



34.1
R. B. Sharma & Co.

Chartered Accountants

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Certificate on translated version of material subsidiary audited financial statements

Date: 15-December-2023

To,

The Board of Directors
Emcure Pharmaceuticals Limited
Plot No. P-1 & P-2, IT-BT Park
Phase-II, M.I.D.C.
Hinjawadi, Pune – 411 057
Maharashtra, India

Tillomed Laboratories Limited
220 Butterfield
Great Marlings
Luton
LU2 8DK
United Kingdom

Re: Proposed initial public offering of equity shares (the “Equity Shares”) of Emcure Pharmaceuticals Limited (the “Company” and such offering, the “Offer”)

Dear Sirs,

We have verified the translated version of the audited standalone financial statements of **Tillomed Laboratories Limited**. (the “Company”) for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 (“Financial Years”). These financial statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21, ‘The Effect of Changes in Foreign Currency Rates’. The work carried out by us is in accordance with the Standard on Related Services (SRS) 4400, “Engagements to Perform Agreed-upon Procedures regarding Financial Information” issued by the Institute of Chartered Accountants of India.

As required under Schedule VI Part A item no.(11)(I)(A)(ii)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), we have verified the translated financial information contained in the Annexure attached to this certificate which is proposed to be uploaded on the website of **Emcure Pharmaceuticals Limited** in connection with its proposed initial public offering of equity shares of Rs. 10/- each (the “Offer”).

We did not audit the standalone financial statements of **Tillomed Laboratories Limited**. These financial statements have been audited by other audit firms, whose reports have been furnished to us by the Company.

These translated financials should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should these be construed as a new opinion on any of the audited standalone financial statements referred to herein.

These translated financials are intended solely for use of the management for uploading on website of **Emcure Pharmaceuticals Limited** in connection with its proposed initial public offering of equity shares of Rs. 10/- each.



Based on our examination, we confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

Restriction on use

This certificate has been provided by M/s. R.B. Sharma and Co., Chartered Accountants, at the request of Emcure Pharmaceuticals Limited and solely for the information of **Kotak Mahindra Capital Company Limited, Axis Capital Limited, Jefferies India Private Limited, J.P. Morgan India Private Limited** and any other book running lead managers appointed by Emcure Pharmaceuticals Limited (collectively referred to as the "Book Running Lead Managers" or the "BRLMs") to assist them in conducting their due-diligence and documenting their investigations of the affairs of Emcure Pharmaceuticals Limited in connection with the proposed Offer. This certificate may be relied on by the BRLMs, their affiliates and legal counsel in relation to the Offer.

This certificate is not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior consent in writing, other than for the purpose stated above. We, however, hereby give consent for inclusion of our name and this information (in full or in part) in the Draft Red Herring Prospectus, Updated Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus proposed to be filed by Emcure Pharmaceuticals Limited with the Securities and Exchange Board of India ("SEBI"), the stock exchanges where the Equity Shares of Emcure Pharmaceuticals Limited are proposed to be listed (the "Stock Exchanges") and the Registrar of Companies, Maharashtra at Pune ("RoC") and any other material used in connection with the Offer and submission of this certificate to SEBI, Stock Exchanges, or RoC in connection with the proposed Offer, as the case may be. Additionally, we hereby give our consent for the submission of this certificate to any other regulatory authority as may be required under applicable law in connection with the proposed Offer, as the case may be.

Yours Sincerely,

For

M/s R.B. Sharma and Co.

Chartered Accountants

ICAI Firm Registration No:109971W



Madhavan N Iyengar

Partner

Membership No. 044366

UDIN: 23044366BGUUAG1459



CC:

Khaitan & Co

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Maharashtra, India

Sidley Austin LLP

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Six Battery Road
Singapore 049909

