	As at 31/03/2024	As at 01/04/2023	For the period	Deduction/Adjustment during the year	As at 31/03/2024	As at 31/03/2024	As at 31/03/2023
Tangible Assets										
Owned										
a) Plant & Machinery	32,04,029	22,955	-	32,26,984	2,32,051	2,04,553	-	4,36,604	27,90,380	29,71,978
b) Electrical Installation	46,42,568	25,200	-	46,67,768	6,82,913	4,44,404	-	11,27,317	35,40,451	39,59,655
c) Computer	97,44,079	1,85,600	-	99,29,679	47,29,551	20,76,055	-	68,05,607	31,24,072	50,14,527
d) Furniture & Fittings	2,11,84,292	1,69,590	-	2,13,53,882	47,24,768	20,29,070	-	67,53,838	1,46,00,044	1,64,59,523
e) Office Equipment	23,54,807	21,263	-	23,76,070	10,86,972	4,50,405	-	15,37,376	8,38,693	12,67,837
f) Lab Equipments-Local	12,01,36,911	69,66,836	-	12,71,03,747	1,45,01,557	1,19,01,785	-	2,64,03,342	10,07,00,405	10,56,35,354
g) Lab Equipments-Import	4,67,18,615	1,21,076	-	4,68,39,691	1,07,37,710	44,52,243	-	1,51,95,953	3,16,43,737	3,59,80,905
h) Lease Hold Improvement	39,58,480	-	-	39,58,480	5,93,992	9,05,447	-	14,99,440	24,59,040	33,64,488
Sub-Total	21,19,43,781	75,12,520	-	21,94,56,301	3,72,89,515	2,24,69,962	-	5,97,59,477	15,96,96,824	17,46,54,266
Less: Transferred to Pre-Operative	21,19,43,781	75,12,520	-	21,94,56,301	3,72,89,515	2,24,69,962	-	5,97,59,477	15,96,96,824	17,46,54,266

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block			
	As at 01/04/2022	Additions	Deletions	As at 31/03/2023	As at 01/04/2022	For the period	Deduction/Adjustment during the year	As at 31/03/2023	As at 31/03/2023	As at 31/03/2022
Tangible Assets										
Owned										
a) Plant & Machinery	4,98,727	31,66,610	4,61,308	32,04,029	70,961	1,65,870	4,780	2,32,051	29,71,978	4,27,766
b) Electrical Installation	14,84,028	31,58,540	-	46,42,568	3,17,100	3,65,813	-	6,82,913	39,59,655	11,66,928
c) Computer	58,01,408	39,42,670	-	97,44,079	24,88,596	20,40,955	-	47,29,551	50,14,527	33,12,812
d) Furniture & Fittings	1,41,45,977	70,38,314	-	2,11,84,292	28,87,436	18,37,332	-	42,24,768	1,64,59,523	1,12,58,541
e) Office Equipment	16,54,653	7,00,155	-	23,54,807	6,75,501	4,11,471	-	10,86,972	12,67,837	9,79,152
f) Lab Equipments-Local	3,96,43,205	8,13,20,431	8,26,725	12,01,36,911	56,91,463	89,71,639	1,61,544	1,45,01,557	10,56,35,354	3,39,51,743
g) Lab Equipments-Import	3,07,52,089	1,59,66,526	-	4,67,18,615	66,77,608	40,60,102	-	1,07,37,710	3,59,80,905	2,40,74,481
h) Lease Hold Improvement	1,80,563	37,77,917	-	39,58,480	7,284	5,86,708	-	5,93,992	33,64,488	1,73,279
Sub-Total	9,41,60,650	11,90,71,163	12,88,033	21,19,43,781	1,88,15,949	1,86,39,890	1,66,324	3,72,89,515	17,46,54,266	7,53,44,701
Less: Transferred to Pre-Operative	9,41,60,650	11,90,71,163	12,88,033	21,19,43,781	1,88,15,949	1,86,39,890	1,66,324	3,72,89,515	17,46,54,266	7,53,44,701

5 Right of Use Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	As at 01/04/2023	Additions	Deletions	As at 31/03/2024	As at 01/04/2023	For the period	Deduction/Adjustment during the year	As at 31/03/2024	As at 31/03/2024	As at 31/03/2023
Building	3,80,93,913	-	-	3,80,93,913	2,40,72,255	1,07,22,532	-	3,47,94,787	32,99,126	1,40,21,674
Less: Transferred to Pre-Operative	3,80,93,913	-	-	3,80,93,913	2,40,72,255	1,07,22,532	-	3,47,94,787	32,99,126	1,40,21,674
	3,80,93,913	-	-	3,80,93,913	2,40,72,255	1,07,22,532	-	3,47,94,787	32,99,126	1,40,21,674

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	As at 01/04/2022	Additions	Deletions	As at 31/03/2023	As at 01/04/2022	For the period	Deduction/Adjustment during the year	As at 31/03/2023	As at 31/03/2023	As at 31/03/2022
Building	3,22,02,181	74,21,916	15,30,184	3,80,93,913	1,35,91,718	1,04,80,537	-	2,40,72,255	1,40,21,674	1,86,10,463
Less: Transferred to Pre-Operative	3,22,02,181	74,21,916	15,30,184	3,80,93,913	1,35,91,718	1,04,80,537	-	2,40,72,255	1,40,21,674	1,86,10,463
	3,22,02,181	74,21,916	15,30,184	3,80,93,913	1,35,91,718	87,27,642	-	2,23,19,360	1,40,21,674	1,86,10,463

