



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of Vegil Labs Private Limited  
**Report on the Audit of the financial statements**

### Opinion

We have audited the financial statements of Vegil Labs Private Limited (“the Company”), which comprise the balance sheet as at 31<sup>st</sup> 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.

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

### Basis for Opinion

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

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

**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.



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**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.

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 required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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. 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 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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 13<sup>th</sup> 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, not commented.

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.



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- 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 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 it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (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 not paid any dividend during the year.
- f) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024. The said software did not have the feature of recording audit trail (edit log) facility and therefore the said facility has not operated throughout the year.

**For Bohara Bhandari Bung And Associates LLP**  
Chartered Accountants  
(Firm’s Regn No.008127S/S200013)

**Sd/-**

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**CA. Yogesh R Bung**  
Partner  
Membership No.143932

Place: Raichur  
Date: 22.05.2024  
UDIN: 24143932BKAE005789



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**Annexure-"A" To Independent Auditors' Report on the IND-AS financial statements of Vegil Labs Private Limited.**

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

The Annexure referred to in our report to the members of Vegil Labs Private Limited ('the Company') for the year ended 31<sup>st</sup>March 2024. We report that:

- i. According to the information and explanation given to us, The Company does not possess fixed assets or intangible assets during the year. Accordingly, the provisions of clause 3(ii)(a), (b), (c), (d) & (e) of the Order are not applicable.
- ii. According to the information and explanation given to us, The Company does not have any inventory and no working capital limits has been availed in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) (a) & (b) of the Order are not applicable.
- iii. According to the information and explanation given to us, the Company has made investments in Company during the year. Further, the Company has not provided any guarantee, security or granted any advances in the nature of loans, secured or unsecured to companies, limited liability partnership, and other parties during the year. However, it has granted unsecured advances in the nature of loans to its holding company during the year in respect of which the requisite information is as below.
  - (a) (A) According to the information and explanations given to us and on the basis of our examination of the records the company has not made any investments nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms or Limited Liability Partnerships or any other parties during the year. However, it has granted loans to companies during the year in respect of which the requisite information is provided here under.

**(Rs. in lakhs)**

<b>Particulars</b>	<b>Loans</b>
Aggregate amount during the year – Holding company	650.59
Balance outstanding as at balance sheet date - Holding company	650.59

(B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided loans and stood guarantee to a party other than subsidiaries.

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the terms and conditions of the grant of loans made during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments have been regular as per stipulation.



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- (d) In respect of loans granted by the Company, there is no overdue amount for more than ninety days. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. According to the information and explanation given to us, the Company has not provided any guarantees or securities to parties covered section 185 and 186 of the Act. However, it has granted loans and has made investments in parties covered under section 185 & 186 of the Act & has complied with the provisions of the act.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 and 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, clause (v) of the order is not applicable to the company.
- vi. According to the information and explanations given to us, maintenance of cost accounting records is not applicable to the Company.
- vii. In respect of Statutory dues
- a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, income-tax, cess and any other statutory dues applicable to it, to the appropriate authorities. There are no other statutory dues as on the last day of the financial year concerned which are outstanding for a period of more than six months from the date, they became payable.
- b) According to the information and explanations given to us by the management there are no dues of income-tax, Goods and Service Tax, customs duty and cess which have not been deposited on account of any dispute.
- viii. According to the information and explanations give to us by the management there are no unrecorded transactions during the year in the books of accounts which are surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961. Accordingly, clause 3(vii) of the order is not applicable to the company.
- ix. a) According to the information and explanations given to us by the management, the Company has not defaulted in repayment of loans or borrowings or payment of interest thereon to any lender during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.



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b) According to the information and explanation given to us the company has not been declared wilful defaulter by any bank or financial institution or other lender;

c) According to the information and explanation given to us the company the Term loans were applied for the purpose for which they were obtained;

d) According to the information and explanation given to us and on an overall examination of the financial statements of the company, the company has not raised on short term funds. Hence, reporting under Clause 3(ix)(d) is not applicable to the company;

e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

x. a) Based on the information and explanations given to us by the management, the Company has not raised any money by way of public offer.

b) Based on the information and explanations given to us by the management, the Company has neither made any preferential allotment nor any private placement of shares or convertible debentures during the year.

Accordingly, paragraph 3(x) of the order is not applicable.

xi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the IND-AS financial statements and as per the information and explanations given by the management, we report that no material fraud by the Company or on the Company, has been noticed or reported during the year.