TILLOMED LABORATORIES LIMITED
Translated Version of Audited Balance Sheet

	Note	GBP			INR (million)		
		31.03.2023	31.03.2022	31.03.2021	31.03.2023	31.03.2022	31.03.2021
Fixed assets							
Intangible assets	13	795,434	1,160,688	1,330,135	80.62	115.57	134.09
Tangible assets	14	106,717	108,950	131,061	10.82	10.85	13.21
		902,151	1,269,638	1,461,196	91.44	126.42	147.30
Current assets:							
Stocks	15	19,317,528	27,945,887	19,603,734	1,957.96	2,782.55	1,976.32
Debtors: amounts falling due more than one year	16	9,901,518	8,115,000	-	1,003.58	808.00	-
Debtors: amounts falling due within one year	16	48,310,245	33,822,330	28,706,088	4,896.55	3,367.66	2,893.95
Cash at bank and in hand	17	1,328,274	2,428,335	2,017,919	134.63	241.79	203.43
		78,857,565	72,311,552	50,327,741	7,992.72	7,200.00	5,073.70
Creditors: amounts falling due within one year	18	(22,622,162)	(34,489,979)	(21,687,557)	(2,292.90)	(3,434.13)	(2,186.38)
Net current assets		56,235,403	37,821,573	28,640,184	5,699.82	3,765.87	2,887.32
Net assets		57,137,554	39,091,211	30,101,380	5,791.26	3,892.29	3,034.62
Capital and reserves							
Called up share capital	20	20,801,000	20,801,000	20,801,000	2,001.30	2,001.30	2,001.30
Foreign currency translation reserve		-	-	-	223.65	72.16	129.63
Profit and loss account		36,336,554	18,290,211	9,300,380	3,566.31	1,818.83	903.69
		57,137,554	39,091,211	30,101,380	5,791.26	3,892.29	3,034.62

The notes form part of these financial statements.

M/s. R.B. Sharma and Co.
Chartered Accountants
ICAI Firm Registration No: 109971W

Madhavan N Iyengar
Madhavan N Iyengar
Partner
Membership No. 044366
Date: 15 December 2023
Place: Pune



For and on behalf of Tillomed laboratories Limited

Tajuddin Shalki
Tajuddin Shalki
Authorised Signatory

Date:- 15 December 2023
Place :- Pune



TILLOMED LABORATORIES LIMITED

Translated Version of Audited Statement Of Comprehensive Income

Statement of Earnings	Note	GBP		
		31.03.2023	31.03.2022	31.03.2021
Turnover	4	96,073,894	70,709,863	60,611,487
Cost of sales		(56,459,894)	(49,883,152)	(44,002,767)
Gross profit		39,614,000	20,826,711	16,608,720
Selling and distribution costs		(2,531,331)	(1,874,241)	(2,582,247)
Administrative expenses		(16,108,452)	(11,327,159)	(11,124,658)
Other operating income	6	1,191,766	3,518,462	1,269,711
Operating profit		22,165,983	11,143,773	4,171,526
Interest receivable	10	466,302	123,647	1,834
Interest payable	11	(308,930)	(145,489)	(308,713)
Profit/(loss) before tax		22,323,355	11,121,931	3,864,647
Tax on profit/(loss)	12	(4,277,012)	(2,132,100)	(736,236)
Profit for the financial year		18,046,343	8,989,831	3,128,411

INR (million)		
31.03.2023	31.03.2022	31.03.2021
9,303.23	7,198.28	5,883.67
(5,467.25)	(5,078.12)	(4,271.43)
3,835.98	2,120.16	1,612.24
(245.12)	(190.80)	(250.66)
(1,559.85)	(1,153.13)	(1,079.90)
115.40	358.18	123.25
2,146.41	1,134.41	404.93
45.15	12.59	0.18
(29.91)	(14.81)	(29.97)
2,161.65	1,132.19	375.14
(414.17)	(217.05)	(71.47)
1,747.48	915.14	303.67

There were no recognised gains and losses for 2023, 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022: ENIL, 2021: ENIL).

The notes form part of these financial statements.

M/s. R.B. Sharma and Co.
Chartered Accountants
ICAI Firm Registration No: 109971W

Madhavan N Iyengar

Madhavan N Iyengar
Partner
Membership No. 044366
Date: 15 December 2023
Place: Pune



For and on behalf of Tillomed laboratories Limited

Tajuddin Shaikh
Tajuddin Shaikh
Authorised Signatory

Date:- 15 December 2023
Place :- Pune



TILLOMED LABORATORIES LIMITED
Translated Version of Audited Statement Of Changes In Equity

Share capital	GBP		
	31.03.2023	31.03.2022	31.03.2021
Opening	20,801,000	20,801,000	20,801,000
Change during the year	-	-	-
Closing	20,801,000	20,801,000	20,801,000

INR (million)		
31.03.2023	31.03.2022	31.03.2021
2,001.30	2,001.30	2,001.30
-	-	-
2,001.30	2,001.30	2,001.30

