FINANCIAL STATEMENTS OF SUBSIDIARIES

FOR FY 2024-25

B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of Gennova Biopharmaceuticals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gennova Biopharmaceuticals Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period beginning from 1 April 2024 to 31 March 2025 ("the period"), and notes to the financial statements, including material 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 Act 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.

Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.

2. 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.

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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 the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2025, received on 1 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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 has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 42 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 56(x) to the financial statements, 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 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 their knowledge and belief, as disclosed in the Note 56(xi) to the financial statements, 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(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) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.



e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, except for instances mentioned below, the Company has used accounting software for maintaining its books of account which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the respective software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved, except for instances mentioned below, by the company as per the statutory requirements for record retention.

(i) The feature of recording audit trail (edit log) facility was not enabled at the database level from 1 April 2024 to 18 November 2024 to log any direct data changes for the accounting software used for maintaining all books of accounts.

(ii) The feature of recording audit trail (edit log) facility was not enabled for certain fields and tables at the application layer of the accounting software used for maintaining books of accounts relating to Revenue and Receivables, Inventory, Property, plant and equipment, Purchase and payables.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Abhishek

Partner

Membership No.: 062343

ICAI UDIN:25062343BMOJBU7604

Place: Pune

Date: 21 May 2025

Annexure A to the Independent Auditor's Report on the Financial Statements of Gennova Biopharmaceuticals Limited for the year ended 31 March 2025

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(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 proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year.For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.Accordingly, provisions of clauses 3(iii)(c) to 3(iii)(f) of the Order are not applicable to the Company.

(a) 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 or advances in the nature of loans, or stood guarantee, or provided security to any other entity.Accordingly, provisions of clauses 3(iii)(a) of the Order is not applicable to the Company.

(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 investment made during the year are not prejudicial to the interest of the Company.

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Annexure A to the Independent Auditor's Report on the Financial Statements of Gennova Biopharmaceuticals Limited for the year ended 31 March 2025 *(Continued)*

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of Professional Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which the amount relates #	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	65.74	65.74*	From AY 2015-16 to AY 2021-22	Commissio n of Income Tax(Appeal s),Pune
Goods and Service Tax Act,2017	Goods and Service Tax	1.02	0.04	FY 2018-19	Commissio nerof State Tax (Appeals),P une
Goods and	Goods and	4.92	0.11	FY 2017-18	Additional

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Annexure A to the Independent Auditor's Report on the Financial Statements of Gennova Biopharmaceuticals Limited for the year ended 31 March 2025 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. in million)	Amount paid under protest (Rs. in million)	Period to which the amount relates #	Forum where dispute is pending
Service Tax Act,2017	Service Tax				Commissioner(Appeals-1), CGST, Pune
Goods and Service Tax Act,2017	Goods and Service Tax	1.22	0.05	FY 2017-18	Commissionerof State Tax (Appeals), Delhi
Goods and Service Tax Act,2017	Goods and Service Tax	2.97	0.11	FY 2017-18	Commissionerof State Tax (Appeals), Kerala
Goods and Service Tax Act,2017	Goods and Service Tax	0.06	0.002	FY 2019-20	Additional Commissioner(Appeals), Pune
Goods and Service Tax Act,2017	Goods and Service Tax	2.18	0.18	FY 2023-24	Additional Commissioner(Appeals), Raipur
Goods and Service Tax Act,2017	Goods and Service Tax	0.11	0.01	FY 2020-21	Additional Commissioner (Appeals), Lucknow

*Represents adjustment/set off of brought forward losses/ MAT credit

FY and AY stand for Financial year and Assessment year respectively.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the

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Annexure A to the Independent Auditor's Report on the Financial Statements of Gennova Biopharmaceuticals Limited for the year ended 31 March 2025 *(Continued)*

management, the Company has not obtained any term loans during the year and the term loans obtained in the previous periods were fully utilised in the respective periods. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

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Annexure A to the Independent Auditor's Report on the Financial Statements of Gennova Biopharmaceuticals Limited for the year ended 31 March 2025 *(Continued)*

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Abhishek

Abhishek

Partner

Membership No.: 062343

ICAI UDIN:25062343BMOJBU7604

Place: Pune

Date: 21 May 2025

Annexure B to the Independent Auditor's Report on the financial statements of Gennova Biopharmaceuticals Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Gennova Biopharmaceuticals Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

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Annexure B to the Independent Auditor's Report on the financial statements of Gennova Biopharmaceuticals Limited for the year ended 31 March 2025 *(Continued)*

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Abhishek

Partner

Membership No.: 062343

ICAI UDIN:25062343BMOJBU7604

Place: Pune

Date: 21 May 2025

GENNOVA BIOPHARMACEUTICALS LIMITED
Balance Sheet as at March 31, 2025

Rs. in millions

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,359.12	2,514.91
Capital work-in-progress	4	87.91	85.45
Right-of-use assets	6	380.97	332.73
Intangible assets	5	1,253.08	50.42
Financial assets			
i) Investments	7	1.59	*
ii) Other financial assets	8	106.03	109.57
Deferred tax assets (net)	36	14.97	-
Income tax assets (net)	37	21.31	0.10
Other non current assets	9	24.25	6.86
Total non current assets		4,249.23	3,100.04
Current assets			
Inventories	10	1,206.65	1,479.62
Financial assets			
i) Trade receivables	11	1,033.89	595.81
ii) Cash and cash equivalents	12	203.26	100.93
iii) Bank balances other than (ii) above	13	28.95	33.89
iv) Other financial assets	14	191.32	211.28
Other current assets	15	479.23	342.11
Total current assets		3,143.30	2,763.64
Total assets		7,392.53	5,863.68
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	55.11	55.11
Other equity			
Reserves and surplus	17	2,322.45	2,449.91
Total equity		2,377.56	2,505.02
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i) Borrowings	18	2,772.79	183.36
ii) Lease Liabilities	6	219.34	211.79
iii) Other financial liabilities	19	17.80	17.44
Provisions	20	48.09	41.42
Deferred tax liabilities (net)	36	-	15.45
Other non current liabilities	21	144.29	162.05
Total non current liabilities		3,202.31	631.51
Current liabilities			
Financial liabilities			
i) Borrowings	22	692.09	1,571.96
ii) Lease Liabilities	6	190.78	175.04
iii) Trade payables	23		
Total outstanding dues of micro and small enterprises		11.84	7.16
Total outstanding dues to others		609.23	663.02
iv) Other financial liabilities	24	204.37	162.12
Provisions	25	52.25	33.83
Other current liabilities	26	52.10	68.41
Income tax liabilities (net)	37	-	45.61
Total current liabilities		1,812.66	2,727.15
Total liabilities		5,014.97	3,358.66
Total equity and liabilities		7,392.53	5,863.68

** Amount below Rs 0.005 millions*

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 21 May 2025

For and on behalf of the Board of Directors
Gennova Biopharmaceuticals Limited
CIN -U24231PN2001PLC016253

Shailesh Ayyangar
Chairman
DIN : 00268076

Ruchja Gohad
Company Secretary
Membership No. A35340

Place: Pune
Date: 21 May 2025

[illegible] Singh
Whole-time Director & CEO
DIN : 01693705

GENNOVA BIOPHARMACEUTICALS LIMITED

Statement of Profit and Loss for the year ended March 31, 2025

Rs. in millions

Particulars	Notes	For the year ended	
		March 31, 2025	March 31, 2024
Revenue:			
Revenue from operations	27	4,299.46	4,220.82
Other income	28	23.04	26.20
Total revenue		4,322.50	4,247.02
Expenses:			
Cost of materials consumed	29	546.90	579.74
Purchases of stock-in-trade		246.99	380.30
Changes in inventories of finished goods, work-in-progress and traded goods	30	239.63	(120.57)
Employee benefit expenses	31	912.95	764.73
Depreciation and amortization expense	33	641.10	412.73
Finance cost	34	294.36	216.13
Other expenses	32	1,576.47	1,501.49
Net (gain) / loss on foreign currency transactions		5.64	(7.76)
Total expenses		4,464.04	3,726.79
(Loss)/Profit before tax		(141.54)	520.23
Tax expense	35		
Current tax		1.75	165.32
Deferred tax		(28.10)	32.38
Total tax expenses		(26.35)	197.70
(Loss)/Profit for the year		(115.19)	322.53
Other comprehensive income			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period	45	(6.56)	(0.67)
- Income tax relating to above item	35	2.29	0.23
Net other comprehensive income/(loss) not to be reclassified subsequently to profit or		(4.27)	(0.44)
Total comprehensive income/(loss) for the year		(119.46)	322.09
Earnings per share:			
Basic	38	(20.90)	58.52
Diluted	38	(20.90)	58.52
[Face value per share: Rs. 10 (March 31, 2024 : Rs.10)]			

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 21 May 2025

For and on behalf of the Board of Directors
Gennova Biopharmaceuticals Limited
CIN -U24231PN2001PLC016253

Shailesh Ayyangar
Chairman
DIN : 00268076

Sanjay Singh
Whole-time Director & CEO
DIN : 01693705

Rutuja Gohad
Company Secretary
Membership No. A35340

Place: Pune
Date: 21 May 2025

GENNOVA BIOPHARMACEUTICALS LIMITED

Statement of Changes in Equity for the year ended March 31, 2025

Equity share capital	Notes	Rs. in millions
As at April 1, 2023		55.11
Changes in equity share capital	16	-
As at March 31, 2024		55.11
Changes in equity share capital	16	-
As at March 31, 2025		55.11

Rs. in millions

Other equity	Notes	Reserves and surplus			Total
		Retained earning	Capital Redemption Reserve	Other reserves	
As at April 1, 2023		1,564.90	550.00	12.03	2,126.93
Profit for the year		322.53	-	-	322.53
Issue of share options of Holding Company to employees of the Company	46	-	-	0.89	0.89
Remeasurements of post-employment benefit obligations (net of tax)		(0.44)	-	-	(0.44)
As at March 31, 2024		1,886.99	550.00	12.92	2,449.91
Profit for the period		(115.19)	-	-	(115.19)
Issue/(Cancellation) of share options of Holding Company to employees of the Company	46	-	-	(8.00)	(8.00)
Remeasurements of post-employment benefit obligations (net of tax)		(4.27)	-	-	(4.27)
As at March 31, 2025		1,767.53	550.00	4.92	2,322.45