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

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

xiv. According to the information and explanations given to us by the company it is not mandatory to have internal audit system in terms of sec.138 of the Companies Act,2013. Accordingly, paragraph 3(xiv) of the order is not applicable.





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- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion and according to the information and explanation provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.
- xvii. According to the information and explanation given to us and based on our examination of the records, the company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xviii. As there has been no resignation of the statutory auditors during the year reporting under paragraph 3(xviii) of the order is not applicable.
- xix. According to the information and explanation given to us and based on our examination of the records, and on the basis of the financial ratios there exists no material uncertainty on the company's ability to meet its liabilities existing falling due within a period of one year from the balance sheet date.
- xx. According to the information and explanation given to us and further based on the examination of the records, provision of sec.135 of the Act pertaining to CSR are not applicable to the Company. Accordingly, paragraph 3(xx) of the order is not applicable.

**For Bohara Bhandari Bung and Associates LLP**  
**Chartered Accountants**  
(Firm Registration Number: 008127S/S200013)

Sd/-

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**CA Yogesh R Bung**  
**Partner**  
**Membership Number: 143932**  
Place: Raichur  
Date: 22.05.2024  
  
UDIN: 24143932BKAE005789

**Vegil Labs Private Limited**  
**Part - I - Standalone Balance Sheet**

*(All amounts are in Indian Rupees , Except Shares data and per Share data, unless otherwise stated)*

Particulars	Note	As at	As at
		31.03.2024	31.03.2023
		Audited	Audited
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Financial assets</b>			
(a) Investments	2	98,064,926	125,531,592
(b) Loans	3	65,059,072	-
(c) Other Financials Assets	4	702,421	-
(d) Other non Current Asset	5	78,047	-
(e) Deferred Tax Assets	6	1,408,050	-
<b>Total Non Current Assets</b>		<b>165,312,516</b>	<b>125,531,592</b>
<b>Current Assets</b>			
a) Financial Assets :			
i) Cash and Cash equivalents	7	66,920	27,116
<b>Total Current Assets</b>		<b>66,920</b>	<b>27,116</b>
<b>Total</b>		<b>165,379,436</b>	<b>125,558,708</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
a) Equity Share Capital	8	95,100,000	95,100,000
b) Other Equity	9	69,987,263	775,066
<b>Total Equity</b>		<b>165,087,263</b>	<b>95,875,066</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
a) Financial Liabilities :			
i) Borrowings	10	-	28,025,000
b) Other financial liabilities	11	-	916,373
c) Deferred Tax Liabilities	6		622,450
<b>Total Non Current Liabilities</b>		<b>-</b>	<b>29,563,823</b>
<b>Current Liabilities</b>			
a) Other Current Liability	12	229,173	101,819
a) Provisions	13	63,000	18,000
<b>Total Current Liabilities</b>		<b>292,173</b>	<b>119,819</b>
<b>Total</b>		<b>165,379,436</b>	<b>125,558,708</b>

The accompanying notes form an integral part of the financial statements

As per our Report of even dated  
**For Bohara Bhandari Bung and Associates LLP**  
Chartered Accountants  
Firm Regn No. 008127S/S200013

**For and on behalf of the Board of Directors of**  
**Vegil Labs Private Limited**

Sd/-  
  
CA. Yogesh R.Bung  
Partner  
M.No. 143932  
Place : Raichur  
Date : 22/05/2024

Sd/-  
  
**Vishnukanth Bhutada**  
DIN No.01243391  
Director  
Place : Raichur  
Date : 22/05/2024

Sd/-  
  
**Ramakant Innani**  
DIN No.03222748  
Director

## Vegil Labs Private Limited

### Part - II - Standalone Statement of Profit and Loss

(All amounts are in Indian Rupees , Except Shares data and per Share data, unless otherwise stated)