Profit and loss account	GBP		
	31.03.2023	31.03.2022	31.03.2021
Opening	18,290,211	9,300,380	6,171,969
Profit for the year	18,046,343	8,989,831	3,128,411
Closing	36,336,554	18,290,211	9,300,380

INR (million)		
31.03.2023	31.03.2022	31.03.2021
1,818.83	903.69	600.02
1,747.48	915.14	303.67
3,566.31	1,818.83	903.69

Foreign currency translation reserve	GBP		
	31.03.2023	31.03.2022	31.03.2021
FCTR on Share Capital			
FCTR on Profit and loss account			
Total			

INR (million)		
31.03.2023	31.03.2022	31.03.2021
107.02	69.84	95.72
116.63	2.32	33.91
223.65	72.16	129.63

The notes form part of these financial statements.

M/s. R.B. Sharma and Co.
Chartered Accountants
ICAI Firm Registration No: 109971W

Madhavan N Iyengar

Madhavan N Iyengar
Partner
Membership No. 044366
Date: 15 December 2023
Place: Pune



For and on behalf of Tillomed laboratories Limited

Tajuddin Shalkh

Tajuddin Shalkh
Authorised Signatory

Date:- 15 December 2023
Place :- Pune



1 General information

Tillomed Laboratories Limited is a limited liability company incorporated in England and Wales. The Company is a 100% owned subsidiary undertaking of Emcure Pharma UK Limited, registered in England and Wales.

The Company's financial and presentational currency is British pound sterling and the financial statements are presented in round pounds.

The registered office and principal place of activity is 220 Butterfield, Great Marlings, Luton, LU2 8DL.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Emcure Pharmaceuticals Limited as at 31 March 2023 which are filed along with this entity's financial statements each year, and these financial statements may be obtained from Companies House online.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Interest Income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.



2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful life of licenses and software is 3 years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	over 10 years
Fixtures and fittings	over 10 years
Office equipment	over 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Impairment of non-financial assets

At each balance sheet date non financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication, the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the assets (or asset's cash generating unit) continued use. These cash flows are discounted using a pre tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in order comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of impairment loss is recognised in the profit and loss account.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.



2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i) Impairment of intangible assets

The Company considers whether intangible assets are impaired at each balance sheet date. The estimation of the recoverable value requires assessment of the recoverable value of each intangible asset. This requires projection of the future cash flows and selection of appropriate discount rates so as to calculate the net present value of those cash flows.

ii) Stock provision

The company considers a provision against stock that has expired or close to expiry at the balance sheet date. The provision is derived by using knowledge and experience from previous years.



4 Turnover

The whole of the turnover is attributable to the sale of pharmaceutical products.

Analysis of turnover by country of destination:

	GBP		
	2023	2022	2021
United Kingdom	71,588,374	43,559,423	38,318,749
Rest of the world	24,485,520	27,150,440	22,292,738
	96,073,894	70,709,863	60,611,487

	INR (million)		
	2023	2022	2021
	6,932.20	4,434.36	3,719.67
	2,371.03	2,763.92	2,164.00
	9,303.23	7,198.28	5,883.67

5 Other operating income

	GBP		
	2023	2022	2021
Intercompany recharges	843,311	807,013	962,091
Sale of licences	348,455	2,711,449	307,620
	1,191,766	3,518,462	1,269,711

	INR (million)		
	2023	2022	2021
	81.66	82.15	93.39
	33.74	276.03	29.86
	115.40	358.18	123.25

6 Operating profit

The operating profit is stated after charging:

	GBP		
	2023	2022	2021
Exchange differences	(371,063)	455,375	704,207
Other operating lease rentals	73,408	111,906	78,861
	(297,655)	567,281	783,068

	INR (million)		
	2023	2022	2021
	(35.93)	46.36	68.36
	7.11	11.39	7.66
	(28.82)	57.75	76.02

7 Auditor's remuneration

	GBP		
	2023	2022	2021
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	46,108	43,000	32,500

	INR (million)		
	2023	2022	2021
	4.46	4.38	3.15

8 Employees

Staff costs, including Directors' remuneration, were as follows:

	GBP		
	2023	2022	2021
Wages and salaries	5,231,727	3,481,896	3,209,761
Social security costs	573,249	348,807	345,154
Cost of defined contribution scheme	162,270	115,891	111,688
	5,967,246	3,946,534	3,666,603