Sravathi Advance Process Technologies Private Limited

(All amounts in Indian rupees, except share data and where otherwise stated)

3 Capital Work in Progress

Particulars	31-03-2024	31-03-2023
Lab Equipment Under Errection	2,55,858	-
Office Equipment Under Errection	-	10,88,344
TOTAL	2,55,858	10,88,344

4 Intangible assets under development

Particulars	31-03-2024	31-03-2023
Patent	6,94,448	-
TOTAL	6,94,448	-

6 Other Financial Assets (Refer Note no 38)

Particulars	31-03-2024	31-03-2023
Security Deposit (unsecured, considered good)		
a) Rental deposits	64,19,787	59,18,885
b) Miscellaneous Deposits	2,62,299	1,93,999
TOTAL	66,82,086	61,12,884

7 Deferred Taxes (Net)

Particulars	31-03-2024	31-03-2023
a) Deferred Tax Asset	5,57,58,946	4,33,59,466
b) Deferred Tax Liability	48,53,843	1,23,27,918
TOTAL	5,09,05,103	3,10,31,548

8 Other Non- Curent Assets

Particulars	31-03-2024	31-03-2023
a) Prepaid Expenses	-	18,000
d) GST Refund receivable	44,89,484	3,68,100
TOTAL	44,89,484	3,86,100

9 Trade Receivable (Refer Note no 38)

Particulars	31-03-2024	31-03-2023
a) Trade Receivable - Considered Good Unsecured	2,79,20,144	2,44,36,550
b) Trade Receivable - Considered Doubtful	15,00,000	-
	2,94,20,144	2,44,36,550
c) Provision for Doubtful Debts	(15,00,000)	-
TOTAL	2,79,20,144	2,44,36,550

10 Cash and Cash Equivalents

Particulars	31-03-2024	31-03-2023
a) Cash on hand	3,290	18,365
b) Balance with banks in current account	17,18,619	23,91,024
TOTAL	17,21,909	24,09,389

11 Other Current Assets

Particulars	31-03-2024	31-03-2023
a) Pre-Paid Expense	6,97,049	7,66,645
b) GST - Input (Net)	1,80,75,489	2,08,38,196
c) TDS/TCS deducted by Party	31,96,072	61,93,968
Advance to Others		
a) Advance to Employees	4,46,000	6,49,590
b) Advances to Suppliers	4,55,955	43,150
TOTAL	2,28,70,565	2,84,91,549

Sravathi Advance Process Technologies Private Limited

(all amounts in Indian rupees, except share data and where otherwise stated)

12 Equity Share Capital

Particulars	As at	As at
	31.03.2024	31.03.2023
Authorised share Capital		
1,50,000 (PY 1,00,000) Equity Share of Rs. 10/- each par value	15,00,000	10,00,000
39,90,000 Preference Share of Rs. 100/- each par value	39,90,00,000	39,90,00,000
	40,05,00,000	40,00,00,000
Issued subscribed & fully paid up		
1,26,147(PY 1,00,000) Equity Share of Rs. 10/- each par	12,61,470	10,00,000
TOTAL	12,61,470	10,00,000

(a) Reconciliation of the number of shares.

Particulars	As at 31.03.2024		As at 31.03.2023	
	Nos	Amount	Nos	Amount
Shares outstanding at the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000
Equity Shares				
Shares issued during the year	26,147	2,61,470	-	-
Equity Shares				
Shares outstanding at the end of the year	1,26,147	12,61,470	1,00,000	10,00,000

(b) Equity Shareholders holding more than 5% shares in the Company

Particulars	As at 31.03.2024		As at 31.03.2023	
	Nos	% of Holding	Nos	% of Holding
1) Shilpa Medicare Limited	81996	65	65000	65
2) Dr. Kishan Gurram	21445	17	17000	17
3) Dr. Ramanarayanan G V	11353	9	9000	9
4) Dr. Sivakumar Sreeramagiri	11353	9	9000	9

Rights and Restrictions attached to Equity Shares

The Company has issued Equity shares having face value of Rs.10/- per share. Each Share Holder is eligible for one vote per share. In case dividend is proposed by the Company it will be subject to the approval of the Board of Directors. In the event of liquidation, the equity share holders are eligible to receive balance assets remaining after repayment to all the preferential share capital holders, in the in proportion to their equity holding.

c) The details of shareholding of promoters is as shown below;

Name of Promoter	As at 31 March 2024		
	No. of Shares held	% of holding	% of change during the year
1) Shilpa Medicare Limited	81,996	65%	-
2) Dr. Kishan Gurram	21,445	17%	-
3) Dr. Ramanarayanan G V	11,353	9%	-
4) Dr. Sivakumar Sreeramagiri	11,353	9%	-
	1,26,147	100%	

Name of Promoter	As at 31 March 2023		
	No. of Shares held	% of holding	% of change during the year
1) Shilpa Medicare Limited	65,000	65%	-
2) Dr. Kishan Gurram	17,000	17%	-
3) Dr. Ramanarayanan G V	9,000	9%	-
4) Dr. Sivakumar Sreeramagiri	9,000	9%	-
	1,00,000	100%	