Particulars	Note	For the Year ended 31.03.2024	For the Year ended 31.03.2023
		Audited	Audited
<b>Income</b>			
a) Revenue from Operations		-	-
b) Other Income	14	7,222,288	3,454,557
<b>Total Income</b>		<b>7,222,288</b>	<b>3,454,557</b>
<b>Expenses</b>			
a) Finance Cost	15	2,221,728	1,018,192
b) Other Expenses	16	85,377	42,325
<b>Total Expenses</b>		<b>2,307,105</b>	<b>1,060,517</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>4,915,183</b>	<b>2,394,040</b>
<b>Share of Profit/(Loss) in Associates</b>		<b>(2,963,828)</b>	-
<b>Profit / (Loss) after exceptional items and tax</b>		<b>1,951,355</b>	<b>2,394,040</b>
Exceptional Income / (Expense)		66,611,793	-
<b>Profit / (Loss) before tax</b>		<b>68,563,148</b>	<b>2,394,040</b>
<b>Tax expense</b>			
1. Current Income tax		-	-
2. Deferred tax (Net)		(649,049)	622,450
<b>Profit / (Loss) for the year</b>		<b>69,212,197</b>	<b>1,771,590</b>
Other Comprehensive Income			-
<b>Total Comprehensive Income</b>		<b>69,212,197</b>	<b>1,771,590</b>
<b>Earning per equity share for Rs.10/- face value (Continued Operations)</b>			
Basic	18	7.28	0.19
Diluted		7.28	0.19
<b>Number of shares used in computing earnings per share (Continued Operations)(Weighted Average)</b>			
Basic		9,510,000	9,510,000
Diluted		9,510,000	9,510,000

The accompanying notes form an integral part of the financial statements

As per our Report of even dated  
**For Bohara Bhandari Bung and Associates LLP**  
**Chartered Accountants**  
Firm Regn No. 008127S/S200013

**For and on behalf of the Board of Directors of  
Vegil Labs Private Limited**

Sd/-

**CA. Yogesh R.Bung**  
Partner  
M.No. 143932

Place : Raichur  
Date : 22/05/2024

Sd/-

**Vishnukanth Bhutada**  
DIN No.01243391  
Director

Place : Raichur  
Date : 22/05/2024

Sd/-

**Ramakant Innani**  
DIN No.03222748  
Director

**Vegil Labs Private Limited**

**Standalone Statement of Cash Flows**

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	68,563,148	2,394,040
<b>Add/Less: Adjustments</b>		
Finance Cost	2,221,728	1,018,192
Interest Income	(1,780,468)	-
Notional Interest Income	(5,441,820)	(3,454,557)
Share of (profit)/loss from Joint ventures & Associates	2,963,828	-
Profit on sale of investments	(66,611,793)	-
<b>Operating profit before working capital changes &amp; Other</b>	<b>(85,377)</b>	<b>(42,325)</b>
<u>Adjustments for Increase / (Decrease) in Operating Liabilities</u>		
- Short Term Provisions	45,000	3,000
- Other Financial Liabilities	(789,019)	(90,964,794)
	(829,396)	(91,004,119)
Less: Income Taxes (Net)	(78,047)	-
<b>Net Cash flow from Operating activities</b>	<b>(907,443)</b>	<b>(91,004,119)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(14,825,000)	(31,075,000)
Sale of Investments	110,000,000	-
Loan given to parent company	(65,059,072)	-
Interest Income	1,078,047	-
<b>Net cash outflow from Investing Activities</b>	<b>31,193,975</b>	<b>(31,075,000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from/ (repayments) Long term borrowings (Net)	(28,025,000)	28,025,000
Finance Cost	(2,221,728)	(1,018,192)
<b>Net Cash earned from Financing Activities</b>	<b>(30,246,728)</b>	<b>27,006,808</b>
<b>Net Increase/(decrease)in Cash and Cash Equivalents</b>	<b>39,804</b>	<b>(95,072,311)</b>
Cash & Cash Equivalents at the Beginning of the year	27,116	95,099,427
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>66,920</b>	<b>27,116</b>
<b>Components of Cash and Cash Equivalents</b>	<b>For the year ended 31.03.2024</b>	<b>For the year ended 31.03.2023</b>
Cash at Banks	66,920	27,116
<b>Total Cash and Cash Equivalents</b>	<b>66,920</b>	<b>27,116</b>

**Reconciliation between opening and closing balances for liabilities arising from financing activities**

Particulars	As at April 01, 2023	Cash flows	Non cash movement	As at March 31, 2024
Non- current borrowings	28,025,000	(28,025,000)	-	-

**Note:**

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows' as prescribed under Companies (Accounting Standard) Rules, 2015.

The accompanying significant accounting policies and notes form an integral part of the financial statements.