	INR (million)		
	2023	2022	2021
	506.61	354.45	311.58
	55.51	35.51	33.50
	15.71	11.80	10.84
	71.22	47.31	44.34

The average monthly number of employees, including the Directors, during the year was as follows:

	2023	2022	2021
	No.	No.	No.
Marketing and technical	39	32	38
Administration and production	9	9	9
	48	41	47

9 Directors' remuneration

	GBP		
	2023	2022	2021
Directors' remuneration	1,307,896	629,377	461,778
	1,309,919	631,399	463,799

	INR (million)		
	2023	2022	2021
	126.65	64.07	44.83
	126.65	64.07	44.83

The highest paid Director received remuneration of £1,307,896 (2022: £629,377, 2021: £461,778).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2022 - £NIL, 2021 - £NIL).

10 Interest receivable

	GBP		
	2023	2022	2021
Non bank loan interest receivable	466,302	123,647	1,834

	INR (million)		
	2023	2022	2021
	45.15	12.59	0.18

11 Interest payable and similar expenses

	GBP		
	2023	2022	2021
Bank interest payable	308,930	145,489	308,713

	INR (million)		
	2023	2022	2021
	29.91	14.81	29.97



12 Taxation

	GBP			INR (million)		
	2023	2022	2021	2023	2022	2021
Current tax						
Current tax on profits for the year	4,279,172	2,143,316	571,316	414.37	218.19	55.46
Total current tax	4,279,172	2,143,316	571,316	414.37	218.19	55.46
Deferred tax						
Origination and reversal of timing differences	(2,160)	(11,216)	164,920	(0.21)	(1.14)	16.01
Taxation on profit/(loss) on ordinary activities	4,277,012	2,132,100	736,236	414.16	217.05	71.47

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	GBP			INR (million)		
	2023	2022	2021	2023	2022	2021
Profit/(loss) on ordinary activities before tax	22,323,355	11,121,931	3,864,647	2,161.66	1,132.22	375.15
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	4,241,437	2,113,167	734,278	410.72	215.12	71.28
Effects of:						
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	53,269	30,149	-	5.16	3.07	-
Capital allowances for year in excess of depreciation	(15,534)	-	-	(1.50)	-	-
Movements in deferred tax	(2,160)	(11,216)	175,538	(0.21)	(1.14)	17.04
Utilisation of tax losses	-	-	(173,580)	-	-	(16.85)
Total tax charge for the year	4,277,012	2,132,100	736,236	414.17	217.05	71.47

Factors that may affect future tax charges

The UK government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

13 Intangible assets

	GBP			INR (million)		
	Licences	Computer software	Total	Licences	Computer software	Total
Cost						
As at 1 April 2020	1,882,623	153,600	2,036,223	176.86	14.43	191.29
Additions	166,980	-	166,980	16.83	-	16.83
Disposal	(99,053)	-	(99,053)	(9.99)	-	(9.99)
Foreign currency translation reserve	-	-	-	12.94	1.05	13.99
As at 31 March 2021	1,950,550	153,600	2,104,150	196.64	15.48	212.12
Additions	188,996	-	188,996	18.82	-	18.82
Disposal	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	(2.43)	(0.19)	(2.62)
As at 31 March 2022	2,139,546	153,600	2,293,146	213.03	15.29	228.32
Additions	-	-	-	-	-	-
Disposal	(18,415)	-	(18,415)	(1.87)	-	(1.87)
Foreign currency translation reserve	-	-	-	3.83	0.28	4.11
As at 31 March 2023	2,121,131	153,600	2,274,731	214.99	15.57	230.56
Amortisation						
As at 1 April 2020	259,279	151,538	410,817	24.36	14.24	38.60
Charge for the period	361,136	2,062	363,198	35.06	0.20	35.26
Impairment charge	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	3.13	1.04	4.17
As at 31 March 2021	620,415	153,600	774,015	62.55	15.48	78.03
Charge for the period	358,443	-	358,443	36.49	-	36.49
Impairment charge	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	(1.58)	(0.19)	(1.77)
As at 31 March 2022	978,858	153,600	1,132,458	97.46	15.29	112.75
Charge for the period	280,738	-	280,738	27.19	-	27.19
Impairment charge	66,101	-	66,101	6.40	-	6.40
Foreign currency translation reserve	-	-	-	3.32	0.28	3.60
As at 31 March 2023	1,325,697	153,600	1,479,297	134.37	15.57	149.94
Net Book Value						
As at 31 March 2021	1,330,135	-	1,330,135	134.09	-	134.09
As at 31 March 2022	1,160,688	-	1,160,688	115.57	-	115.57
As at 31 March 2023	795,434	-	795,434	80.62	-	80.62