Sravathi Advance Process Technologies Private Limited
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13 Statement of Changes in Equity

a. Equity Share Capital

Particulars	As at 31.03.2024	As at 31.03.2023
Balance at the beginning of the reporting period	10,00,000	10,00,000
Changes in equity share capital during the year	2,61,470	-
Balance at the end of the reporting period	12,61,470	10,00,000

b. Other Equity

Particulars	Retained Earnings (Note No.b(i))	Securities Premium	FV of Pref Share Liability (Note No.b(ii))	Exchange difference on translating the financial statement of foreign operation	OCI Acturial Gain / (Loss) on Defined Benefit Plan	31.03.2024
Balance at the beginning of the Reporting period	(17,09,00,521)	-	5,45,85,968	-	(1,60,681)	(11,64,75,234)
Addition during the year	-	37,42,95,558	26,89,913	-	-	37,69,85,471
Total Comprehensive income for the year	(4,42,13,492)	-	-	-	10,10,298	(4,32,03,195)
Dividends	-	-	-	-	-	-
Deferred tax on FV of Pref Share liability	-	-	54,45,169	-	-	54,45,169
Transfer to retained earning / Securities Premium A/c For the year	3,82,78,078	2,44,42,972	(6,27,21,050)	-	-	-
	-	-	-	-	-	-
Balance at the end of the reporting period	(17,68,35,935)	39,87,38,530	0	-	8,49,616	22,27,52,210.72

Particulars	Retained Earnings (Note No.b(i))	Securities Premium	FV of Pref Share Liability (Note No.b(ii))	Exchange difference on translating the financial statement of foreign operation	OCI Acturial Gain / (Loss) on Defined Benefit Plan	31.03.2023
Balance at the beginning of the Reporting period	(11,55,08,892)	-	4,63,90,731	-	5,68,483	(6,85,49,678)
Addition during the year	-	-	1,10,74,644	-	-	1,10,74,644
Total Comprehensive income for the year	(5,53,91,629)	-	-	-	(7,29,164)	(5,61,20,793)
Dividends	-	-	-	-	-	-
Deferred tax on FV of Pref Share liability	-	-	(28,79,408)	-	-	(28,79,408)
Transfer to retained earning	-	-	-	-	-	-
For the year	-	-	-	-	-	-
Balance at the end of the reporting period	(17,09,00,521)	-	5,45,85,968	-	(1,60,681)	(11,64,75,234)

Note :-

i. Retained Earnings:

This Reserve represents the cumulative profits of the Company. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

ii. FV of Pref share Liability:

a.) This represents the fair value difference of Compulsorily Convertible Preference shares which have been designated as Financial liability. The same would be transferred to Retained earnings at the time of conversion of Pref shares into equity. The same have been disclosed net of taxes.

Sravathi Advance Process Technologies Private Limited

(All amounts in Indian rupees, except share data and where otherwise stated)

13 Other Equity	For the Year ended	For the Year ended
Particulars	31-03-2024	31-03-2023
Securities Premium Account	39,87,38,530	-
FV of Pref Share Liability	-	5,45,85,968
Retained Earnings	(17,68,35,935)	(17,09,00,521)
OCI Actuarial Gain / (Loss) on Defined Benefit Plan	8,49,616	(1,60,681)
TOTAL	22,27,52,211	(11,64,75,234)

14 Borrowings

Particulars	31-03-2024	31-03-2023
a) 0.1% Non Cumulative, Non participating, compulsory Convertible Pref. Share Capital (Refer Note No.42)	-	34,18,55,263
TOTAL	-	34,18,55,263

15 Lease Liability

Particulars	31-03-2024	31-03-2023
a) Lease Liability	5,43,453	27,58,284
TOTAL	5,43,453	27,58,284

16 Provisions

Particulars	31-03-2024	31-03-2023
<u>Provision for Employee Benefits</u>		
a) Provision for Gratuity	32,88,276	36,41,333
b) Provision for Leave Encashment	6,45,751	6,26,930
TOTAL	39,34,027	42,68,263

17 Borrowings (Refer Note no 38)

Particulars	31-03-2024	31-03-2023
<u>Unsecured loans</u>		
From Directors	1,59,58,465	41,74,368
<u>Terms of repayment</u>		
The loan is repayable Along with Interest @ 7.5% p.a on demand as per the agreement entered		
TOTAL	1,59,58,465	41,74,368

18 Lease Liability

Particulars	31-03-2024	31-03-2023
a) Lease Liability	29,87,197	1,15,76,254
TOTAL	29,87,197	1,15,76,254

19 Trade Payables (Refer Note no 38)

Particulars	31-03-2024	31-03-2023
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	78,11,053	76,22,147
b) Trade Payables -others	59,54,078	33,71,103
TOTAL	1,37,65,131	1,09,93,250

20 Other Financial Liabilities

Particulars	31-03-2024	31-03-2023
a) Capital Creditors	-	39,55,925
b) Misc. Deposits From Vendors	25,000	25,000
c) Advance to employees against expenses	8,50,441	5,70,761
TOTAL	8,75,441	45,51,686

Sravathi Advance Process Technologies Private Limited

(All amounts in Indian rupees, except share data and where otherwise stated)

21 Other Current Liabilities	For the Year ended	For the Year ended
Particulars	31-03-2024	31-03-2023
a) Tax deduction at Source	23,24,406	14,53,734
b) Professional Tax payable	20,600	24,200
c) Deferred Revenue Income	25,66,977	62,26,022
d) Employee Benefit Liability	73,84,136	56,97,453
e) Unclaimed Salary / Bonus	13,42,949	60,735
f) Advance from Customers	-	30,56,109
TOTAL	1,36,39,068	1,65,18,253

22 Provisions

Particulars	31-03-2024	31-03-2023
<u>Provision for Employee Benefits</u>		
a) Provision For Leave Encashment	2,85,236	1,83,174
b) Provident Fund	13,42,501	7,23,233
c) Provision for Gratuity	7,60,575	88,024
<u>Other Provisions</u>		
a) Provision For Audit Fee	74,250	67,500
b) Provision For Expenses	3,56,543	3,49,988
TOTAL	28,19,105	14,11,919