As per our Report of even dated  
for **Bohara Bhandari Bung And Associates**  
**Chartered Accountants**  
(Firm's Regn No.008127S/S-200013)

**For and on behalf of the Board of Directors of  
Vegil Labs Private Limited**

Sd/-

**CA. Yogesh R Bung**  
Partner  
M.No.143932

Place : Raichur  
Date : 22/05/2024

Sd/-

**Vishnukanth Bhutada**  
DIN No.01243391  
Director

Place : Raichur  
Date : 22/05/2024

Sd/-

**Ramakant Innani**  
DIN No.03222748  
Director

**Vegil Labs Private Limited****Standalone Statement of Changes in Equity for the year ended 31.03.2024**

(All amounts are in Indian Rupees in lakhs Except Shares data and per Share data, unless otherwise stated)

**A) Equity Share Capital**

Particulars	31.03.2024	31.03.2023
<b>Balance at the beginning of the Reporting period</b>	<b>95,100,000</b>	<b>95,100,000</b>
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	<b>95,100,000</b>	<b>95,100,000</b>
Changes in equity share capital during the current year	-	-
Changes in equity share capital during the year	-	-
<b>Balance at the end of the reporting period</b>	<b>95,100,000</b>	<b>95,100,000</b>

**B) Other Equity**

Particulars	For the Period 31.03.2024	For the Period 31.03.2023
Balance at the beginning of the current reporting period	775,066	(996,524)
Changes during the period	69,212,197	1,771,590
Restated balance at the beginning of the reporting period	<b>69,987,263</b>	<b>775,066</b>
Total Comprehensive income for the year	-	-
Dividends	-	-
Transfer to retained earning	-	-
<b>Balance at the end of the reporting period</b>	<b>69,987,263</b>	<b>775,066</b>

**Notes:**

**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.

The accompanying significant accounting policies and notes form an integral part of the financial statements.

As per our Report of even dated

**For Bohara Bhandari Bung and Associates LLP**  
**Chartered Accountants**

Firm Regn No. 008127S/S200013

Sd/-

**CA. Yogesh R.Bung**

Partner  
M.No. 143932

Place : Raichur  
Date : 22/05/2024

**For and on behalf of the Board of Directors of**  
**Vegil Labs Private Limited**

Sd/-

**Vishnukanth Bhutada**

DIN No.01243391  
Director

Place : Raichur  
Date : 22/05/2024

Sd/-

**Ramakant Innani**

DIN No.03222748  
Director

**Vegil Labs Private Limited**

(All amounts are in Indian Rupees , Except Shares data and per Share data, unless otherwise stated)

**8 Equity Share Capital**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Authorised</b>		
<b>Equity shares</b>		
1,00,00,000 Shares of Rs. 10/- each par value	100,000,000	100,000,000
<b>Issued subscribed &amp; fully paid up</b>		
<b>Equity shares</b>		
95,10,000 Shares @ Rs. 10/- each par value	95,100,000	95,100,000
<b>TOTAL</b>	<b>95,100,000</b>	<b>95,100,000</b>

**a) Reconciliation of the number of shares**

Particulars	31.03.2024		31.03.2023	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	9,510,000	95,100,000	9,510,000	95,100,000
Shares Issued during the year				
<b>Shares outstanding at the end of the year</b>	<b>9,510,000</b>	<b>95,100,000</b>	<b>9,510,000</b>	<b>95,100,000</b>

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

Particulars	31.03.2024		31.03.2023	
	Number	% of Holding	Number	% of Holding
1) Shilpa Medicare Ltd (Refer note below)	9,510,000	99.99%	9,510,000	99.99%

**Note:**

01 share is held by Ramakant Innani in the representative capacity on behalf of Shilpa Medicare Limited.

**c) Shares held by promoters as at**

Promoter Name	31.03.2024			31.03.2023		
	No of Shares	%of total shares	% of Change during the year***	No of Shares	%of total shares	% of Change during the year***
1) Shilpa Medicare Ltd	9,510,000	100%	0%	9,510,000	100%	0%

As per our Report of even dated  
**For Bohara Bhandari Bung and Associates LLP**  
**Chartered Accountants**  
 Firm Regn No. 008127S/S200013

**For and on behalf of the Board of Directors of**  
**Vegil Labs Private Limited**

Sd/-

**CA. Yogesh R.Bung**  
 Partner  
 M.No. 143932

Place : Raichur  
 Date : 22/05/2024

Sd/-

**Vishnukanth Bhutada**  
 DIN No.01243391  
 Director

Place : Raichur  
 Date : 22/05/2024

Sd/-

**Ramakant Innani**  
 DIN No.03222748  
 Director

# NOTES TO THE FINANCIAL STATEMENTS

## **CORPORATE INFORMATION**

Vegil Labs Private Limited is a Private Limited Company incorporated on 30/06/2021, with its registered office at 12-6-214/A-1, Shilpa House Hyderabad Road, RAICHUR -584135 Karnataka. Presently, the Company is engaged in the business of Biotechnology using sophisticated technology meticulously to comply with laid down international standards/specifications. The company is also engaged in making investments in other companies.