14 **Tangible fixed assets**

	GBP				INR (million)			
	Plant and machinery	Fixtures and fittings	Office equipment	Total	Plant and machinery	Fixtures and fittings	Office equipment	Total
Cost								
As at 1 April 2020	20,110	183,577	192,718	396,405	1.89	17.25	18.10	37.24
Additions	-	-	7,747	7,747	-	-	0.78	0.78
Foreign currency translation reserve	-	-	-	-	0.14	1.26	1.33	2.73
As at 31 March 2021	20,110	183,577	200,465	404,152	2.03	18.51	20.21	40.75
Additions	-	-	11,839	11,839	-	-	1.18	1.18
Foreign currency translation reserve	-	-	-	-	(0.03)	(0.23)	(0.25)	(0.51)
As at 31 March 2022	20,110	183,577	212,304	415,991	2.00	18.28	21.14	41.42
Additions	-	-	28,396	28,396	-	-	2.88	2.88
Foreign currency translation reserve	-	-	-	-	0.04	0.33	0.38	0.75
As at 31 March 2023	20,110	183,577	240,700	444,387	2.04	18.61	24.40	45.05
Depreciation								
As at 1 April 2020	4,174	56,129	149,051	209,354	0.39	5.27	14.00	19.66
Charge for the year	15,936	19,345	28,456	63,737	1.55	1.88	2.76	6.19
Foreign currency translation reserve	-	-	-	-	0.09	0.46	1.14	1.69
As at 31 March 2021	20,110	75,474	177,507	273,091	2.03	7.61	17.90	27.54
Charge for the year	-	17,951	15,999	33,950	-	1.83	1.63	3.46
Foreign currency translation reserve	-	-	-	-	(0.03)	(0.14)	(0.26)	(0.43)
As at 31 March 2022	20,110	93,425	193,506	307,041	2.00	9.30	19.27	30.57
Charge for the year	-	17,951	12,678	30,629	-	1.74	1.23	2.97
Foreign currency translation reserve	-	-	-	-	0.04	0.25	0.40	0.69
As at 31 March 2023	20,110	111,376	206,184	337,670	2.04	11.29	20.90	34.23
Net Book Value								
As at 31 March 2021	-	108,103	22,958	131,061	-	10.90	2.31	13.21
As at 31 March 2022	-	90,152	18,798	108,950	-	8.98	1.87	10.85
As at 31 March 2023	-	72,201	34,516	106,717	-	7.32	3.50	10.82

15 **Stocks**

	GBP			INR (million)		
	2023	2022	2021	2023	2022	2021
Raw materials and consumables	968,668	84,629	661,971	37.37	8.43	66.74
Finished goods and goods for resale	18,948,860	27,861,258	18,941,763	1,920.59	2,774.12	1,909.58
	19,317,528	27,945,887	19,603,734	1,957.96	2,782.55	1,976.32

Inventories are stated after provisions of £2,458,330 (2022: £1,930,488, 2021: £784,987).

16 **Debtors**

	GBP			INR (million)		
	2023	2022	2021	2023	2022	2021
Due after more than one year	9,901,518	8,115,000	-	1,003.58	808.00	-
Due within one year						
Trade debtors	21,172,513	15,562,534	14,520,286	2,145.97	1,549.55	1,463.84
Amounts owed by group undertakings	26,625,667	17,899,289	13,238,661	2,698.68	1,782.22	1,334.63
Other debtors	360,500	157,397	696,732	36.54	15.67	70.24
Prepayments and accrued income	127,571	181,276	239,791	12.93	18.05	24.17
Deferred taxation	23,994	21,834	10,618	2.43	2.17	1.07
	48,310,245	33,822,330	28,706,088	4,896.55	3,367.66	2,893.95

17 **Cash and cash equivalents**

	GBP			INR (million)		
	2023	2022	2021	2023	2022	2021
Cash at bank and in hand	1,328,274	2,428,335	2,017,919	134.63	241.79	203.43