23 Revenue from Operations

Particulars	31-03-2024	31-03-2023
a) Sale of Goods	91,10,000	53,29,002
b) Sale of Services (PDC)	11,38,89,599	8,66,68,783
TOTAL	12,29,99,599	9,19,97,785

Disaggregation of revenue on the basis of

Revenues by Geographical Market	31-03-2024	31-03-2023
Within India	4,49,92,647	8,35,15,385
Outside India	7,80,06,952	84,82,400

24 Other Income

Particulars	31-03-2024	31-03-2023
a) Notional Interest on Security Deposit	5,00,902	4,24,328
b) Unclaimed Salary /Creditors written back	25,938	34,842
c) Scrap Sales	69,427	76,016
d) Interest Income on income tax refund	1,55,888	11,876
TOTAL	7,52,155	5,47,062

25 Purchase of Stock in Trade

Particulars	31-03-2024	31-03-2023
a) Purchase Stock in Trade	58,63,900	76,73,800
TOTAL	58,63,900	76,73,800

26 Employee Benefits Expense

Particulars	31-03-2024	31-03-2023
a) Salaries & Wages	8,85,47,488	6,86,91,896
b) Contribution To Provident Fund/ Other Fund	44,42,482	36,26,049
c) Staff Welfare Expenses	22,98,567	19,39,330
d) Contribution To Gratuity	14,85,414	16,20,885
TOTAL	9,67,73,951	7,58,78,160

Sravathi Advance Process Technologies Private Limited

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27 Finance Cost	For the Year ended	For the Year ended
Particulars	31-03-2024	31-03-2023
a) Notional Interest on Leases Liability	7,72,366	10,25,673
b) Interest on Pref Share liability	96,41,677	1,95,95,941
c) Interest Charges	6,14,962	82,868
TOTAL	1,10,29,005	2,07,04,482

28 Other expenses

Particulars	31-03-2024	31-03-2023
a) Power And Fuel	39,09,497	30,09,836
b) Repairs & Maintenance		
i) Buildings	37,964	42,606
ii) Machinery	4,21,999	5,71,907
iii) Others	27,55,597	16,65,454
c) Rent	13,015	1,82,875
d) Advertisement & Promotion	-	10,52,403
e) Traveling And Conveyance	13,37,496	17,62,687
f) Payment to Auditor (Refer Note 29)	1,27,500	1,42,500
g) Research & Development Expenses	1,25,55,943	1,11,39,330
h) Transportation Charges	99,464	25,946
i) Exchange Loss / (Gain)	(3,76,454)	1,40,029
j) Professional & Consultancy	57,64,002	61,90,545
k) Rates & Taxes	61,379	8,92,000
l) Security & Housekeeping charges	25,83,069	24,48,192
m) Books & Periodicals	23,73,693	30,22,798
n) Miscellaneous Exp	14,95,120	4,74,475
o) Printing and Stationery	2,20,754	1,89,750
p) Insurance Charges	2,32,816	1,09,460
q) Loss on sale of Asset	-	43,974
r) Fire & Safety Exp	7,76,396	10,52,448
s) Provision for Doubtful debts	15,00,000	-
t) Assets Written Off	-	5,50,658
TOTAL	3,58,89,249	3,47,09,873

29 Payment to Statutory Auditors *

Particulars	31-03-2024	31-03-2023
a) Statutory Audit	75,000	75,000
b) Limited Review Report	-	22,500
c) Tax Audit	20,000	20,000
d) Certification & Other Matters	32,500	25,000
TOTAL	1,27,500	1,42,500

* Excluding GST

Sravathi Advance Process Technologies Private Limited
(All amount are in Indian Rupees unless otherwise stated)

30 **Employee Benefits**

I) Defined Contribution Plan	Year ended	Year ended
Particulars	31st March, 2024	31st March, 2023
Provident Fund	44,42,482	36,26,049
Total	44,42,482	36,26,049

II) DEFINED BENEFIT PLAN (GRATUITY)	Year ended	Year ended
Movement of Present value of the Defined Benefit Obligation	31st March, 2024	31st March, 2023
i) Change in Defined Benefit Obligation		
Obligations at Period Beginning	37,29,358	10,46,405
Service Cost	12,04,593	15,43,556
Interest on Defined Benefit Obligation	2,80,821	77,329
Benefits Settled	-	-
Actuarial (Gain)/Loss	-11,65,920	10,62,068
Obligations at Period End	40,48,852	37,29,358
ii) Change in Plan Assets		
Plans Assets at Period Beginning, at Fair value	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	11,65,920	(10,62,068)
Employer Contribution	-	-
Benefits Payout	-	-
Plans Assets at Period End, at Fair Value	11,65,920	(10,62,068)
iii) Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets:		
Closing PBO	40,48,852	37,29,358
Closing Fair value of Plan Assets	-	-
Closing Funded Status	(40,48,852)	(37,29,358)
Unrecognised actuarial (Gains)/Losses		
Net Asset/(Liability) Recognized in the Balance Sheet	(40,48,852)	(37,29,358)
iv) Expenses Recognised in the P & L Account		
Service Cost	12,04,593	15,43,556
Interest Cost	2,80,821	77,329
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	(11,65,920)	10,62,068
Net Gratuity Cost	3,19,494	26,82,953
C. Principal Actuarial Assumptions		
Interest Rate		
	7.24%	7.53%
Discount rate (based on the market yields available on Government bond at the accounting date with a term that matches that of the Liabilities)		
Expected rate of return on assets	0%	0%
Salary escalation (taking into account inflation, seniority, promotion And other relevant factors)	12%	12%
Attrition rate of employees	36%	15%
Retirement age of employees (Years)	60	60

Actuarial gain/loss is recognised immediately. The estimates of salary increase, inflation, promotion, Seniority etc is taken into account for the purpose of calculating the provision for gratuity liability based on actuarial valuation. The Company has unfunded scheme for payment of gratuity to all eligible employees 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.