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 21 May 2025

For and on behalf of the Board of Directors
Gennova Biopharmaceuticals Limited
CIN -U24231PN2001PLC016253

Shailesh Ayyangar
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Sanjay Singh
Whole-time Director & CEO
DIN : 01693705

Rutuja Gohad
Company Secretary
Membership No. A35340

Place: Pune
Date: 21 May 2025

GENNOVA BIOPHARMACEUTICALS LIMITED

Cash Flow Statement for the year ended March 31, 2025

Rs. In millions

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Cash flow from operating activities:		
(Loss)/Profit before taxation	(141.54)	520.23
Adjustment for:		
Depreciation and amortisation expenses	641.10	412.73
Employee share-based expenses	(8.00)	0.89
Finance costs	292.95	214.39
Provision for doubtful debts	7.95	8.73
Change in fair value of financial liabilities	1.38	1.74
Profit on sale of property, plant and equipment	(0.32)	(16.30)
Interest income from banks and others	(3.41)	(2.36)
Gain on termination of leases	(0.84)	-
Unwinding of discount on security deposits	(6.40)	(6.54)
	782.87	**1,133.51**
Working capital adjustments:		
- Decrease / (increase) in trade and other receivables	(146.03)	6.40
- (Increase) / decrease in inventories	272.99	(82.00)
- Decrease / (increase) in other assets	(150.32)	229.06
- Decrease / (increase) in other financial assets	16.86	20.95
- (Decrease) / increase in trade payables	(49.13)	(531.69)
- Increase / (decrease) in other financial liabilities	(0.91)	29.41
- Increase / (decrease) in other liabilities	(34.07)	3.22
- Increase / (decrease) in provisions	18.54	9.57
Cash generated from operating activities	**410.80**	**818.43**
Income taxes paid (net of refund)	(68.59)	(100.62)
Net cash inflow from operating activities (A)	**342.21**	**717.81**
Cash flow from investing activities:		
Acquisition of property, plant and equipment, Leasehold Land and capital work-in-progress	(146.15)	(289.44)
Acquisition of intangible assets	(1,328.62)	(50.56)
Proceeds from sale of property, plant and equipment and leasehold land	0.41	215.84
Investments in Sunsure Solarpark Twelve Private Limited	(1.59)	-
Interest received	3.18	2.17
Term deposit placed	(118.98)	(37.27)
Term deposit matured	124.64	27.32
Net cash used in investing activities (B)	**(1,467.11)**	**(131.94)**
Cash flow from financing activities:		
Repayment of long-term borrowings	(145.33)	(145.20)
Intercorporate deposits taken from Holding Company	3,000.60	-
Repayment of intercorporate deposits taken from Holding Company	(268.00)	-
Proceeds / (repayment) of short-term borrowings (net)	(726.53)	483.16
Principal payment of lease liabilities	(185.61)	(166.31)
Interest paid (refer footnote 1 below)	(296.94)	(230.32)
Net cash generated/(used) in from financing activities (C)	**1,378.19**	**(58.67)**
Net increase/ (decrease) in cash & cash equivalents (A+B+C)	253.29	527.20
Cash and cash equivalent at beginning of the year (Refer below)	(60.54)	(587.74)
Cash and cash equivalent at end of the year (Refer below)	**192.75**	**(60.54)**

Rs. in millions

Components of cash and cash equivalent	March 31, 2025	March 31, 2024
Cash on hand	0.06	0.01
Balances with banks	199.55	100.92
Demand deposits (with original maturity of less than 3 months)	3.65	-
Cash credit facilities repayable on demand from banks	(10.51)	(161.47)
Total cash and cash equivalent*	**192.75**	**(60.54)**

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GENNOVA BIOPHARMACEUTICALS LIMITED
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GENNOVA BIOPHARMACEUTICALS LIMITED
Cash Flow Statement for the year ended March 31, 2025 (continued)

Rs. in millions

Changes in liabilities arising from financing activities	For the year ended	
	March 31, 2025	March 31, 2024
Borrowings (refer note 18 and 22):		
Opening balance	1,590.98	1,253.45
Amount borrowed during the year	3,000.60	483.16
Amount repaid during the year	(1,139.86)	(145.20)
Amortised cost and other adjustment	1.38	(0.43)
Closing balance	**3,453.10**	**1,590.98**
Finance cost (refer note 22):		
Opening balance	7.94	4.17
Finance cost during the year	294.33	216.13
Amount paid during the year (including interest on lease liability)	(296.94)	(230.32)
Amortised cost and other adjustment (includes borrowing cost capitalised during the year)	(1.36)	17.96
Closing balance	**3.97**	**7.94**

Footnotes to the cash flow statement:

1. Includes interest expense of Rs. Nil million (March31, 2024: Rs 17.96 million) which has been capitalised in accordance with Ind AS 23, Borrowing Costs.

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 21 May 2025

For and on behalf of the Board of Directors
Gennova Biopharmaceuticals Limited
CIN -U24231PN2001PLC016243

Shailesh Ayyangar
Chairman
DIN : 00268076

Sanjay Singh
Whole-time Director & CEO
DIN : 01693705

Rutuja Gohad
Company Secretary
Membership No. A35340

Place: Pune
Date: 21 May 2025

1A. General information:

Gennova Biopharmaceuticals Limited (the "Company") is a research-based biotech pharmaceutical Company limited by shares, incorporated and domiciled in India. The Company is presently catering to the domestic as well as export markets and has one plant located in India.

1B. Basis of preparation

a) Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

The financial statements were authorised for issue by the Company's Board of Directors on May 21, 2025.

Details of the Company's accounting policies are included in Note 1C. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the amounts disclosed in the financial statements and notes have been rounded off to the nearest millions, unless otherwise indicated.

c) Basis of measurement

The financial statements are prepared under the historical cost convention except for the following items:

Items	Measurement Basis
Certain Financial assets and liabilities	Fair value
Equity settled share based payment arrangements	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimations uncertainties that have a significant risk resulting in a material adjustment in the year ending 31 March 2025 is included in following notes:

Note 1C. c) Useful lives of property, plant, equipment;
Note 1C. d) Useful lives of intangible assets;
Note 6 - measurement of discount rate for initial recognition of ROU and Lease Liability as per Ind AS 116
Note 10 - Valuation of inventories

Note 20 & 25 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Head of Treasury.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 for the asset or liability that are not based on observable market data (unobservable inputs).

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GENNOVA BIOPHARMACEUTICALS LIMITED
PUNE

1B. Basis of preparation (continued)

e) Measurement of fair values (continued)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 41 – Fair value measurements;
- Note 46 – Employee stock option plan

f) Current versus non current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets / non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within 12 months after the reporting date; or
- the Company does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities / non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

1C. Material accounting policies

a) Foreign Currency Translation

Transaction in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction, exchange difference are recognised in statement of profit and loss.

b) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost; or
- Fair value through profit and loss (FVTPL)

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PUNE

1C. Material accounting policies (continued)

b) Financial instruments (continued)

Classification and subsequent measurement (Continued)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- The stated policy and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of asset;

- How the performance of portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- How managers of business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and other basic leading risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Company's claim to cash flows for specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amount of principal and interest on principal amount outstanding, which may include reasonable additional compensation for early termination of contract. Additionally, for a financial asset acquired on a significant premium or discount to its contractual par amount, a feature that permits or require prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is significant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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PUNE

1C. Material accounting policies (continued)

b) Financial instruments (continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

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

c) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment (including capital-work-inprogress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimate costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013 except for vehicles and furnitures and fixtures at leasehold premises. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management	Useful life as per schedule II
Leasehold improvements	As per lease	NA
Plant and machinery	3 to 20 years	10 to 20 years
Electrical installation	10 years	10 years
Air handling equipment	15 years	15 years
Computers	3-6 years	3-6 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Vehicles	5 years	8-10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives represents the period over which the management expects to use these assets.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

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GENNOVA BIOPHARMACEUTICALS LIMITED
PUNE

1C. Material accounting policies (continued)

d) Intangible assets

i. Initial recognition:

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to Company.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value over their estimated useful lives using straight line method, as is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Intangible Asset	Management estimated useful life
Brands acquired	5 to 10 years
Software, license rights	2 to 10 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Intangible Assets under Development

Intangible assets under development are initially recognized at cost. Such intangible assets are subsequently capitalized only if it is probable that the future economic benefit associated with the expenditure will flow to Company.

e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost on inventories is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The net realisable value of work-in- progress is determined with reference to the selling price of related finished products.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material price have declined and it is estimated that the cost of finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

f) Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observed data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue for a period of more than 12 months from the credit term offered to the customer;
- the restructuring of loan or advance by the Company on the terms that the Company would not consider otherwise;
- it is probable that borrower will enter bankruptcy or the financial reorganization;
- the disappearance of active market for a security because of financial difficulties.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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1C. Material accounting policies (continued)

f) Impairment (continued)

i. Impairment of financial instruments (Continued)

For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) is recognized in the statement of profit and loss.

While determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitate and qualitative information and analysis based on Company's historical experience and informed credit assessment and including forward - looking information.

The Company assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due.

The Company considers financial asset to be in default when:
a. The borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to action such as realising security (if any is held); or
b. The financial asset is 90 days or more past due.

Measurement of expected credit loss

Expected credit loss are probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance of expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write – off

The Gross carrying amount of financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when Company determines that the debtor does not have asset or source of income that could generate sufficient cash flows to repay the amount subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

ii. Impairment of non-financial asset

The Company's non-financial assets, other than inventories and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss on goodwill is not subsequently reversed.

g) Employee benefits

i. Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

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1C. Material accounting policies (continued)

g) Employee benefits (Continued)

ii. Share-based payment transactions

Share-based payment are provided to employees via the Parent Company's Employees Stock Option Plan ("Emcure ESOS 2013")

The grant date fair value of equity settled share-based payment awards granted to employees of the Company is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results is a potential asset for the Company, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit or loss. The Company recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long term employee benefit

The Company's liability in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurement gains or losses are recognised in statement of profit or loss in the period in which they arise.

h) Provisions (other than for employee benefits), Contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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1C. Material accounting policies (continued)

h) Provisions (other than for employee benefits), Contingent liabilities and contingent assets (continued)

i. Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

ii. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

i) Revenue

Sale of goods

Revenue is measured based on the consideration specified in a contract with a customer. Consideration is allocated to each performance obligation specified in the contract. The Company recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary.