18 Creditors: Amounts falling due within one year

	GBP			INR (million)		
	2023	2022	2021	2023	2022	2021
Bank loans	6,032,740	6,016,602	6,051,409	611.46	599.07	610.06
Trade creditors	5,876,296	6,077,422	4,491,887	595.60	605.12	452.84
Amounts owed to group undertakings	1,540,705	15,561,079	3,799,495	156.16	1,549.40	383.04
Corporation tax	589,062	1,051,770	556,609	59.71	104.72	56.11
Other taxation and social security	2,659,280	1,339,709	1,487,130	269.53	133.39	149.92
Other creditors	318,712	702,724	472,493	32.30	69.97	47.63
Accruals and deferred income	5,605,367	3,740,673	4,828,534	568.14	372.46	486.78
	22,622,162	34,489,979	21,687,557	2,292.90	3,434.13	2,186.38

Amounts owed to group undertakings are unsecured and repayable on demand.

The bank loan is secured by way of a fixed and floating charge over all assets of the Company.

19 Deferred taxation

	GBP			INR (million)		
	2023	2022	2021	2023	2022	2021
At 1-April	21,834	10,618	175,538	2.17	1.07	16.49
Charged to profit or loss	2,160	11,216	(164,920)	0.21	1.14	(16.01)
Foreign currency translation reserve	-	-	-	0.05	(0.04)	0.59
At 31-March	23,994	21,834	10,618	2.43	2.17	1.07
The deferred tax asset is made up as follows:						
	GBP			INR (million)		
	2023	2022	2021	2023	2022	2021
Tax losses carried forward	23,994	21,834	-	2.43	2.17	-
Short term timing differences	-	-	10,618	-	-	1.07
	23,994	21,834	10,618	2.43	2.17	1.07

20 Share capital

	GBP			INR (million)		
	2023	2022	2021	2023	2022	2021
Allotted, called up and fully paid						
Ordinary A shares of ₹1.00 each	20,800,740	20,800,740	20,800,740	2,001.27	2,001.27	2,001.27
Ordinary B shares of ₹1.00 each	260	260	260	0.03	0.03	0.03
	20,801,000	20,801,000	20,801,000	2,001.30	2,001.30	2,001.30

21 Reserves

Profit and loss account

Profit and loss account - Includes all current and previous period retained profits and losses.

22 Pension commitments

The Company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered in a fund independent from those of the Company.

The pension cost charge represents contributions payable by the Company to the fund and amounted to ₹162,270 (2022: ₹115,891, 2021: ₹111,688). Contributions totaling ₹23,066 (2022: ₹20,116, 2021: ₹30,275) were payable to the fund at the balance sheet date and are included in creditors.

23 Commitments under operating leases

The Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	GBP			INR (million)		
	2023	2022	2021	2023	2022	2021
Not later than 1 year	-	36,675	55,269	-	3.65	5.57
Later than 1 year and not later than 5 years	-	-	45,597	-	-	4.60
	-	36,675	100,866	-	3.65	10.17

24 Post balance sheet events

Following the year ended 31st March, 2023, the company repaid the Bank loan in full and arranged a non recourse receivables facility for ₹8m with HSBC.

25 Controlling party

The immediate parent undertaking of the Company is Emcure Pharma UK Limited. The ultimate parent undertaking and controlling party is Emcure Pharmaceuticals Limited, a Company incorporated in India.

Emcure Pharmaceuticals Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Emcure Pharmaceuticals Limited are filed along with this entity's financial statements each year, and these financial statements may be obtained from Companies House online.



DETAILED PROFIT AND LOSS ACCOUNT

	GBP		
	2023	2022	2021
Turnover	96,073,894	70,709,863	60,611,487
Cost of sales	(56,459,894)	(49,883,152)	(44,002,767)
Gross profit	39,614,000	20,826,711	16,608,720
Gross profit %	41%	29%	27%
Other operating income	1,191,766	3,518,462	1,269,711
Less: overheads			
Selling and distribution expenses	(2,531,331)	(1,874,241)	(2,582,247)
Administration expenses	(16,108,452)	(11,327,159)	(11,124,658)
Operating profit	22,165,983	11,143,773	4,171,526
Interest receivable	466,302	123,647	1,834
Interest payable	(308,930)	(145,489)	(308,713)
Tax on profit/(loss) on ordinary activities	(4,277,012)	(2,132,100)	(736,236)
Profit for the year	18,046,343	8,989,831	3,128,411