Sensitivity Analysis

The Sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as

Particulars	Year ended 31.03.2024		
	Increase/(decrease) in DBO	Liability	Increase/(decrease) in DBO
Discount Rates - Up by 1%	-3.01%	39,27,175	(1,21,870)
Discount Rates - Down by 1%	3.21%	41,78,717	1,29,968
Salary growth rate- Up by 1%	3.37%	41,85,243	1,36,446
Salary growth rate - Down by 1%	-3.38%	39,11,881	(1,36,851)
Attrition rate - Up by 1%	-1.03%	40,07,258	(41,703)
Attrition rate - Down by 1%	1.06%	40,91,957	42,918
Sensitivity analysis of significant actuarial assumptions is computed by varying one actuarial assumptions used for the valuation of defined benefit obligation by 100 basis points, keeping all other actuarial assumptions constant.			

Particulars	Year ended 31.03.2023		
	Increase/(decrease) in DBO	Liability	Increase/(decrease) in DBO
Discount Rates - Up by 1%	-6.68%	34,80,241	(2,49,121)
Discount Rates - Down by 1%	7.58%	40,11,943	2,82,685
Salary growth rate- Up by 1%	7.67%	40,15,231	2,86,042
Salary growth rate - Down by 1%	-6.93%	34,71,065	(2,58,444)
Attrition rate - Up by 1%	-2.70%	36,28,669	(1,00,693)
Attrition rate - Down by 1%	2.92%	38,38,206	1,08,897
Sensitivity analysis of significant actuarial assumptions is computed by varying one actuarial assumptions used for the valuation of defined benefit obligation by 100 basis points, keeping all other actuarial assumptions constant.			

31 Fair value measurement hierarchy:

Particulars	Carrying Amount			Total
	FVTPL (Level-2)	FVTOCI	Amoritised Cost	
Financial Assets				
31-03-2024	-	-	-	-
Non-current investments	-	-	-	-
Current investment	-	-	-	-
Trade receivable	-	-	2,79,20,144	2,79,20,144
Cash & bank balance	-	-	17,21,909	17,21,909
Other financial assets	-	-	66,82,086	66,82,086
	-	-	3,63,24,139	3,63,24,139
Financial Liability.				
Non-current Financial Liability	-	-	-	-
- Borrowings (Level 2)	-	-	-	-
- Others (Level 2)	5,43,453	-	-	5,43,453
Current Liability				
- Borrowings (Level 2)	-	-	1,59,58,465	1,59,58,465
- Trade payables	-	-	1,37,65,131	1,37,65,131
- Other financial liabilities (Level 2)	29,87,197	-	8,75,441	38,62,638
	35,30,650	-	3,05,99,037	3,41,29,687
31-03-2023	-	-	-	-
Non-current investments	-	-	-	-
Current investment	-	-	-	-
Trade receivable	-	-	2,44,36,550	2,44,36,550
Cash & bank balance	-	-	24,09,389	24,09,389
Other financial assets	-	-	61,12,884	61,12,884
	-	-	3,29,58,823	3,29,58,823
Financial Liability.				
Non-current Financial Liability	-	-	-	-
- Borrowings (Level 2)	34,18,55,263	-	-	34,18,55,263
- Others (Level 2)	27,58,284	-	-	27,58,284
Current Liability				
- Borrowings (Level 2)	-	-	41,74,368	41,74,368
- Trade payables	-	-	1,09,93,251	1,09,93,251
- Other financial liabilities (Level 2)	1,15,76,254	-	45,51,686	1,61,27,940
	35,61,89,801	-	1,97,19,305	37,59,09,106

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

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 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

The Company does not operate internationally, however it is exposed to foreign exchange risk through importing services & rendering services in foreign currency. However, the company has no Forward/hedge agreements.

Particulars	31-03-2024		
	USD	EURO	YEN
Financial Assets			
Loan	-	-	-
Trade receivables	248850	-	-
Cash and cash equivalents	-	-	-
Financial liabilities			
Trade payables	12,689.50	-	-
Other current financial liabilities	-	-	-
Total	2,36,161	-	-

Sensitivity analysis

Sensitivity analysis of 1% change in exchange rate at the ending of the reporting period net of hedges.

Particulars	Impact on Profit & Loss	Impact on other component of equity
	31-03-2024	31-03-2024
USD -Sensitivity		
Increase by 1% Gain	1,94,242	-
Decrease by 1% (loss)	(1,94,242)	-
Euro -Sensitivity		
Increase by 1% Gain	-	-
Decrease by 1%(loss)	-	-
YEN -Sensitivity		
Increase by 1% Gain	-	-
Decrease by 1%(loss)	-	-

Particulars	31-03-2023		
	USD	EURO	YEN
Financial Assets			
Loan	-	-	-
Trade receivables	29,000	-	-
Cash and cash equivalents	-	-	-
Financial liabilities			
Trade payables	-	-	-
Other current financial liabilities	-	-	-
Total	29,000	-	-

Sensitivity analysis

Sensitivity analysis of 1% change in exchange rate at the ending of the reporting period net of hedges.