The consideration can be fixed or variable. Where the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods or services to a customer. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

The Company recognises refund liability where the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price).

Sale of services

Rendering of services

Revenue from rendering of services is recognised in statement of profit and loss over the period of time. The Company is involved in rendering services related to its products to its customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

Allowance for Sales returns and breakage expiry

When a customer has a right to return the product within a given period, the Company has recognised an allowance for returns. The allowance is measured equal to the value of the sales expected to return in the future period. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The Company has an obligation to accept the goods which will expire. The Company has recognised an allowance for the returns due to expiry. The allowance is measured on the basis of historical trend of expiry against the sales occurred in the current and earlier period. Management considers the sales value for the periods which are equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.

j) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis. As per company policy, government grant related operating revenue is recognized on a gross basis and not netted off against the operating expenses, i.e. the income is presented separately under Note 52 (gross presentation).

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

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1C. Material accounting policies (continued)

k) Leases

i. The Company as a lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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

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

l) Recognition of interest income or expenses

Interest income is recognised using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

m) Income tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax 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 or simultaneously.

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1C. Material accounting policies (continued)

m) Income tax (continued)

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:
temporary differences on the initial recognition of assets or liabilities in a transaction that: is not a business combination; and at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences and

temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

n) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial assets at the time the guarantee is received. The asset is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 36 and the amount initially recognised less cumulative amortisation, where appropriate.
The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables are received for no compensation, the Company has made accounting policy choice of recognising fair value of such financial guarantee as finance cost.

p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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1C. Material accounting policies (continued)

q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company are identified as Chief operating decision maker. Refer note 49 for segment reporting.

r) Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the reporting period, except where the results would be anti-dilutive.

s) Cash flow statement

Cash flow are reported using the indirect method, whereby profit before tax 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 item 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.

t) Research and development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

u) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated.

Note 2 - Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notified new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. For the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

On May 9, 2025, MCA notified the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements.

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Rs. in millions

Note 3 Property, plant and equipment	Gross book value				Accumulated depreciation				Net book value
	As at April 1, 2024	Addition	Disposals	As at March 31, 2025	As at April 1, 2024	Depreciation for the year	Disposals	As at March 31, 2025	As at March 31, 2025
Leasehold improvements	156.09	8.18	-	164.27	70.02	37.08	-	107.10	57.17
Plant and machinery	3,229.57	141.41	0.23	3,370.75	1,068.13	263.55	0.14	1,331.54	2,039.21
Electrical installation	42.23	6.79	-	49.02	5.89	4.42	-	10.31	38.71
Air handling equipment	155.75	3.40	-	159.15	8.01	10.37	-	18.38	140.77
Computers	51.44	9.15	-	60.59	33.21	10.88	-	44.09	16.50
Office equipments	14.52	3.23	-	17.75	6.16	2.53	-	8.69	9.06
Furniture and fixtures	59.55	9.23	-	68.78	7.70	6.08	-	13.78	55.00
Vehicles	18.90	-	2.00	16.90	14.02	2.19	2.01	14.20	2.70
Total	**3,728.05**	**181.39**	**2.23**	**3,907.21**	**1,213.14**	**337.10**	**2.15**	**1,548.09**	**2,359.12**

Refer Note 48 for information on property, plant and equipment pledged as security by the Company.
Accumulated depreciation on disposals of Plant & Machinery and office equipments is below rounding off decimals and hence appearing Nil

Rs. in millions

Note 3 Property, plant and equipment	Gross book value				Accumulated depreciation				Net book value
	As at April 1, 2023	Addition	Disposals	As at March 31, 2024	As at April 1, 2023	Depreciation for the year	Disposals	As at March 31, 2024	As at March 31, 2024
Leasehold improvements	68.84	87.25	-	156.09	36.19	33.83	-	70.02	86.07
Plant and machinery	1,877.52	1,373.75	21.67	3,229.60	884.93	183.20	-	1,068.13	2,161.47
Electrical installation	9.22	33.01	-	42.23	4.28	1.61	-	5.89	36.34
Air handling equipment	21.42	134.47	0.15	155.74	5.91	2.11	0.01	8.01	147.73
Computers	38.91	12.51	-	51.42	24.02	9.19	-	33.21	18.21
Office equipments	7.61	6.92	0.01	14.52	4.47	1.69	-	6.16	8.36
Furniture and fixtures	18.68	40.87	-	59.55	5.31	2.39	-	7.70	51.85
Vehicles	18.90	-	-	18.90	11.84	2.18	-	14.02	4.88
Total	**2,061.10**	**1,688.78**	**21.83**	**3,728.05**	**976.95**	**236.20**	**0.01**	**1,213.14**	**2,514.91**

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Rs. in millions

Note 4 Capital Work-in-progress and Intangibles assets under development	As at April 1, 2024	Addition	Capitalised	Disposals	As at March 31, 2025
Capital work-in-progress	85.45	19.04	16.59	-	87.91
Intangible Assets under Development	-	-	-	-	-

Rs. in millions

Note 4 Capital Work-in-progress and Intangibles assets under development	As at April 1, 2023	Addition	Capitalised	Disposals	As at March 31, 2024
Capital work-in-progress	1,390.16	337.51	1,641.94	0.29	85.45
Intangible Assets under Development	26.18	-	26.18	-	-

Footnotes for note 3 and 4

1. The Capital work-in-progress at the year end of Rs. 87.92 Millions (March 31,2024 : Rs.85.45 Millions) mainly consists of plant and machinery, building and other assets pertaining to various projects / plants, expansion of existing facilities, etc.
2. The borrowing cost capitalised on qualifying assets amounting to Rs. Nil (March 31, 2024: Rs. 17.96 million) have been added to the cost of assets during the year (refer note 34).
3. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is Nil (March 31, 2024 : MCLR + 0.50%).
4. Refer Note 48 for information on Property, plant and equipment and Capital work-in-progress pledged as security by the company.

Capital work-in-progress ageing as at end of reporting period is as below

Rs. in millions

March 31, 2025	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	19.05	1.99	12.47	54.40	87.91
Projects temporarily suspended	-	-	-	-	-
Total	**19.05**	**1.99**	**12.47**	**54.40**	**87.91**

Rs. in millions

March 31, 2024	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	18.63	12.42	54.40	-	85.45
Projects temporarily suspended	-	-	-	-	-
Total	**18.63**	**12.42**	**54.40**		**85.45**

There are no projects where cost exceeded original plan and there are no projects which are overdue from original planned completion date.

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Rs. in millions

Note 5 Intangible assets	Gross book value				Accumulated amortization			Net book value
	As at April 1, 2024	Addition	Disposals	As at March 31, 2025	As at April 1, 2024	Amortisation for the year	As at March 31, 2025	As at March 31, 2025
Software	46.78	7.16	-	53.94	22.53	10.48	33.01	20.93
Product development	26.18	72.79	-	98.97	0.01	8.84	8.85	90.12
Intangible License Right	-	1,252.52	-	1,252.52	-	110.49	110.49	1,142.03
Total	**72.96**	**1,332.47**	**-**	**1,405.43**	**22.54**	**129.81**	**152.35**	**1,253.08**

Rs. in millions

Note 5 Intangible assets	Gross book value				Accumulated amortization			Net book value
	As at April 1, 2023	Addition	Disposals	As at March 31, 2024	As at April 1, 2023	Amortisation for the year	As at March 31, 2024	As at March 31, 2024
Software	22.37	24.41	-	46.78	17.50	5.03	22.53	24.25
Product development	-	26.18	-	26.18	-	0.01	0.01	26.17
Total	**22.37**	**50.59**	**-**	**72.96**	**17.50**	**5.04**	**22.54**	**50.42**

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Note 6 : Leases

Lease contracts entered by the Company majorly pertains for Land & buildings taken on lease to conduct its business in the ordinary course. Information about leases for which the company is lessee is presented as below:

Right-Of -Use Of Asset

Rs. in millions

Particulars	Land	Properties	Plant & Machinery	Total
Balance as at April 1 ,2023	**179.33**	**309.03**	**193.26**	**681.62**
Additions for the year	-	-	-	-
Deletions for leases terminated	(177.44)	-	-	(177.44)
Depreciation charge for the year	(1.89)	(108.39)	(61.17)	(171.45)
Balance as at March 31, 2024	**0.00**	**200.64**	**132.09**	**332.73**
Additions for the year	-	223.93	-	223.93
Deletions for leases terminated (Refer Note below)	-	(1.50)	-	(1.50)
Depreciation charge for the year	-	(113.02)	(61.17)	(174.19)
Balance as at March 31, 2025	**0.00**	**310.05**	**70.92**	**380.97**

Lease Liabilities

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Balance as at the beginning of the year	386.83	553.14
Additions for the year	211.37	-
Interest on lease liabilities	33.13	40.88
Deletions for leases terminated	(2.47)	-
Repayment of lease liabilities	(218.74)	(207.19)
Balance as at the end of the year	**410.12**	**386.83**
Current	190.78	175.04
Non-current	219.34	211.79

Maturity analysis - contractual undiscounted cash flows-

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Less than one year	219.04	200.36
One to five years	237.13	212.24
More than five years	26.80	27.08
Total undiscounted lease liabilities as at year end	**482.97**	**439.68**

Amount recognised in statement of Profit or Loss

Rs. In millions

Particulars	March 31, 2025	March 31, 2024
Interest on lease liabilities	33.13	40.88
Depreciation on right of use assets	174.19	171.45
Total	**207.32**	**212.33**

Amounts recognised in statement of cash flow

Rs. in millions

Cash flow from financing activities		
- Repayment of lease liabilities	(218.74)	(207.19)

Note: Balance lying in the ROU asset & liabilities are presented as deletions & resultant gain is recognised under Note 28 Other income.