### **1. Basis of Preparation**

#### **a) Statement of Compliance**

These Standalone 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 by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date March 31, 2024. The accounting policies are applied consistently to all the periods presented in the financial statements. The Standalone financial statements of the Company for the year ended March 31, 2024 were approved by the Board of Directors on May 22, 2024.

#### **b) Functional and Presentation currency**

These standalone financial statements are presented in Indian rupees (INR), which is also the functional currency of the Company. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

#### **c) Basis of Measurement**

The Standalone 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

- Certain financial assets / liability measured at fair value,
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

#### **d) Critical accounting Estimates and Judgements:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best

knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively. The changes in the estimates are reflected in the Standalone 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:

- Recognition of deferred taxes (Note 1.1(e))
- Provision for income taxes and related tax contingencies. (Note 1.1(e))
- Estimation of provision and contingent liabilities (Note 1.1(d))

## **1.1 Material Accounting Policies**

### **a) Investments in subsidiaries, joint ventures and associates measured at cost - non-current**

Investments in Subsidiaries, Joint ventures and Associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in Subsidiaries, Joint ventures and Associates, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

### **b) Revenue Recognition:**

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

#### **(i) Other Income**

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

### **c) 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).



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

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

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

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

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

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

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

**Equity Instruments**

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

**De-recognition of Financial Assets:**

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for 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:

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

## **(II) Financial Liability**

### **Initial recognition and measurement**

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

### **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss 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 banks
- Borrowings from others
- 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.

**d) 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. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

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

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

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

**e) 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Standalone financial statements

**f) Borrowing Cost**

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

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

**g) Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

**h) Cash Flow Statements**

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.

**i) Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

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

**j) Offsetting**

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

**k) Exceptional Items:**

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

**l) Recent accounting developments**

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

## Vegil Labs Private Limited

(All amounts are in Indian Rupees , Except Shares data and per Share data, unless otherwise specified)

### Financial Assets

#### 2 Investments

Particulars	As at 31.03.2024	As at 31.03.2023
<b><u>Other Investments</u></b>		
<b><u>a) Investment in Associates</u></b>		
i) Capital contribution in Auxilla Pharmaceuticals & Research LLP(40%)	-	46,352,035
i) In 55,000 (55,000) equity shares of Rs 10/- each - in Sravathi AI Technology Pvt Ltd , Bangalore	550,000	550,000
Deemed Investments in Sravathi AI Technologies Pvt Ltd	9,920,858	10,226,320
<b><u>b) Investments in Preference Instruments (Unquoted)</u></b>		
9,00,000 (7,51,750) Non Cumulative compulsory Convertible preference shares of Rs. 100/- each of Sravathi AI Technology Pvt Ltd Bangalore	87,594,068	68,403,237
<b>Total</b>	<b>98,064,926</b>	<b>125,531,592</b>

#### 3 Loans

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Unsecured Loan To</b>		
1) Shilpa Medicare Ltd	65,059,072	-
<b><u>Terms of repayment</u></b>		
Term loan to Holding company is re-payable over a period of 8 years including moratorium of 5 years. The re-payment will be made in 12 Quarterly installments including interest accrued there on.		
<b><u>Rate of Interest</u></b>		
Interest is charged at 7.5 % per annum		
<b>Total</b>	<b>65,059,072</b>	<b>-</b>

#### 4 Other Financial Assets

Particulars	As at 31.03.2024	As at 31.03.2023
1) Interest accrued but not received	702,421	-
<b>Total</b>	<b>702,421</b>	<b>-</b>

**Vegil Labs Private Limited**

(All amounts are in Indian Rupees , Except Shares data and per Share data, unless otherwise specified)

**5 Other non-current assets**

Particulars	As at 31.03.2024	As at 31.03.2023
1) TDS Receivable	78,047	-
<b>Total</b>	<b>78,047</b>	<b>-</b>

**6 Deferred Tax Assets / (Liabilities)**

Particulars	As at 31.03.2024	As at 31.03.2023
1) Deferred tax Liabilities (On account of timing difference in recognition of notional income on fair valuation of investments in Sravathi AI Technology Pvt Ltd)	(1,369,597)	(898,185)
2) Deferred tax Assets (On account of losses under Income tax act,1961 & others)	2,777,647	275,734
<b>Total</b>	<b>1,408,050</b>	<b>(622,450)</b>