Particulars	Impact on Profit & Loss	Impact on other component of equity
	31-03-2023	31-03-2023
USD -Sensitivity		
Increase by 1% Gain	23,766	-
Decrease by 1% (loss)	(23,766)	-
Euro -Sensitivity		
Increase by 1% Gain	-	-
Decrease by 1%(loss)	-	-
YEN -Sensitivity		
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 end 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. Since we don't have floating rate borrowings both in the current year and previous year disclosure is not applicable.

(iii) Price Risk

Company does not have any exposure to price risk, as there is no market based equity instrument made by the Company.

(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 is arises from its operation activity primarily from trade receivable. 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 customer are regularly monitored to mitigate the risk of liquidity

(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 paying liability when they are due, under normal and stressed condition without incurring losses and risk.

Maturity profile of loans and financial liabilities as on March 31, 2024

Particulars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Short term borrowings	1,59,58,465	-	-	-
Long term borrowings	-	-	-	-
Trade payable	-	1,37,65,131	-	-
Other financial liability	-	1,36,39,068	-	-
TOTAL	-	2,74,04,199	-	-

Maturity profile of loans and financial liabilities as on March 31, 2023

Particulars	On Demand	< 01 Year	1 to 5 years	> 05 Years
Short term borrowings	41,74,368	-	-	-
Long term borrowings	-	-	34,18,55,263	-
Trade payable	-	1,09,93,251	-	-
Other financial liability	-	1,65,18,253	-	-
TOTAL	-	2,75,11,504	34,18,55,263	-

32 Capital Management

The Company's objectives when managing capital are to

i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

ii) 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	1,59,58,465	34,60,29,631
Total Equity	22,40,13,681	(11,54,75,234)
Debt Equity Ratio	0.07	(3.00)

33 Leases

a) The Carrying value of right of use assets at the end of the reporting period by class

Particulars	31.03.2024	31.03.2023
i) Buildings		
Opening	1,40,21,658	1,86,10,463
Lease entered during the year	-	74,21,916
Deletions during the year	-	15,30,184
Amortised during the year	1,07,22,532	1,04,80,537
Balance at the year end	32,99,126	1,40,21,658

b) Movement of Lease Liability during the year

Particulars	31.03.2024	31.03.2023
Opening	1,43,34,538	1,91,95,660
Additions	-	54,63,124
Add: Interest accrued for the year	7,72,366	13,17,280
Less: Payment of Lease Liabilities	1,15,76,254	1,10,21,788
Less: Difference in Lease Liability Written off	-	6,19,738
Balance at the year end	35,30,650	1,43,34,538

b) Maturity Analysis of Lease Liabilities

Maturity analysis - contractual undiscounted cash flows	31.03.2024	31.03.2023
Less than one year	35,93,485	1,15,76,254
One to five years	-	35,93,485
More than five years	-	-
Total undiscounted lease liabilities	35,93,485	1,51,69,738
Lease liabilities included in the statement of financial position		
a) Non-current	5,43,453	27,58,284
b) Current	29,87,197	1,15,76,254

C) Amount recognised in Profit and Loss Account

Particulars	31.03.2023	31.03.2023
Interest on Lease liabilities	7,72,366	10,25,673
Amortisation of ROU	1,07,22,532	1,04,80,537

34 Reconciliation of Tax Expenses

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Statement of Profit or loss		
Current Tax	-	-
Deferred Tax	(1,47,83,350)	(1,83,22,879)
Amount recognised in statement of profit & loss account	(1,47,83,350)	(1,83,22,879)
Profit / (Loss) before tax	(5,89,96,843)	(7,37,14,508)
Tax at enacted tax rate in India C.Y. @ 26%	-	-
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income		
Exempt income & Other (net)	-	-
Non-deductible items under Income tax Act	-	-
Deferred tax asset on unabsorbed Business Losses	(1,14,71,633)	(1,47,61,372)
Others	(33,11,717)	(35,61,507)
Income tax expense reported in the profit or loss relating to operations	(1,47,83,350)	(1,83,22,879)

34.01 Movement of Deferred tax Assets / Liability

Particulars	As at 31.03.2023	Charge/ (Credit) to Profit & Loss account	Recognised through Other Equity	As at 31.03.2024
Deferred Tax Liability in relation to:				
Property, plant and equipment, and intangible assets	(41,39,958)	(6,52,213)	-	(47,92,171)
Fair value of Pref Share Liabilities through PL A/c	(80,78,978)	26,53,436	54,45,169	19,627
Fair valuation of Leases Liability through PL A/c (Net)	(1,08,978)	1,46,777	-	37,799
Deferred Tax Liability	(1,23,27,913)	21,48,000	54,45,169	(47,34,745)
Deferred Tax Asset in relation to;				
Loss as per IT Act	4,23,24,196	1,14,71,633	-	5,37,95,829
Liabilities FV through PL A/c	-	-	-	-
Other disallowable expenses	10,35,270	(18,61,448)	26,70,197	18,44,020
Deferred Tax Asset	4,33,59,466	96,10,185	26,70,197	5,56,39,849
Net Deferred Tax (Liability) / Asset	3,10,31,553	1,17,58,185	(27,74,972)	5,09,05,103