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Rs. In millions

Note 7 Non current investments	March 31, 2025	March 31, 2024
Investment in equity instruments		
Unquoted (Valued at cost unless otherwise stated)		
Investments in Emcure Brasil Farmaceutica Ltda		
1 (March 31, 2024 : 1), fully paid equity shares of Real 1 each	*	*
Investments in Sunsure Solarpark Twelve Private Limited	1.59	-
12402 (March 31, 2024 : 0), fully paid equity shares of INR 10 each		
Total - Aggregate of unquoted investments	1.59	*

* Value below Rs. 0.005 Million

^During the current year, the Company has subscribed to the shares of Sunsure Solarpark Twelve Private Limited ("Sunsure"), for 56,847 equity shares of Rs. 10 each amounting to Rs. 71.06 million (March 31, 2024 : Rs. Nil). Investment in Sunsure is initially recognised as at fair value as per Ind AS 109, subsequently it will be carried at amortised cost. The excess of the nominal value of investment over the fair value on initial recognition is recognised as prepaid expense and amortised over the term of the contractual agreement (25 years).

Rs. in millions

Note 8 Other non-current financial assets	March 31, 2025	March 31, 2024
Unsecured considered good, unless otherwise specified:		
Term deposits with banks for remaining maturity period more than 12 months (refer note below)	3.92	4.40
Security deposits	102.11	105.17
Total	106.03	109.57

Note : Held as lien by bank for issuing performance bank guarantees. (Refer Note 48)

Rs. in millions

Note 9 Other non-current assets	March 31, 2025	March 31, 2024
Unsecured considered good, unless otherwise specified:		
Capital advances	11.08	6.86
Prepaid expenses	13.17	-
Total	24.25	6.86

Rs. in millions

Note 10 Inventories	March 31, 2025	March 31, 2024
Raw materials [Includes in transit Rs. Nil millions (March 31, 2024 : Rs. 12.97 millions)]	549.74	557.07
Packing materials [Includes in transit Rs. 1.58 millions (March 31, 2024 : Rs. Nil millions)]	109.87	207.52
Work-in-progress	186.98	341.97
Finished goods	99.27	133.85
Traded goods [Includes in transit Rs. 0.64 millions (March 31, 2024 : Rs. 0.78 millions)]	52.44	102.49
Stores and Spares [Includes in transit Rs. Nil millions (March 31, 2024 : Rs. Nil millions)]	208.35	136.72
Total	1,206.65	1,479.62

Amounts recognised in statement of profit and loss

1. Write-downs of inventories during the year amounted to Rs. 44.26 millions (March 31, 2024 : Rs. 137.78 millions). These were recognised as an expense during the year and included in cost of materials consumed or changes in inventories of finished goods, work-in-progress and traded goods in statement of profit and loss.
2. Refer Note 48 for information on Inventories pledged as security by the Company.

Rs. in millions

Note 11 Trade receivables	March 31, 2025	March 31, 2024
Trade receivables considered good - Unsecured	1,066.58	595.81
Undisputed trade receivables - which have significant increase in credit risk	-	24.74
Disputed receivables - which have significant increase in credit risk	1.07	1.07
Less: Loss allowance	(33.76)	(25.81)
Total	1,033.89	595.81

Of the above, trade receivables from related parties are as below

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Total trade receivables from related parties (Refer note 44)	160.31	83.57
Less: Loss allowance	-	-
Net trade receivables	160.31	83.57

Breakup of security details and ageing schedule

Rs. in millions

March 31, 2025	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	589.05	388.46	37.65	39.34	8.60	3.47	1,066.58
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	1.07	1.07
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	589.05	388.46	37.65	39.34	8.60	4.54	1,067.65
Less: Loss allowance							(33.76)
Total	589.05	388.46	37.65	39.34	8.60	4.54	1,033.89

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Breakup of security details and ageing schedule

Rs. in millions

March 31, 2024	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	414.83	131.70	37.63	11.41	0.23	0.01	595.81
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	24.74	-	24.74
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	1.07	1.07
Total	414.83	131.70	37.63	11.41	24.97	1.08	621.62
Less: Loss allowance							(25.81)
Total	414.83	131.70	37.63	11.41	24.97	1.08	595.81

Refer Note 48 for information on trade receivables pledged as security by the company.
The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 40.

Rs. In millions

Note 12 Cash and cash equivalents	March 31, 2025	March 31, 2024
Cash in hand	0.06	0.01
Balances with bank	199.55	100.92
Demand deposits (with original maturity of less than 3 months)	3.65	-
Total	203.26	100.93

Refer Note 48 for information on cash and cash equivalents pledged as security by the company.

Rs. in millions

Note 13 Balances other than cash and cash equivalents	March 31, 2025	March 31, 2024
Unsecured considered good, unless otherwise specified		
Term deposits with banks for initial maturity more than 3 months but remaning maturity of less than 12 months (Refer note below)	27.38	32.55
Interest accrued on deposits with bank	1.57	1.34
Total	28.95	33.89

Note: Term deposits are held as lien by bank for Non Fund Based Credit Limits (which includes Letter of Credit & Bank Guarantees) (Refer Note 48)

Rs. In millions

Note 14 Other current financial assets	March 31, 2025	March 31, 2024
Unsecured considered good, unless otherwise specified		
Government grant receivables	189.40	197.47
Other receivable	1.92	13.81
Total	191.32	211.28

Rs. In millions

Note 15 Other current assets	March 31, 2025	March 31, 2024
Unsecured considered good, unless otherwise specified		
Advances for supply of goods and services	20.79	41.25
Balances with government authorities	435.97	289.01
Advance to employees	4.48	5.46
Prepaid expenses	17.99	6.39
Total	479.23	342.11

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Rs. in millions

Note 16 Share capital	March 31, 2025		March 31, 2024	
	Nos	Amount	Nos	Amount
Authorised				
Equity share of Rs. 10 each (March 31, 2024 : Rs. 10 each)	1,00,00,000	100.00	1,00,00,000	100.00
Optionally convertible redeemable preference shares of Rs. 10 each (March 31, 2024: Rs. 10 each)	5,50,00,000	550.00	5,50,00,000	550.00
Total	**6,50,00,000**	**650.00**	**6,50,00,000**	**650.00**
Issued, subscribed and paid up				
Equity share of Rs. 10 each (March 31, 2024 : Rs. 10 each)	55,11,365	55.11	55,11,365	55.11
Total	**55,11,365**	**55.11**	**55,11,365**	**55.11**

Reconciliation of the number of the shares outstanding at the beginning and at the end of the year

Rs. in millions

Particulars	March 31, 2025		March 31, 2024	
	Nos	Value	Nos	Value
Equity Shares outstanding at the beginning and at the end of the year	55,11,365	55.11	55,11,365	55.11

Share held by the Holding Company	No. of shares held	% of Shareholding	No. of shares held	% of Shareholding
	March 31, 2025		March 31, 2024	
Equity Shares				
Emcure Pharmaceuticals Limited, the Holding Company	48,47,500	87.95%	48,47,500	87.95%

Shareholders Holding shares more than 5%	No. of shares held	% of Shareholding	No. of shares held	% of Shareholding
	March 31, 2025		March 31, 2024	
Equity Shares				
Emcure Pharmaceuticals Limited, the Holding Company	48,47,500	87.95%	48,47,500	87.95%
Dr. Sanjay Singh	6,61,365	12.00%	6,61,365	12.00%
Total	**55,08,865**	**99.95%**	**55,08,865**	**99.95%**

Shares held by promoters at the end of the year	No. of shares held	% of Shareholding	No. of shares held	% of Shareholding
	March 31, 2025		March 31, 2024	
Emcure Pharmaceuticals Limited	48,47,500	87.95%	48,47,500	87.95%
Total	**48,47,500**	**87.95%**	**48,47,500**	**87.95%**

Rights, preferences and restrictions attached to equity shares

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

Information regarding shares in the last five years

No shares were issued for consideration other than cash during the period of five years immediately preceding the year ended March 31, 2025. Further the company has not undertaken any buy back of shares during the period of five years immediately preceding the year ended March 31, 2025.

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Note 17 Other equity	March 31, 2025	March 31, 2024
Retained earnings		
Balance as at the beginning of the year	1,886.99	1,564.90
Profit for the year	(115.19)	322.53
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of defined benefit plan, net of tax	(4.27)	(0.44)
Balance as at the end of the year	1,767.53	1,886.99
Capital Redemption Reserve		
Balance as at the beginning of the year	550.00	550.00
Additions during the year	-	-
Balance as at the end of the year	550.00	550.00
Equity contribution from Holding Company		
Balance as at the beginning of the year	12.92	12.03
Issue of share options of Holding Company to employees of the company	-	0.89
Options cancelled	(8.00)	-
Balance as at the end of the year	4.92	12.92
Total	**2,322.45**	**2,449.91**

Nature and purpose of other reserves

Retained earnings
Retained earnings are the profits earned till date, less any transfers to other reserves and dividends distributed.

Equity contribution from Holding Company
Equity contribution from Holding Company in the nature of employee stock option issued to employees.

Capital redemption reserve
Capital redemption reserve has been created on redemption of optionally convertible preference shares and can be used for issuing fully paid bonus shares as per the Companies Act, 2013.

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Note 18 Non-current borrowings	March 31, 2025	March 31, 2024
Secured		
Term loans:		
Loan from banks	148.98	274.02
Vehicle loans	2.73	4.61
Total secured	151.71	278.63
Unsecured		
Loan from others	35.32	52.35
Loan from Holding Company	2,732.60	-
Total unsecured	2,767.92	52.35
Less: Current maturities of term loans (Refer note 22)	(143.45)	(143.45)
Less: Current maturities of vehicle loans (Refer note 22)	(2.02)	(1.88)
Less: Transaction cost attributable to the borrowings	(1.37)	(2.29)
Total	**2,772.79**	**183.36**

a) Statement of principal terms of secured term loans outstanding as on March 31, 2025* :

Nature of facility	Repayment terms	Rate of interest % (per annum)	Currency	Amount outstanding (Rs. in millions)	Security
Term Loan	Monthly instalments from October 2022 and ending on September 2026 of Rs 10.42 million each	1 Y MCLR + 0.50%	INR	148.98	First Charge over movable fixed assets of the company including movable fixed assets located at: 1. BTS 2 Building, Chrysalis Enclave, Block No.2, Plot No.2, International Biotech Park, Phase-II, MIDC Hinjewadi, Pune-411057. 2. Plot No. P-1, Rajiv Gandhi Infotech Park, Phase II, MIDC Hinjewadi- Pune-411057. Second charge over the current assets of the Company Corporate Guarantee from Emcure Pharmaceuticals Limited (Holding Company)
Vehicle loans	Monthly instalments from August 2021 and ending on July 2026	7.25%	INR	2.73	Vehicles for which loan is taken
	Total			**151.71**	

b) Terms of repayment for unsecured borrowings outstanding as on March 31, 2025

Nature of Facility	Repayment Terms	Rate of interest % (per annum)	Currency	Amount outstanding (Rs. in Millions)
Loan under New Millennium Indian Technology Leadership Initiative	10 yearly instalments starting from September 1, 2017 ending on Spetember 1,2027	3%	INR	35.32
	Total			**35.32**

c) Statement of principal terms of secured term loans outstanding as on March 31, 2024* :