**7 Cash and Cash Equivalents**

Particulars	As at 31.03.2024	As at 31.03.2023
a) Balance with banks in current account	66,920	27,116
<b>Total</b>	<b>66,920</b>	<b>27,116</b>

**9 Other Equity**

Particulars	As at 31.03.2024	As at 31.03.2023
a) Retained Earnings		
Opening Balance	775,066	(996,524)
Add: Profit / (Loss) for the Period	69,212,197	1,771,590
<b>Total</b>	<b>69,987,263</b>	<b>775,066</b>

**10 Borrowings**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Unsecured Loan from</b>		
1) Shilpa Medicare Ltd	-	28,025,000
<b>Terms of repayment</b>		
Term loan from Holding company is re-payable over a period of 8 years including moratorium of 5 years. The re-payment will be made in 12 Quarterly installments including interest accrued there on.		
<b>Rate of Interest</b>		
Interest is charged at 7.5 % per annum		
<b>Total</b>	<b>-</b>	<b>28,025,000</b>

**Vegil Labs Private Limited***(All amounts are in Indian Rupees , Except Shares data and per Share data, unless otherwise specified)***11 Other Financial Liabilities**

Particulars	As at 31.03.2024	As at 31.03.2023
a) Interest accrued but not due on borrowings	-	916,373
<b>Total</b>	<b>-</b>	<b>916,373</b>

**12 Other Current Liability**

Particulars	As at 31.03.2024	As at 31.03.2023
a) Tax deduction at source	229,173	101,819
<b>Total</b>	<b>229,173</b>	<b>101,819</b>

**13 Provision**

Particulars	As at 31.03.2024	As at 31.03.2023
a) Provision For Audit Fee	63,000	18,000
<b>Total</b>	<b>63,000</b>	<b>18,000</b>

**14 Other Income**

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
a) Notional Income on FV of Preference Shares	5,441,820	3,454,557
b) Interest Received on USL / Delay in Sale Consideration	1,780,468	-
<b>Total</b>	<b>7,222,288</b>	<b>3,454,557</b>

**15 Finance Cost**

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
a) Interest on Unsecured loan	2,221,728	1,018,192
<b>Total</b>	<b>2,221,728</b>	<b>1,018,192</b>

**16 Other Expenses**

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
a) Rates & Taxes	5,200	7,900
b) Payment to Auditors (Refer Note No.17)	75,000	29,000
c) GST written off	4,140	4,680
d) Bank Charges	1,037	745
<b>Total</b>	<b>85,377</b>	<b>42,325</b>



**Vegil Labs Private Limited**

(All amounts are in Indian Rupees , Except Shares data and per Share data, unless otherwise specified)

**17 Payment to Statutory Auditors \***

<b>Particulars</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
a) Statutory Audit	30,000	15,000
b) Limited Review	15,000	9,000
c) Income Tax matters	30,000	5,000
<b>Total</b>	<b>75,000</b>	<b>29,000</b>

**18 Earning per share**

<b>Particulars</b>	<b>As at 31.03.2024</b>	<b>As at 31.03.2023</b>
<b>Earning per share</b>		
Net Profit after taxes	69,212,197	1,771,590
Weighted Average No of Equity shares	9,510,000	9,510,000
Face Value	10.00	10.00
Basic & Diluted EPS	7.28	0.19

**Vegil Labs Private Limited***(All amounts are in Indian Rupees , Except Shares data and per Share data, unless otherwise stated)***19 Analytical ratio**

SI No	Particular	Numerator	Denominator	31st March 2024	31st March 2023	Variation %	Reasons for variance of above 25%
1	Current Ratio(in times)	Current Assets	Current Liabilities	0.23	0.23	1.21%	NA
2	Debt Equity Ratio(in times)	Total Debt	Share holder equity	-	0.29	-100.00%	Decrease is mainly on account of full repayment of loan from holding company during the year
3	Debt service coverage ratio(in times)	Earnings available for debt service	Debt service	-	0.12	-100.00%	Decrease is mainly on account of full repayment of loan from holding company during the year
4	Inventory turnover ratio(in times)	Sales	Average inventory	-	-		NA
5	Return on equity(in %)	Net profit after taxes	Average shareholders equity	0.53	0.02	2744.11%	Increase mainly on account of exceptional gain on account of sale of stake in Auxilla Pharmaceuticals & Research LLP
6	Trade receivable turnover ratio(in times)	Revenue	Average Trade Receivables	-	-		Not Applicable
7	Trade payable turnover ratio(in times)	Purchase for trade and services	Average Trade Payables	-	-		Not Applicable
8	Net Capital turnover ratio(in times)	Revenue	Working Capital	-	-		Not Applicable
9	Net Profit ratio(in %)	Net Profit	Revenue	-	0	-	Not Applicable
10	Return on Capital Employed(%)	Earning Before Interest and Tax	Capital Employed	4.32%	0.03	57.76%	Increase is mainly on account of full repayment of loan from holding company during the year.
11	Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments			-	Not Applicable