Particulars	As at 31.03.2022	Charge/ (Credit) to Profit & Loss account	Recognised through Other Equity	As at 31.03.2023
Deferred Tax Liability in relation to:				
Property, plant and equipment, and intangible assets	(22,11,176)	(19,28,782)	-	(41,39,958)
Fair value of Pref Share Liabilities through PL A/c	(1,02,16,390)	50,16,820	(28,79,408)	(80,78,978)
Fair valuation of Leases Liability through PL A/c (Net)	(41,565)	(67,417)	-	(1,08,982)
Deferred Tax Liability	(1,24,69,131)	30,20,621	(28,79,408)	(1,23,27,917)
Deferred Tax Asset in relation to;				
Loss as per IT Act	2,75,62,824	1,47,61,372	-	4,23,24,196
Liabilities FV through PL A/c	-	-	-	-
Other disallowable expenses	2,38,192	7,97,078	-	10,35,270
Deferred Tax Asset	2,78,01,016	1,55,58,450	-	4,33,59,466
Net Deferred Tax (Liability) / Asset	1,53,31,885	1,85,79,071	28,79,408	3,10,31,549

35 Contingent Liabilities

Particulars	31.03.2024	31.03.2023
a) Bank Guarantees / Corporate Guarantee	-	-
b) Letter of Credit.	-	-
c) Claims against the Company not acknowledge as debts.	-	-
d) Estimate amount of contract remain to be executed on account of capital commitments not provided for. (Capital Commitments)	25,64,940	86,52,964
TOTAL	25,64,940	86,52,964

36 Earning Per Share

Particulars	31.03.2024	31.03.2023
Net Profit after taxes	(4,32,03,195)	(5,61,20,793)
Weighted Average No of Equity shares	1,15,931	1,00,000
Face Value	10	10
Basic & Diluted EPS	(372.66)	(561.21)

37 In the opinion of the Board, all assets other than Property, plant and equipment and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

38 Balances of Trade Receivables / Trade payables / Long Term Borrowings / advances from customers / Advances to suppliers and Deposits are subject to Balance Confirmation.

39 Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development('MSMED') Act, 2006

Particulars	As at 31st March,2024	As at 31st March,2023
a. Principal and interest amount remaining unpaid	78,11,053	76,22,147
b. Interest due thereon remaining unpaid*	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

*Company has not provided interest on MSME dues as per the terms agreed with supplier.

Sravathi Advance Process Technologies Private Limited

(All amounts are in Indian Rupees in thousands unless otherwise stated)

40 Related Party Transactions**Key Management Personnel (KMP)**

- 1 Dr. Kishan Gurram

Joint Venture Partner

- 1 Shilpa Medicare Limited
- 2 Dr. Ramanarayanan G V
- 3 Dr. Sivakumar Sreeramagiri

Common Key Management Personnel (KMP)

- 1 Sravathi AI Technology Pvt Ltd

Director in Common

- 1 Ramakant Innani - Director in M/s. INM Technologies Pvt Ltd
- 2 Ramakant Innani - Director in M/s. INM Nuvent Paints Pvt Ltd
- 3 Vishnukant C Bhutada - Director in M/s. Shilpa Pharma Lifescience Ltd

SL No	Name of related Party	Relationship	Descriptions of Transaction	31.03.2024	31.03.2023
1	Shilpa Medicare Limited	JV Partner	0.1% Non Cumulative, Non-participatable Convertible Pref. Share Capital	-	37,32,50,000
			Preferential Share application Money	-	-
			Equity shares issued	2,61,470	-
			Equity share Premium	39,87,38,530	-
			Supply of Services	-	35,00,000
2	Dr. Kishan Gurram	KMP	Remuneration	1,00,00,000	1,00,00,000
			Travelling Expense Reimbursement	3,87,775	3,43,508
			Equity shares issued	44,450	-
			<u>Loan taken</u>		
			a) Outstanding balance	1,59,58,465	41,74,368
			b) Loan received	1,55,60,000	65,50,000
			c) Loan repaid	(1,55,000)	(24,50,000)
			d) Interest paid on Unsecured Loan @ 7.5%	6,14,962	74,368
			e) Maximum balance outstanding	1,59,58,465	61,00,000
			Remuneration Payable	6,41,647	5,06,497
3	Dr. Ramanarayanan G V	JV Partner	Remuneration	50,00,000	50,00,000
			Equity shares issued	23,530	-
			Remuneration Payable	8,10,147	2,71,724
4	Dr. Sivakumar Sreeramagiri	JV Partner	Remuneration	50,00,000	50,00,000
			Travelling Expense Reimbursement	57,917	-
			Equity shares issued	23,530	-
			Remuneration Payable	3,77,774	3,22,699
5	Sravathi AI Technology Pvt Ltd	Common KMP	Reimbursement of Expenses	(1,20,000)	(1,20,000)
6	Shilpa Pharma Lifescience Ltd	Common Director	Supply of Services	55,00,000	90,55,000
			Balance Payable / (Receivable)	(4,50,000)	22,50,000

SRAVATHI ADVANCE PROCESS TECHNOLOGIES PRIVATE LIMITED
(All amount are in Indian Rupees unless otherwise stated)

41 Trade Payables ageing schedule

Sl. No	Particulars	Outstanding for following periods from due date of payment			
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years
(i)	MSME	70,00,176	2,714	-	-
(ii)	Others	52,46,253	4,68,612	-	-
(iii)	Disputed Dues - MSME	-	-	-	-
(iv)	Disputed Dues - Others	-	8,32,370	2,15,002	-
	Total	1,22,46,429	13,03,696	2,15,002	-
					1,37,65,127

Sl. No	Particulars	Outstanding for following periods from due date of payment			
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years
(i)	MSME	76,22,147	-	-	-
(ii)	Others	31,56,103	2,15,000	-	-
(iii)	Disputed Dues - MSME	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-
	Total	1,07,78,250	2,15,000	-	-
					1,09,93,250