Nature of facility	Repayment terms	Rate of interest % (per annum)	Currency	Amount outstanding (Rs. in millions)	Security
Term Loan	Monthly instalments starting from October 2022 and ending on September 2026 of Rs 10.42 million each	1 Y MCLR + 0.50%	INR	274.02	First Charge over movable fixed assets of the company including movable fixed assets located at: 1. BTS 2 Building, Chrysalis Enclave, Block No.2, Plot No.2, International Biotech Park, Phase-II, MIDC Hinjewadi, Pune-411057. 2. Plot No. P-1, Rajiv Gandhi Infotech Park, Phase II, MIDC Hinjewadi- Pune-411057. Second charge over the current assets of the Company Corporate Guarantee from Emcure Pharmaceuticals Limited (Holding Company)
Vehicle loans	Monthly installments starting from August 2021 and ending on July 2026	7.25%	INR	4.61	Vehicles for which loan is taken
	Total			**278.63**	

d) Terms of repayment for unsecured borrowings outstanding as on March 31, 2024

Nature of Facility	Repayment Terms	Rate of interest % (per annum)	Currency	Amount outstanding (Rs. in Millions)
Loan under New Millennium Indian Technology Leadership Initiative*	10 yearly installments starting from September 1, 2017 ending on September 1,2027	3%	INR	52.35
	Total			**52.35**

e) Loans from related party is repayable on demand with a term of 36 months with interest of 8.00% p.a.

f) Refer to the assets pledged against secured borrowings, Refer Note 48

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Rs. in millions

Note 19 Other non-current financial liabilities	March 31, 2025	March 31, 2024
Allowance for sales returns for expired goods (refer note 24)	17.80	17.44
Total	17.80	17.44

Rs. in millions

Note 20 Non-current Provisions	March 31, 2025	March 31, 2024
Provision for employee benefits		
Provision for compensated absences	48.09	41.42
Total	48.09	41.42

Rs. in millions

Note 21 Other non-current liabilities	March 31, 2025	March 31, 2024
Deferred government grant (refer note 43 and 52)	144.29	162.05
Total	144.29	162.05

Rs. In millions

Note 22 Current borrowings	March 31, 2025	March 31, 2024
Secured		
Cash credit facilities repayable on demand from banks	10.51	161.47
Working capital loans from banks	533.47	1,260.00
Interest accrued but not due on borrowings	3.97	7.94
Less: Transaction cost attributable to the borrowings	(1.33)	(2.78)
	546.62	1,426.63
Current Maturities of long term borrowings		
Current maturities of vehicle loans (Refer note 18)	2.02	1.88
Current maturities of term loans (Refer note 18)	143.45	143.45
Total	692.09	1,571.96

1) Cash credit facilities repayable on demand from banks and carry interest of 9.85%
2) Working capital loans from banks are secured by hypothecation of inventories, trade receivables and current assets.
3) Information about the Company's exposure to interest rate and liquidity risks is included in Note 40.
4) The working capital facilities are renewable within a year from date of sanction/previous renewal and carry interest in the range of 7.80% to 8.00%.
5) The Company has filed quarterly statements with banks with regard to the securities provided against such working capital facilities on a periodic basis. The statements filed by the Company are in agreement with the books of accounts of the Company.

Rs. In millions

Note 23 Trade payables	March 31, 2025	March 31, 2024
Payables to related parties (Refer note 44)	288.47	319.80
Total outstanding dues of micro and small enterprises (refer note 51)	11.84	7.16
Total outstanding dues of creditors other than micro & small enterprises	320.76	343.22
Total	621.07	670.18

a) All trade payable are current.
b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 40.

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Trade payable ageing as at end of reporting period is as below

Rs. in millions

March 31, 2025	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	0.04	11.80	-	-	-	11.84
Others	57.10	507.10	0.26	4.58	40.19	609.23
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	57.14	518.90	0.26	4.58	40.19	621.07

March 31, 2024	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	0.01	7.16	-	-	-	7.17
Others	128.28	507.79	11.14	14.24	1.56	663.01
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	128.29	514.95	11.14	14.24	1.56	670.18

Rs. in millions

Note 24 Other current financial liabilities	March 31, 2025	March 31, 2024
Employee benefits payable	111.20	119.15
Creditors for capital assets	62.81	16.92
Allowance for sales returns for expired goods (refer note b below)	27.11	12.38
Other liabilities	3.25	13.67
Total	204.37	162.12

Note :
a) The Company's exposure to currency and liquidity risks related to above financial liabilities is disclosed in Note 40.
b) Allowance for anticipated sales returns subsequent to sales
- Allowance has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 115 estimated by management based on past trends.

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Beginning of the year	29.82	29.82
Provisions made during the year	81.09	128.48
Provisions utilised during the year	(66.00)	(128.48)
At the end of the year (non-current and current)	44.91	29.82

Rs. in millions

Note 25 Current provisions	March 31, 2025	March 31, 2024
Provision for employee benefits		
Provision for compensated absences	20.44	16.69
Provision for gratuity (Refer Note 45)	31.81	17.14
Total	52.25	33.83

Rs. in millions

Note 26 Other current liabilities	March 31, 2025	March 31, 2024
Statutory dues including provident fund and tax deducted at source	24.23	55.77
Advances from customers	27.87	2.32
Deferred government grant (refer note 43 and 52)	-	10.32
Total	52.10	68.41

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For the year ended March 31, 2025

Rs. in millions

Note 27 Revenue from operations*	March 31, 2025	March 31, 2024
Sale of products	3,448.32	3,626.20
Sale of services	499.82	151.75
Other operating revenues		
Export incentives	7.08	6.30
Scrap Sales	0.24	0.30
Government Grant (Refer Note 52)	344.00	436.27
Total	**4,299.46**	**4,220.82**

*Refer note 47 for details of revenue from contract with customers.

Rs. in millions

Note 28 Other income	March 31, 2025	March 31, 2024
Interest income under the effective interest method on:		
Interest income from banks and others	3.41	2.36
Miscellaneous income	19.31	7.54
Profit on sale of fixed asset	0.32	16.30
Total	**23.04**	**26.20**

Note :

The Company has elected to present gains or losses arising from foreign exchange differences as a separate line item on the face of the statement of profit and loss. Accordingly the figures for year ended March 31, 2024, amounting to Rs. 7.76 million has been reclassified from other income.

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Rs. in millions

Note 29 Cost of material consumed	March 31, 2025	March 31, 2024
A: Raw material consumed		
Opening inventory	557.07	610.31
Add : Purchases (net)	347.15	336.74
	904.22	947.05
Less: Closing inventory	549.74	557.07
Cost of raw materials consumed	354.48	389.98
B: Packing material consumed		
Opening inventory	207.52	203.27
Add : Purchases (net)	94.77	194.01
	302.29	397.28
Less: Closing inventory	109.87	207.52
Cost of packing materials consumed	192.42	189.76
Total	**546.90**	**579.74**

Rs. in millions

Note 30 Changes in inventory of finished goods, work-in-progress and traded goods	March 31, 2025	March 31, 2024
Opening inventory		
Finished goods	133.85	115.25
Work-in-process	341.97	295.16
Traded goods	102.49	47.34
	578.31	457.75
Less: Closing inventory		
Finished goods	99.27	133.85
Work-in-process	186.97	341.97
Traded goods	52.44	102.49
	338.68	578.31
Increase in inventories of finished goods, work-in-progress and traded goods	**239.63**	**(120.56)**

Rs. in millions

Note 31 Employee benefit expenses	March 31, 2025	March 31, 2024
Salaries, wages and bonus	801.71	663.15
Contribution to provident and other funds (refer note 45)	50.59	40.52
Employee share-based payment expenses (refer note 46)	-	0.89
Gratuity (refer note 45)	17.89	15.62
Staff welfare expenses	42.76	44.55
Total	**912.95**	**764.73**

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Rs. in millions

Note 32 Other expenses	March 31, 2025	March 31, 2024
Processing charges	42.43	98.80
Factory consumables	543.34	431.59
Power and fuel	263.89	206.71
Insurance	5.99	23.26
Repairs and maintenance	90.59	83.62
Rates and taxes	9.38	10.58
Freight and forwarding expenses	23.74	34.31
Advertisement & promotional materials	87.54	103.19
Travelling, conveyance and vehicle expenses	51.25	63.72
Commission on sales	40.78	82.63
Printing, stationery, postage and telephone expenses	13.41	7.42
Legal and professional fees (refer note (a) below)	177.70	169.22
Expenditure on Corporate social responsibility (refer note 53)	8.35	9.91
Contractual services	64.06	58.45
Payment to auditors (refer note (b) below)	1.79	0.97
Commission to non-executive directors	3.25	3.25
Directors sitting fees	0.46	0.54
Provision for doubtful debts	7.95	8.73
Bad debts written off	2.61	0.31
Clinical trials	56.58	79.34
Miscellaneous expenses	81.38	24.94
Total	**1,576.47**	**1,501.49**

Note:

(a) Includes consultancy fees paid in relation to HDT matter amounting to Rs.11.77 Millions (March 31, 2024: Rs. 57.42 millions)

(b) Payment to auditors

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Audit fees	1.60	0.86
Out of pocket expenses	0.19	0.11
Total	**1.79**	**0.97**

Rs. in millions

Note 33 Depreciation and amortization expense	March 31, 2025	March 31, 2024
Depreciation on property, plant and equipment	337.10	236.24
Amortisation of intangible asset	129.81	5.04
Depreciation on right-of-use assets	174.19	171.45
Total	**641.10**	**412.73**

Rs. In millions

Note 34 Finance cost	March 31, 2025	March 31, 2024
Interest and finance charges on financial liabilities not at fair value through profit or loss		
Interest on long-term borrowings measured at amortised cost	20.31	12.78
Interest on short-term borrowings measured at amortised cost	90.57	124.83
Interest on Related party borrowings	110.50	-
Other borrowing costs	37.80	34.98
Interest accrued on lease liability	33.13	40.88
Interest on shortfall of advance tax	2.05	2.66
Total	**294.36**	**216.13**