	GBP		
	2023	2022	2021
Turnover			
Sales - United Kingdom	71,588,374	43,559,423	38,318,749
Sales - Rest of the world	24,485,520	27,150,440	22,292,738
	96,073,894	70,709,863	60,611,487

	GBP		
	2023	2022	2021
Cost of sales			
Purchases - raw materials	1,414,660	-	-
Opening stocks	27,945,887	19,603,734	13,382,034
Purchases	46,416,875	58,225,305	50,224,467
Closing stocks	(19,317,528)	(27,945,887)	(19,603,734)
	56,459,894	49,883,152	44,002,767

	GBP		
	2023	2022	2021
Other operating income			
Intercompany recharges	843,311	807,013	962,091
Sundry income	348,455	2,711,449	307,620
	1,191,766	3,518,462	1,269,711

	GBP		
	2023	2022	2021
Selling and distribution expenses			
Postage	667,717	431,723	432,069
Commissions payable	512,051	472,679	380,164
Laboratory testing charges	-	-	27,745
Advertising and promotion	32,750	26,736	25,227
Subscriptions	-	-	372,193
Inventory handling and warehouse costs	1,318,813	943,103	1,344,849
	2,531,331	1,874,241	2,582,247

	GBP		
	2023	2022	2021
Administration expenses			
Directors salaries	1,307,896	629,377	461,778
Staff salaries	3,923,831	2,852,459	2,747,983
Staff national Insurance	573,249	348,807	345,154
Staff pension costs - defined contribution schemes	162,270	115,891	111,688
Staff training	35,059	38,863	5,860
Staff welfare	200,170	72,910	93,590
Motor running costs	11,941	13,149	15,146
Entertainment	14,876	6,652	-
Hotels, travel and subsistence	264,021	98,046	16,898
Printing and stationery	11,583	8,907	11,910
Postage	22,612	9,934	-
Telephone and fax	80,098	54,709	43,811
Computer costs	39,430	67,915	49,960
General office expenses	56,858	64,529	47,487
Trade subscriptions	295,101	308,464	-
Legal and professional	2,776,326	2,874,238	2,425,626
Auditors' remuneration	46,108	43,214	45,555
Bank charges	117,098	104,551	116,331
Bad debts	638,528	2,177	(2,470)
Difference on foreign exchange	(371,063)	455,375	704,207
Rent - operating leases	73,408	111,906	78,861
Rent - non-operating leases	-	-	11,959
Rates	30,939	30,406	32,251
Water	408	152	432
Insurances	216,227	214,196	55,717
Repairs and maintenance	16,305	21,545	43,900
Sundry establishment expenses	20,401	2,349	2,687
Depreciation - plant and machinery	-	-	15,936
Depreciation - office equipment	-	15,999	28,456
Depreciation - fixtures and fittings	17,951	17,951	19,345
Amortisation - intangible fixed assets	293,416	358,443	363,198
Profit/loss on sale of tangible assets	150	-	-
Product registration fees	3,648,383	1,650,090	1,843,120
Sales and marketing support	1,171,892	710,955	-
Laboratory testing and charges	128,884	184	-
PPRS fees	65,000	-	-
Inventory handling and warehouse	-	-	829,965
Waste disposal charges	1,072	14,091	15,623
License fees	718,024	8,725	542,694
	16,108,452	11,327,159	11,124,658

	INR (million)		
	2023	2022	2021
Turnover	9,303.23	7,198.28	5,883.67
Cost of sales	(5,467.25)	(5,078.12)	(4,271.43)
Gross profit	3,835.98	2,120.16	1,612.24
Other operating income	115.40	358.18	123.25
Less: overheads			
Selling and distribution expenses	(245.12)	(190.80)	(250.66)
Administration expenses	(1,559.85)	(1,153.13)	(1,079.90)
Operating profit	2,146.41	1,134.41	404.93
Interest receivable	45.15	12.59	0.18
Interest payable	(29.91)	(14.81)	(29.97)
Tax on profit/(loss) on ordinary activities	(414.16)	(217.05)	(71.47)
Profit for the year	1,747.49	915.14	303.67

	INR (million)		
	2023	2022	2021
Turnover			
Sales - United Kingdom	6,932.20	4,434.36	3,719.67
Sales - Rest of the world	2,371.03	2,763.92	2,164.00
	9,303.23	7,198.28	5,883.67