Sravathi Advance Process Technologies Private Limited
(All amount are in Indian Rupees unless otherwise stated)

42 Financial Ratios

Particulars	Numerator	Denominator	31-Mar-24	31-Mar-23	Variance	Reasons for Variance of above 25 %
Current Ratio (no. of times)	Current Assets	Current Liabilities	1.05	1.12	-6.66%	-
Debt Equity ratio (no. of times)	Total Debt	Shareholder's Equity	0.07	(3.00)	-102.38%	The difference is on account of conversion of Preference share capital into equity shares
Debt service coverage ratio (no. of times)	Earnings available for debt service	Debt Service	NA	NA	NA	The company has no term loan which attracts timely debt obligations. Hence, ratio is not provided
Return on Equity Ratio (%)	Net loss after taxes	Average Shareholder's Equity	(0.80)	0.49	-262.18%	Decrease is on account of Securities premium recognised on account of conversion of preference shares into equity shares at premium during the year.
Inventory turnover ratio (no. of times)	Cost of goods sold (or) sales	Average Inventory	NA	NA	NA	-
Trade Receivables turnover ratio (no. of times)	Net Credit Sales	Average trade receivables	1.18	0.98	20.30%	-
Trade payables turnover ratio (no. of times)	Net Credit Purchases	Average trade payables	2.90	4.86	-40.37%	This is mainly on account of substantial increase in the trade payables during the year.
Net capital turnover ratio (no. of times)	Net Sales	Working Capital	28.67	(47.77)	-160.02%	Decrease is on account of overall rise in sales made during the year.
Net profit ratio (%)	Net Profits after taxes	Net Sales	-35%	-61%	-42.42%	Decrease is on account of overall rise in sales made during the year.
Return on Capital employed (%)	Earning before Interest and Taxes	Capital Employed	(0.25)	(0.32)	-21.36%	-

SRAVATHI ADVANCE PROCESS TECHNOLOGIES PRIVATE LIMITED

(All amount are in Indian Rupees unless otherwise stated)

43.01 Capital-Work-in Progress (CWIP) Ageing Schedule

Sl. No	CWIP	Amount in CWIP for a period of				2024
		<1 Year	1 - 2 Years	2 - 3 Years	>3 Years	
(i)	Projects in progress	2,55,858	-	-	-	2,55,858
(ii)	Projects temporarily suspended	-	-	-	-	-

Sl. No	CWIP	Amount in CWIP for a period of				2023
		<1 Year	1 - 2 Years	2 - 3 Years	>3 Years	
(i)	Projects in progress	10,88,344	-	-	-	10,88,344
(ii)	Projects temporarily suspended	-	-	-	-	-

43.02 Intangible Assets under Development

Sl. No	Particulars	Amount in CWIP for a period of				2024
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i)	Projects in progress	70,00,176	2,714	-	-	70,02,890
(ii)	Projects temporarily suspended	-	-	-	-	-
	Total	70,00,176	2,714	-	-	70,02,890

Sl. No	Particulars	Amount in CWIP for a period of				2023
		Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i)	Projects in progress	-	-	-	-	-
(ii)	Projects temporarily suspended	-	-	-	-	-
	Total	-	-	-	-	-

SRAVATHI ADVANCE PROCESS TECHNOLOGIES PRIVATE LIMITED

(All amount are in Indian Rupees unless otherwise stated)

43.03 Trade Receivables ageing schedule

Sl. No	Particulars	Outstanding for following periods from due date of payment				
		Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years
(i)	Undisputed Trade Receivables – Considered good	2,49,11,913	29,52,500	55,731	-	-
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	15,00,000	-	-	-	-
(iii)	Undisputed Trade Receivables – Credit impaired	-	-	-	-	-
(iv)	Disputed Trade Receivables – Considered good	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed Trade Receivables – Credit impaired	-	-	-	-	-
	Total	2,64,11,913	29,52,500	55,731	-	2,94,20,144

Sl. No	Particulars	Outstanding for following periods from due date of payment				
		Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years
(i)	Undisputed Trade Receivables – Considered good	2,44,36,550	-	-	-	-
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii)	Undisputed Trade Receivables – Credit impaired	-	-	-	-	-
(iv)	Disputed Trade Receivables – Considered good	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed Trade Receivables – Credit impaired	-	-	-	-	-
	Total	2,44,36,550	-	-	-	2,44,36,550

SRAVATHI ADVANCE PROCESS TECHNOLOGIES PRIVATE LIMITED

(All amount are in Indian Rupees unless otherwise stated)

44.01 Title deeds of immovable properties

The Company does not possess any immovable property during the year.

44.02 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.

44.03 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 or period of repayment.

44.04 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.

44.05 Borrowing secured against current assets

The Company has availed no borrowings from banks on the basis of any security of current or other assets.

44.06 Wilful defaulter

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

44.07 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.

44.08 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.

44.09 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.

44.10 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.

44.11 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.

44.12 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.

44.13 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.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

45 Previous year figures have been reclassified / regrouped where ever necessary.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for Bohara Bhandari Bung & Associates LLP

Chartered Accountants

Firm's registration No.008127S/S200013

For and on behalf of Board of Directors

Sd/-

Sd/-

Sd/-

CA.Pankaj Kumar Bohara

Partner

M.No: 215471

Vishnukant C Bhutada

Director

DIN No.01243391

Kishan Gurram

Managing Director

DIN No. 06869882

Place : Raichur
Date: 22.05.2024

Place : Raichur
Date: 22.05.2024