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Rs. in millions

Note 35 Tax expenses	March 31, 2025	March 31, 2024
Current tax expenses		
Current tax on profits for the year	-	162.54
Tax related to prior years	1.75	2.78
Total current tax expense	**1.75**	**165.32**
Deferred tax		
Originating and reversal of temporary differences	(47.57)	40.71
Change in recognised deductible temprorary difference	19.47	(8.33)
Total deferred tax expense/(benefit)	**(28.10)**	**32.38**
Total tax expenses	**(26.35)**	**197.70**

Rs. in millions

Tax income/(expenses) recognised in OCI	March 31, 2025	March 31, 2024
Remeasurements of post-employment benefit obligations	2.29	0.23
Total tax expense	**2.29**	**0.23**

Rs. in millions

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate	March 31, 2025		March 31, 2024	
Profit before income tax		(141.54)		520.23
Tax using Company's domestic tax rate of 34.944% (March 31, 2024 : 34.944%)	34.94%	(49.46)	34.94%	181.79
Tax effect of amounts which are not deductible / (taxable) in calculating taxable				
Non deductible expenses	-3.31%	4.68	0.94%	4.90
Change in recognised deductible temprorary difference	-13.76%	19.48	-1.60%	(8.33)
Change in tax rate	-	-	3.18%	16.56
Tax related to prior years	-1.24%	1.75	0.53%	2.78
Others	1.99%	(2.80)	-	-
Effective tax rate	**18.62%**	**(26.35)**	**38.00%**	**197.70**

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Rs. in millions

Note 36 Deferred tax assets/(liabilities) - net	March 31, 2025	March 31, 2024
Deferred tax assets on		
Allowance for doubtful debts - trade receivables	11.79	9.02
Provision - employee benefit	35.35	28.51
Unabsorbed depreciation and tax losses	128.34	-
Minimum alternate tax credit entitlement	97.64	99.48
Security deposits	6.38	4.25
Lease Liability	143.32	135.18
Deferred government grant	10.57	20.38
Total deferred tax assets	**433.39**	**296.82**
Deferred tax liabilities on		
Property, plant and equipment	175.34	177.60
Intangible assets	109.43	17.39
Borrowings	0.52	1.01
Right to use asset	133.13	116.27
Total deferred tax liabilities	**418.42**	**312.27**
Deferred tax assets/(liabilities) - net	**14.97**	**(15.45)**

Significant estimates

In assessing the realisability of the minimum alternate tax (MAT) credit entitlements, management has assessed the utilisation of the MAT credit entitlement. The ultimate utilisation of the MAT credit is dependent upon the generation of future taxable income greater than the book profit computed as per the provisions of Income Tax Act, 1961, before expiry of the credit period over which the MAT credit can be utilised. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making the assessment. Based on the historical details of the taxable income, book profit and projections of future taxable income over the periods in which the MAT credit is available, management believes that the Company will be able to realise / utilise the MAT credit. The amount of the MAT credit is considered realisable as at the reporting date, however, the utilisation could be reduced in the near term if the future taxable income undergoes any change as compared to the estimates made by the management as at reporting date.

Rs. in millions

Movement of deferred tax assets / liabilities	Balance of deferred tax asset as at April 1, 2024	Balance of deferred tax liability as at April 1, 2024	Transferred to statement of profit and loss	Transferred to other comprehensive income	MAT credit utilised	Balance of deferred tax asset as at March 31, 2025	Balance of Deferred tax liability as at March 31, 2025
Allowance for doubtful debts - trade receivables	9.02	-	2.78	-	-	11.80	-
Provision - employee benefit	28.51	-	4.54	2.29	-	35.34	-
Unabsorbed depreciation and tax losses	-	-	128.34			128.34	-
Minimum alternate tax credit entitlement	99.48	-	(1.85)	-	-	97.63	-
Intangible assets	-	(17.39)	(92.06)	-	-	-	(109.44)
Lease Liability	135.18	-	8.14	-	-	143.32	-
Property, plant and equipment	-	(177.60)	2.25	-	-	-	(175.34)
Deferred government grant	20.38	-	(9.81)	-	-	10.57	-
Security deposits	4.25	-	2.14	-	-	6.39	-
Borrowings	-	(1.02)	0.48	-	-	-	(0.53)
Right to use asset	-	(116.27)	(16.85)	-	-	-	(133.11)
Total	296.82	(312.28)	28.10	2.29	-	433.39	(418.42)

Rs. in millions

Movement of deferred tax assets / liabilities	Balance of deferred tax asset as at April 1, 2023	Balance of deferred tax liability as at April 1, 2023	Transferred to statement of profit and loss	Transferred to other comprehensive income	MAT credit utilised	Balance of deferred tax asset as at March 31, 2024	Balance of Deferred tax liability as at March 31, 2024
Allowance for doubtful debts - trade receivables	4.97	-	4.05	-	-	9.02	-
Provision - employee benefit	18.95	-	9.33	0.23	-	28.51	-
Minimum alternate tax credit entitlement	171.93	-	-		(72.45)	99.48	-
Intangible assets	-	(1.16)	(16.23)	-	-	-	(17.39)
Lease Liability	161.07	-	(25.89)	-	-	135.18	
Property, plant and equipment	-	(141.50)	(36.10)	-		-	(177.60)
Deferred government grant	17.06	-	3.32	-	-	20.38	-
Security deposits	5.44	-	(1.19)	-	-	4.25	-
Borrowings	-	(1.35)	0.33	-	-	-	(1.02)
Right to use asset	-	(146.27)	30.00	-	-	-	(116.27)
Total	379.42	(290.28)	(32.38)	0.23	(72.45)	296.82	(312.28)

Unrecognised deferred tax assets

Deferred tax assets have not recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefit therefrom.

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Gross amount		
Deductible temporary differences	-	-
Tax losses	48.63	48.63
Total	**48.63**	**48.63**
Unrecognised tax effect		
Deductible temporary differences	-	-
Tax losses	11.33	11.33
Total	**11.33**	**11.33**

Tax losses for which no deferred tax asset was recognised expire as follows:

Particulars	March 31, 2025	March 31, 2024
Expire		
Expiry date : 2031-2032	48.63	48.63
Never Expire	-	-
Total	48.63	48.63

Rs. in millions

Note 37 Current tax assets/(liabilities) - (net)	March 31, 2025	March 31, 2024
Current tax assets (net of provision)	21.31	0.10
Current tax liabilities (net of advance tax)	-	(45.61)
Total (net of advance tax)	21.31	(45.51)

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Note 38 : Earnings per share

Particulars	March 31, 2025	March 31, 2024
Basic earnings per share		
A. Profit after tax attributable to equity shareholders (Rs. in millions)	(115.19)	322.53
B. Weighted average number of equity shares (nos.)	55,11,365	55,11,365
Basis earning per share (Rs.) (A/B)	**(20.90)**	**58.52**
Diluted earnings per share		
C. Adjusted net profit for the year (Rs. in millions)	(115.19)	322.53
Weighted average number of shares outstanding (nos.)	55,11,365	55,11,365
D. Weighted average number of equity share (diluted) for the year (nos.)	55,11,365	55,11,365
Diluted earnings per share (Rs.) (C/D)	**(20.90)**	**58.52**
Face value per share (Rs.)	**10.00**	**10.00**

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Note 39 : Capital management

The Company's objectives when managing capital are to
- Safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholder's and benefits for other stakeholder's, and

- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder's, return capital to shareholder's or issue new shares.

Generally 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 equivalent's)
divided by
Total equity (as shown in the balance sheet).

The Company's strategy is to maintain a gearing ratio less than 1.75x. The gearing ratio at year end is as follows:

Rs. In millions

Particulars	March 31, 2025	March 31, 2024
Net Debt	3,376.92	1,766.50
Equity attributable to owners of Gennova Biopharmaceuticals Limited	2,377.56	2,505.02
Net Debt to Equity ratio	1.42	0.71

Note 40 : Financial risk management

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company's risk management is carried out by central treasury department in under guidance of the board of directors and the core management team of the Company, and it focuses on actively ensuring the minimal impact of Company's financial position.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Cash flow forecasting Sensitivity analysis	Effective management of foreign exchange outflow and inflow
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Ongoing review of existing borrowing rates and seeking for new facilities at lower rate

A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Other financial assets that are potentially subject to credit risk consists of cash equivalents, inter corporate loans and deposits.
Further, the Company also recognises loss allowance by using a provision matrix based on historical credit loss experience wherein fixed provision rates are defined for each financial asset which is past due / not due. The Company depending on the diversity of its asset base, uses appropriate groupings if the historical credit loss experience shows significant different loss patterns for different customer segments / financial assets.

Also, the Company limits its exposure to credit risk from receivables by establishing a maximum payment period for customers.
The Company considers the recoverability from financial assets on regular intervals so that such financial assets are received within the due dates.

The Company has exposure to credit risk which is limited to carrying amount of financial assets recognised at the date of Balance sheet.

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Note 40 : Financial risk management (continued)

Trade receivables

Trade receivables are usually due within 7-180 days. Generally, and by practice significant domestic customers enjoy a credit period of approximately 7-45 days and for export customers, the credit period ranges from 30 to 180 days. The receivables are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure except for receivables from government agencies and related parties. However, the Company does not identify specific concentration of credit risk with regard to trade receivables, as the amounts recognized represent a large number of receivables from various customers. Further, majority of the receivables pertains to receivables from Subsidiaries, wherein the concentration of credit risk is considered to be low. Certain receivables are also backed by letter of credit from the banks, resulting into negligible credit risk in recovery of such receivables.

The Company uses a provision matrix (simplified approach) to measure the expected credit loss of trade receivables and other financial assets measured at amortised cost.