**Vegil Labs Private Limited***(All amounts are in Indian Rupees unless otherwise stated)***20 Related Party Transactions**

Related parties where control exists and related parties with whom transactions have taken place are listed below:

**1 Holding Company**

a) Shilpa Medicare Limited

**2 Enterprises having common control**

a) Shilpa Pharma Lifesciences Ltd

b) Auxilla Pharmaceuticals &amp; Research LLP

c) Sravathi AI Technology Pvt Ltd

SL No	Name of related Party	Descriptions of Transaction	2023-24		2022-23	
			Income/ (expenses) other transaction	Balance at 31.03.2024	Income/ (expenses) other transaction	Balance at 31.03.2023
i	Shilpa Medicare Limited	Reimbursement of Expenses	(101,819)	-	1,800	-
		Share Application excess returned	-	-	(150,000)	-
		<u>Unsecured Loan</u>				
		Received during the year	15,000,000	-	-	28,025,000
		Loan Repaid during the Year	(43,941,373)	-	-	-
		Closing balance during the year	-	-	-	28,025,000
		Maxmium Loan outstanding during the year	-	43,941,373	-	28,025,000
		Interest on Loan (expenses)	(2,221,728)	-	(1,018,192)	(916,373)
		<u>Loan advanced</u>				
		Given during the year	(67,058,627)	-	-	-
		Repaid during the year	-	-	-	-
		Closing balance during the year	-	65,059,072	-	-
		Maxmium Loan outstanding during the year	-	-	-	-
Interest on Loan (Income)	780,468	702,421	-	-		
ii	Auxilla Pharmaceuticals & Research LLP	Investment	-	-	-	46,352,035
		Sale Consideration received	110,000,000	-	-	-
		Interest received on delay in payment of Sale Consideration	1,000,000	-	-	-
iii	Sravathi AI Technology Pvt Ltd	Investment in Equity Shares	-	550,000	-	550,000
		Investment in Preference shares	14,825,000	87,594,068	31,075,000	68,403,237

a) The Above disclousers include related parties as per Ind AS 24 on " Related Party Disclousers" and Companies Act,2013.

**Vegil Labs Private Limited**

(All amounts are in Indian Rupees in lakhs Except Shares data and per Share data, unless otherwise stated)

**21 Fair value measurement hierarchy**

Particulars	FVTPL	FVTOCI	Amortised cost	Total
<b>31.03.2024</b>				
<b>Non-current Assets</b>				
Investments	9,920,858	-	88,144,068	98,064,926
Loans	-	-	65,059,072	65,059,072
<b>Current Financial Assets</b>				
Cash & Bank Balance	-	-	66,920	66,920
Trade Receivable				
<b>Total</b>	<b>-</b>	<b>-</b>	<b>153,270,060</b>	<b>163,190,918</b>
<b>Non-Current Financial Liability</b>				
Borrowings	-	-	-	-
	-	-	-	-
<b>Current Financial Liability</b>				
Trade payables				
Other financial liabilities				
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31.03.2023</b>				
<b>Non-current Assets</b>				
Investments	10,226,320	-	115,305,272	125,531,592
Loans	-	-	-	-
<b>Current Financial Assets</b>				
Cash & Bank Balance	-	-	27,116	27,116
Trade Receivable				
<b>Total</b>	<b>10,226,320</b>	<b>-</b>	<b>115,332,388</b>	<b>125,558,708</b>
<b>Non-Current Financial Liability</b>				
Borrowings	-	-	28,025,000	28,025,000
	-	-	-	-
<b>Current Financial Liability</b>				
Trade payables				-
Other financial liabilities			916,373	916,373
<b>Total</b>	<b>-</b>	<b>-</b>	<b>916,373</b>	<b>916,373</b>

**Fair value hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**22 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.