	INR (million)		
	2023	2022	2021
Cost of sales			
Purchases - raw materials	136.99	-	-
Opening stocks	2,782.55	1,976.32	1,257.12
Purchases	4,505.67	5,884.35	4,990.63
Closing stocks	(1,957.96)	(2,782.55)	(1,976.32)
	5,467.25	5,078.12	4,271.43

	INR (million)		
	2023	2022	2021
Other operating income			
Intercompany recharges	81.66	82.15	93.39
Sundry income	33.74	276.03	29.86
	115.40	358.18	123.25

	INR (million)		
	2023	2022	2021
Selling and distribution expenses			
Postage	64.66	43.95	41.94
Commissions payable	49.58	48.12	36.90
Laboratory testing charges	-	-	2.69
Advertising and promotion	3.17	2.72	2.45
Subscriptions	-	-	36.13
Inventory handling and warehouse costs	127.71	96.01	130.55
	245.12	190.80	250.66

	INR (million)		
	2023	2022	2021
Administration expenses			
Directors salaries	126.65	64.07	44.83
Staff salaries	379.96	290.38	266.75
Staff national Insurance	55.51	35.51	33.50
Staff pension costs - defined contribution schemes	15.71	11.80	10.84
Staff training	3.39	3.96	0.57
Staff welfare	19.38	7.42	9.08
Motor running costs	1.16	1.34	1.47
Entertainment	1.44	0.68	-
Hotels, travel and subsistence	25.57	9.98	1.64
Printing and stationery	1.12	0.91	1.16
Postage	2.19	1.01	-
Telephone and fax	7.76	5.57	4.25
Computer costs	3.82	6.91	4.85
General office expenses	5.51	6.57	4.61
Trade subscriptions	28.58	31.40	-
Legal and professional	268.84	292.60	235.46
Auditors' remuneration	4.46	4.40	4.42
Bank charges	11.34	10.64	11.29
Bad debts	61.83	0.22	(0.24)
Difference on foreign exchange	(35.93)	46.36	68.36
Rent - operating leases	7.11	11.39	7.66
Rent - non-operating leases	-	-	1.16
Rates	3.00	3.10	3.13
Water	0.04	0.02	0.04
Insurances	20.94	21.81	5.41
Repairs and maintenance	1.58	2.19	4.26
Sundry establishment expenses	1.98	0.24	0.26
Depreciation - plant and machinery	-	-	1.55
Depreciation - office equipment	-	1.63	2.76
Depreciation - fixtures and fittings	1.74	1.83	1.88
Amortisation - intangible fixed assets	28.41	36.49	35.26
Profit/loss on sale of tangible assets	0.01	-	-
Product registration fees	353.29	167.98	178.92
Sales and marketing support	113.48	72.38	-
Laboratory testing and charges	12.48	0.02	-
PPRS fees	6.29	-	-
Inventory handling and warehouse	-	-	80.57
Waste disposal charges	0.10	1.43	1.52
License fees	21.11	0.89	52.68
	1,559.85	1,153.13	1,079.90



TILLOMED LABORATORIES LIMITED
Translated Version of Notes to Financial Statement

Interest receivable	GBP		
	2023	2022	2021
Bank interest receivable	466,302	123,647	1,834

Interest receivable	GBP		
	2023	2022	2021
Non - bank loan interest payable	308,930	145,489	308,713

2023	INR (million)	
	2022	2021
45.15	17.59	0.18

2023	INR (million)	
	2022	2021
29.91	14.81	29.97

26 Foreign Currency translation

Monetary Assets and liabilities of the Company have been translated to the Indian currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using average exchange rates. Share capital and Long term Investments are translated into Indian currency at exchange rate prevalent on the date of transaction. Translation adjustments have been reported as foreign currency translation reserve in the other comprehensive Income which is presented within equity.

M/s. R.B. Sharma and Co.
Chartered Accountants
ICAI Firm Registration No: 109971W

Madhavan N Iyengar

Madhavan N Iyengar
Partner
Membership No. 044366
Date: 15 December 2023
Place: Pune

For and on behalf of Tillomed laboratories Limited

Tajuddin Shaikh

Tajuddin Shaikh
Authorised Signatory

Date:- 15 December 2023
Place :- Pune