Year ended March 31, 2025:
Expected credit loss for trade receivables under simplified approach

Rs. in millions

Ageing	Not Due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 361 days past dues	Total
Gross carrying amount	589.06	388.46	37.65	39.34	8.60	4.54	1,067.65
Expected loss rate (includes interest as well as credit loss)	-1.15%	-0.53%	-14.25%	-29.79%	-39.62%	-97.35%	-3.16%
Expected credit losses (loss allowance provision)	(6.79)	(2.06)	(5.37)	(11.72)	(3.41)	(4.42)	(33.76)
Carrying amount of trade receivables (net of loss allowance)	**582.27**	**386.40**	**32.28**	**27.62**	**5.19**	**0.12**	**1,033.89**

Year ended March 31, 2024:
Expected credit loss for trade receivables under simplified approach

Rs. in millions

Ageing	Not Due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 361 days past dues	Total
Gross carrying amount	421.63	113.79	23.40	26.00	16.67	20.13	621.62
Expected loss rate (includes interest as well as credit loss)	-1.62%	-2.73%	-10.13%	-17.31%	-3.18%	-42.13%	-4.15%
Expected credit losses (loss allowance provision)	(6.82)	(3.11)	(2.37)	(4.50)	(0.53)	(8.48)	(25.81)
Carrying amount of trade receivables (net of loss allowance)	**414.81**	**110.68**	**21.03**	**21.50**	**16.14**	**11.65**	**595.81**

During the period, the Company made write-offs of trade receivables amounting to Rs. 2.61 millions (March 31, 2024 : Rs. 0.31 millions).
There are no financial assets which have been written off during the year which are subject to enforcement activity.

Reconciliation of loss allowance provision — Trade receivables

Particulars	Rs. in millions
Loss allowance on April 1, 2023	**17.08**
Amounts written off	(0.31)
Net remeasurement of loss allowances	9.04
Loss allowance on March 31, 2024	**25.81**
Amounts written off	(2.61)
Net remeasurement of loss allowances	10.56
Loss allowance on March 31, 2025	**33.76**

Cash and cash equivalents and deposits with banks:
With respect to the cash and cash equivalents and deposits with banks, the concentration of credit risk is negligible as these are kept with the banks with very high credit worthiness.

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Note 40 : Financial risk management (continued)

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and availability of funds through adequate amount of committed credit facility to meet the commitments arising out of financial liabilities. Due to the dynamic nature of the underlying business, Company maintains flexibility in funding by maintaining availability under committed credit lines. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, monitoring balance sheet liquidity ratios against debt covenants and maintaining debt financing plans and ensuring compliance with regulatory requirements.

The Company manages its liquidity needs by carefully monitoring scheduled debt payments as well as cash requirement for day-to-day business. Liquidity needs are monitored regularly as well as on the basis of a 30-day cash flow projection. Long-term liquidity needs for a period from 180 to 360 days period are identified and reviewed at regular intervals.

The Company maintains cash and marketable securities to meet its liquidity requirements. Funding in regards to Short-term liquidity needs is additionally secured by committed credit facilities of Rs. 1,550 million.

i) **Financing arrangements**

The Company has access to undrawn borrowing facilities including overdraft facility at the end of the reporting period.

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice subject to the continuance of satisfactory credit ratings.

ii) **Maturities of financial liabilities**

The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Rs. in millions

Contractual maturities of financial liabilities	within 1 year	1 to 2 years	More than 2 years	Total
March 31, 2025				
Trade payable	621.07	-	-	621.07
Short term borrowings	546.62	-	-	546.62
Long term Borrowings	143.58	42.08	2,732.60	2,918.26
Lease Liabilities	219.04	84.73	179.20	482.97
Trade deposits	-	-	-	-
Other financial liabilities	204.37	13.35	4.45	222.17
Total	**1,734.68**	**140.16**	**2,916.25**	**4,791.09**
March 31, 2024				
Trade payable	670.18	-	-	670.18
Short term borrowings	1,426.63	-	-	1,426.63
Long term Borrowings	143.03	143.58	42.08	328.69
Lease Liabilities	200.36	169.78	69.54	439.68
Other financial liabilities	157.68	-	-	157.68
Total	**2,597.88**	**313.36**	**111.62**	**3,022.86**

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Note 40 : Financial risk management (continued)

C) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of it's holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

I) Foreign currency risk

The Company operates majorly in local currency wherein majority of its purchases and sales & services are done in local currencies with minimal exposure to foreign currency risk. Foreign currency denominated financial assets and liabilities expressed in Rs. as at the closing are as follows:

Foreign currency risk exposure:

Rs. in millions

Particulars	Currency	March 31, 2025		March 31, 2024	
		Foreign Currency	Local Currency	Foreign Currency	Local Currency
Financial assets					
Trade receivables	USD	7.68	656.41	3.25	271.05
	AED	0.12	2.79	0.12	2.72
	Euro	-	-	0.01	0.90
Net exposure to foreign currency risk (assets)			**659.20**		**274.67**
Financial liabilities					
Trade Payable	Euro	0.29	26.80	0.26	23.40
	AED	0.04	0.93	-	-
	USD	1.07	91.45	1.25	104.25
	GBP	0.16	17.65	0.08	8.42
Net exposure to foreign currency risk (liabilities)			**136.83**		**136.07**

* Foreign currency of insignificant amount

Sensitivity analysis:

Rs. in millions

Particulars	Impact on profit before tax	
	March 31, 2025	March 31, 2024
USD sensitivity		
Rs./USD-Increase by 4% (March 31, 2024 -4%)*	**22.60**	**6.67**
Rs./USD-Decrease by 4% (March 31, 2024 -4%)*	**(22.60)**	**(6.67)**

* Holding all other variables constant

II) Interest rate risk exposure

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to interest rate risk. During March 31, 2025 and March 31, 2024, the Company's borrowings at variable rate were in INR.

a) *Interest rate risk exposure*

The Company's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Company to interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

As a part of Company's interest risk management policy, treasury department closely tracks the base interest rate movements on regular basis. Based on regular review, management assesses the need to enter into interest rate swaps, contracts to hedge foreign currency risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the system, expected spending cycle. Further on regular basis management assess the possibility of entering into new facilities which would reduce the future finance cost which helps management to mitigate the risk related to interest rate movement.

All the borrowing except vehicle loan are at floating rate. Refer note 18.

b) *Sensitivity:*

The Company's policy is to minimize interest rate cash flow risk exposures on borrowing. The local currency loans are linked to Bank Base Rate/ Marginal Cost of Funds Based Lending (MCLR).

Rs. in millions

Particulars	Impact on profit before tax	
	March 31, 2025	March 31, 2024
Interest rates — increase by 25 basis points (25 bps) **	(8.66)	(4.38)
Interest rates — decrease by 25 basis points (25 bps) **	8.66	4.38

* Amount is not significant
** Holding all other variables constant

Further, there are certain Rupee loans which have fixed interest rates, accordingly, interest sensitivity is not carried on these loans.

The bank deposits are placed on fixed rate of interest of approximately 4.50% to 6.75% (March 31, 2024: 4.75% to 6.50%). As the interest rate does not vary unless such deposits are withdrawn and renewed, sensitivity analysis is not performed.

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Note 41 : Fair value measurements

Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

March 31, 2025 Rs. in millions

Particulars	Carrying amounts valued at				Fair value			
	FVTPL	Amortised Cost	Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*								
Investment in Sunsure	-	1.59	-	1.59				
Trade receivables	-	1,033.89	-	1,033.89	-	-	-	-
Cash and cash equivalents	-	203.26	-	203.26	-	-	-	-
Term deposits with banks	-	32.87	-	32.87	-	-	-	-
Other financial assets	-	191.32	-	191.32	-	-	-	-
Security deposit	-	102.11	-	102.11	-	-	-	-
Total financial assets	-	**1,565.04**	-	**1,565.04**	-	-	-	-
Financial liabilities not measured at fair value*								
Non current borrowings (including current maturities)	-	2,772.79	-	2,772.79	-	-	-	-
Current borrowings	-	692.09	-	692.09	-	-	-	-
Trade payables	-	621.07	-	621.07	-	-	-	-
Creditors for capital assets	-	62.81	-	62.81	-	-	-	-
Lease Liabilities		410.13		410.13				
Other financial liabilities	-	159.35	-	159.35	-	-	-	-
Total financial liabilities	-	**4,718.24**	-	**4,718.24**	-	-	-	-

March 31, 2024 Rs. in millions

Particulars	Carrying amounts valued at				Fair value			
	FVTPL	Amortised Cost	Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*								
Trade receivables	-	595.81	-	595.81	-	-	-	-
Cash and cash equivalents	-	100.93	-	100.93	-	-	-	-
Term deposits with banks	-	38.29	-	38.29	-	-	-	-
Other financial assets	-	211.28	-	211.28	-	-	-	-
Security deposit	-	105.17	-	105.17	-	-	-	-
Total financial assets	-	**1,051.48**	-	**1,051.48**	-	-	-	-
Financial liabilities not measured at fair value*								
Non current borrowings (including current maturities)	-	328.69	-	328.69	-	-	-	-
Current borrowings	-	1,426.63	-	1,426.63	-	-	-	-
Trade payables	-	670.18	-	670.18	-	-	-	-
Creditors for capital assets	-	16.92	-	16.92	-	-	-	-
Lease Liabilities	-	386.83		386.83				
Other financial liabilities	-	170.58	-	170.58	-	-	-	-
Total financial liabilities	-	**2,999.83**	-	**2,999.83**	-	-	-	-

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* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, security deposit, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

There are no transfers between any levels during the year.

Note 42 : Contingent liabilities

Claims against the Company not acknowledged as debts as at year end

Rs. in millions

Sr. No.	Particulars	March 31, 2025	March 31, 2024
	Claims as at year end		
a)	Indirect tax matters	8.68	6.55
b)	Income tax matters (Refer footnote 3)	65.74	65.74
	Sub Total	74.41	72.29
	Interest on above matters	3.79	-
	Total	78.20	72.29

1) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

2) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have any effect on its financial position.

3) A Search and Seizure Operation ('the Operation') was conducted by the Income Tax Department under section 132 of the Income-tax Act, 1961 during the month of December 2020. The Company has received orders u/s 153A and has filed appeal with CIT(A) against the said orders. Considering the disallowances, management is of the view that the matters involved are normal tax matters, and accordingly the operation will not have any significant impact on the Company's financial position and performance for the period ended March 31, 2025.

Note 43 : Capital and other commitments

A) Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 64.42 millions (March 31, 2024 : Rs. 91.97 millions).