**(i) Foreign Currency Risk**

The Company does not operate internationally, hence, it is not exposed to foreign currency risk.

**(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 weighted average balance manage its interest rate risk by having portfolio of fixed / variable interest rate on long / short term borrowings. The analysis is prepared assuming the amount of liability outstanding at the ending of the reporting period is the average weighted balance of the respective reporting period.

The company does not have borrowings with floating interest rate, it is not exposed to interest rate risk.

**(iii ) Price risk:**

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

**(iv) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations of its financial liability. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for making payment towards liability when they are due, under normal and stressed condition without incurring losses and risk. The present available working capital facility is sufficient to meet its current requirement. Accordingly no liquidity risk is perceived.

**Maturity Profile of Financial Liabilities as on March 31, 2024**

Particulars	On Demand	< 01 Year	01 to 5 Years	> 05 Year
(i) Other financial liabilities	-	-	-	-
(ii) Borrowings	-	-	-	-
<b>Total</b>	-	-	-	-

**Maturity Profile of Financial Liabilities as on March 31, 2023**

Particulars	On Demand	< 01 Year	01 to 5 Years	> 05 Year
(ii) Other financial liabilities	-	916,373	-	-
(iii) Borrowings	-	-	-	28,025,000
<b>Total</b>	-	<b>916,373</b>	-	<b>28,025,000</b>

**23 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-Mar-24	31-Mar-23
Net Debt	-	28,025,000
Total Equity	165,087,263	95,875,066
<b>Debt Equity Ratio</b>	-	<b>0.29</b>

**24 Reconciliation Of Tax Expenses****(i) Income Tax**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Statement of Profit or loss</b>	<b>68,563,148</b>	<b>2,394,040</b>
Current Tax	-	-
Deferred Tax	(649,049)	622,450
<b>Amount recognised in statement of profit &amp; loss account</b>	<b>(649,049)</b>	<b>622,450</b>
<b>Profit/(Loss) before tax from continuing operation after exceptional item</b>	<b>68,563,148</b>	<b>2,394,040</b>
Tax at enacted tax rate in India C.Y. @ 25.168% (P.Y. 25.168 %)	17,255,973	602,532
Effect of:		
Exempt Income	(16,764,856)	-
Others	(1,140,166)	19,918
	<b>(649,049)</b>	<b>622,450</b>

**Recognised Deferred Tax Assets / Liabilities**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Opening Balance</b>	<b>(622,450)</b>	-
Deferred Tax Liability in relation to:	-	-
Property, plant and equipment, and intangible assets	-	-
Fair value of Pref Share Liabilities through PL A/c	(1,369,597)	(898,185)
Fair valuation of Leases Liability through PL A/c (Net)	-	-
<b>Deferred Tax Liability</b>	<b>(1,369,597)</b>	<b>(898,185)</b>
<b>Deferred Tax Asset in relation to;</b>		
Loss as per IT Act	2,777,647	275,734
Liabilities FV through PL A/c	-	-
Other disallowable expenses	-	-
Deferred Tax Asset	2,777,647	-
<b>Net Deferred Tax (Liability) / Asset</b>	<b>1,408,050</b>	<b>(622,450)</b>

**25 Additional Regulatory information****25.01 Title deeds of immovable properties**

The company does not hold any immovable properties during the year.

**25.02 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.

**25.03 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.

**25.04 Wilful defaulter**

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

**25.05 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.

**25.06 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.

**25.07 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.

**25.08 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.

**25.09 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.

**25.10 Utilisation of borrowings availed from banks and financial institutions**

No funds have been advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall 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(s) (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 to or on behalf of the Ultimate Beneficiaries.

**25.11 Valuation of PP&E, intangible asset and investment property**

As the Company is not holding any PPE, Intangible Assets or investment property both in the current and previous year disclosure under this clause is not applicable.

**26** Previous year figures have been regrouped / reclassified/ rearranged wherever necessary to correspond with current year classification / disclosure.

The accompanying significant accounting policies and notes form an integral part of the financial statements.

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

**For and on behalf of the Board of Directors of**  
**Vegil Labs Private Limited**

Sd/-

**CA. Yogesh R Bung**  
Partner  
M.No.143932

Place : Raichur  
Date : 22/05/2024

Sd/-

**Vishnukanth Bhutada**  
Director  
DIN No.01243391

Place : Raichur  
Date : 22/05/2024

Sd/-

**Ramakant Innani**  
Director  
DIN No.03222748