B) Other commitments

The Company has imported certain machinery under the Export Promotion Capital Goods (EPCG) Scheme and accordingly has an export obligation of Rs.160.46 millions (March 31, 2024 : Rs. 266.92 millions). In this respect the Company has given bank guarantees of Rs. Nil millions (March 31, 2024 : Rs. Nil millions) to the Director General of Foreign Trade (DGFT) and Bond of Rs. 166 millions (March 31, 2024 : Rs. 158.20 millions) to the Commissioner of Customs.

Year of issue	Export obligation to be fulfilled	Unfulfilled export obligation			
		As at March 31, 2025		As at March 31, 2024	
		USD millions	Rs. millions	USD millions	Rs. millions
2021-2022	2027-2028	0.40	33.84	0.57	47.14
2022-2023	2028-2029	0.39	33.38	1.86	155.08
2023-2024	2029-2030	0.12	9.98	0.78	64.70
2024-2025	2030-2031	0.97	83.26	-	-
		1.88	160.46	3.21	266.92

C) Long-term contracts

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts for which there were any material foreseeable losses (March 31 2024 : Nil).

D) Derivative contracts

The Company has not entered into any derivative contracts during the year and has no derivative contract outstanding as at the year end (March 31 2024 : Nil).

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Note 44 : Related party disclosure

i) Related parties with whom there were transactions during the year and nature of relationship

Holding Company
Emcure Pharmaceuticals Limited

Fellow Subsidiary
Zuventus Healthcare Limited
Emcure Pharmaceuticals Mena FZ-LLC
Lazor Pharmaceuticals Limited
Emcure Pharma Peru S.A.C
Tillomed Malta Ltd
Tillomed Laboratories Ltd.

Key Management Personnel

Executive Directors
Dr. Sanjay Singh
Mr. Samit Mehta

Executive Directors (Holding Company : Relatives)
Dr. Rohan Gurjar

Non - Executive Directors
Mr. Satish Mehta (upto November 7, 2024)
Mr. Sunil Mehta
Dr. Shailesh Ayyangar
Dr. Kavita Singh
Mr. Vikas Thapar (from November 7, 2024)

Enterprise over which Key Management Personnel have control:
H.M. Sales Corporation

ii) Transactions with related parties:

Rs. in millions

Sr. No.	Description of the nature of transaction / balance	Transaction value during		Balance outstanding as at March 31, 2025		Balance outstanding as at March 31, 2024	
		2024-25	2023-24	Receivable / (Advance from customer)	Payable / (Advance to supplier)	Receivable / Advance from customer	Payable / Advance to supplier
Sr. No.							
1)	**Sale of goods & services**						
	Emcure Pharmaceuticals Limited	471.00	575.97	79.07	-	14.08	-
	Zuventus Healthcare Limited	24.04	28.31	-	-	-	-
	Emcure Pharmaceuticals Mena FZ-LLC	97.89	82.57	-	34.94	11.31	-
	Emcure Pharma Peru S.A.C.	14.31	5.15	19.46	-	5.15	-
	Lazor Pharmaceuticals Limited	42.60	15.93	61.62	-	50.93	-
	H.M. Sales Corporation	1.05	0.49	0.16	-	0.05	-
	Tillomed Malta Ltd	-	0.32	-	-	0.32	-
2)	**Sale of Assets**						
	Emcure Pharmaceuticals Limited	-	208.22	-	-	0.01	-
	Zuventus Healthcare Limited	-	7.20	-	-	-	-
	Tillomed Malta Ltd	-	0.29	-	-	0.29	-
3)	**Purchase of goods**						
	Emcure Pharmaceuticals Limited	198.33	393.71	-	82.80	-	106.07
4)	**Purchase of assets**						
	Emcure Pharmaceuticals Limited	0.01	2.30	-	-	-	2.38
	Zuventus Healthcare Limited	-	0.01	-	-	-	-
5)	**Security deposit given**						
	Emcure Pharmaceuticals Limited	-	-	49.99	-	49.99	-
6)	**Expenses paid**						
	Emcure Pharmaceuticals Limited	60.13	63.03	-	40.37	-	19.66
	H.M. Sales Corporation	3.27	3.80	-	0.87	-	1.06
	Parinam Law Associates	-	1.90	-	-	-	-
7)	**Rent paid**						
	Emcure Pharmaceuticals Limited	154.92	148.19	-	84.90	-	71.59
8)	**Lab Services Charges**						
	Emcure Pharmaceuticals Limited	0.06	0.06	-	0.03	-	-
9)	**Reimbursement of expenses Received**						
	Emcure Pharmaceuticals Limited	0.93	1.22	-	-	1.43	-
10)	**Reimbursement of expenses made**						
	Emcure Pharmaceuticals Limited	10.81	159.23	-	7.12	-	88.78
	Tillomed Laboratories Ltd.	25.67	22.19	-	25.67	-	22.19
	Emcure Pharmaceuticals Mena FZ-LLC	2.06	-	-	2.06	-	-

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Note 44 : Related party disclosure (continued)

Rs. in millions

Sr. No.	Description of the nature	Transaction value during		Balance outstanding as at			
				March 31, 2025		March 31, 2024	
		2024-25	2023-24	Receivable / (Advance from customer)	Payable / (Advance to supplier)	Receivable / Advance from customer	Payable / Advance to supplier
11)	**Corporate guarantee fee paid**						
	Emcure Pharmaceuticals Limited	18.35	19.66	-	9.71	-	10.45
12)	**Issue of share options**						
	Emcure Pharmaceuticals Limited	-	0.89	-	-	-	-
13)	**Amortisation of deferred rent**						
	Emcure Pharmaceuticals Limited	3.43	3.30	-	-	-	-
14)	**Unwinding of security deposit**						
	Emcure Pharmaceuticals Limited	3.45	3.23	-	-	-	-
15)	**Remuneration paid**						
	Key Managerial Personnel						
	Dr. Sanjay Singh	84.56	75.79	-	14.82	-	15.12
	Mr. Samit Mehta	14.16	13.18	-	1.70	-	1.66
16)	**Remuneration paid**						
	Relatives of Key Management Personnel						
	Mr. Rutav Mehta	-	0.64	-	-	-	-
	Dr. Rohan Gurjar	2.97	-	-	-	-	-
17)	**Post-employment obligations**						
	Key Managerial Personnel						
	Dr. Sanjay Singh	4.75	1.02	-	-	-	21.21
18)	**Compensated absences provisions**						
	Key Managerial Personnel						
	Dr. Sanjay Singh	1.72	(0.94)	-	-	-	5.59
19)	**Loan & Advance taken**						
	Emcure Pharmaceuticals Limited	3,600.60	-	-	2,732.60	-	-
20)	**Loan & Advance repaid**						
	Emcure Pharmaceuticals Limited	868.00	-	-	-	-	-
21)	**Interest on unsecured loan**						
	Emcure Pharmaceuticals Limited	110.50	-	-	-	-	-
22)	**Commission paid - Non-executive Directors**						
	Dr. Shailesh Ayyangar	2.50	2.50	-	2.50	-	2.50
	Dr. Kavita Singh	0.75	0.75	-	0.75	-	0.75
23)	**Sitting fees - Non-executive Directors**						
	Dr. Gyan Chandra Mishra	-	0.14	-	-	-	-
	Mr. Hitesh Jain	-	0.12	-	-	-	-
	Dr. Shailesh Ayyangar	0.26	0.16	-	-	-	-
	Dr. Kavita Singh	0.20	0.12	-	-	-	-

Note : The amount is below the rounding off norm adopted by the Company.

Notes:

All related party transactions entered during the year and outstanding balances were in ordinary course of the business and are on an arm's length basis. Outstanding balances are unsecured and to be settled in cash.

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Note 45 : Assets and liabilities relating to employee benefits

a) Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per local regulations. The contributions are made to provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Contributions are made to employees family pension fund in India for employees as per local regulations. The contributions are made to provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Defined contribution plans: The Company has recognised the following amount in the Statement of Profit and Loss for the year

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Contribution to employees provident fund	31.91	25.13
Contribution to employees family pension fund	9.73	8.18
Other defined contribution plan	8.95	7.21
Total	**50.59**	**40.52**

b) Post-employment obligations

Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to fund managed by Life Insurance Corporation of India. Contributions are made as per the demands by Life Insurance Corporation of India.

These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, etc.

c) Defined benefit plans

The amounts recognised in the balance sheet and the movements in the net defined benefit plan over the year are as follows:

Rs. in millions

Particulars	Present value of obligation	Fair value of plan assets	Total
As at April 1, 2023	**122.47**	**(110.92)**	**11.55**
Current service cost	15.46	-	15.46
Interest expenses/(income)	9.09	(8.68)	0.41
Impact of Transfer (in) / out	(0.25)	(0.30)	(0.55)
Mortality charges and taxes	-	0.30	0.30
Total amount recognised in profit or loss	**24.30**	**(8.68)**	**15.62**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	-	2.14	2.14
Actuarial (gain)/ losses - financial assumptions	-	(0.69)	(0.69)
Defined benefit obligations			
Experience (gains)/losses	(3.64)	-	(3.64)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	2.86	-	2.86
Total amount recognised in other comprehensive income	**(0.78)**	**1.45**	**0.67**
Employer contribution	-	(10.70)	(10.70)
Benefit payments	(2.10)	2.10	-
As at March 31, 2024	**143.89**	**(126.75)**	**17.14**
Current service cost	16.84	-	16.84
Interest expenses/(income)	10.25	(9.36)	0.89
Impact of Transfer (in) / out	0.70	(0.54)	0.16
Mortality charges and taxes	-	-	-
Total amount recognised in profit or loss	**27.79**	**(9.90)**	**17.89**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	-	0.60	0.60
Actuarial (gain)/ losses - financial assumptions	-	0.39	0.39
Defined benefit obligations			
Experience (gains)/losses	2.25	-	2.25
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	3.32	-	3.32
Total amount recognised in other comprehensive income	**5.57**	**0.99**	**6.56**
Employer contribution	-	(9.78)	(9.78)
Benefit payments	(3.70)	3.70	-
As at March 31, 2025	**173.55**	**(141.74)**	**31.81**

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Note 45 : Assets and liabilities relating to employee benefits (Continued)

d) The net liability disclosed above relates to funded and unfunded plans are as follows:

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Present value of obligation	173.55	143.89
Fair value of plan assets	(141.74)	(126.75)
Deficit of funded plan	31.81	17.14

The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Company intends to continue to contribute the defined benefit plans as per the demand from Life Insurance Corporation of India.

Principle actuarial assumptions as at the reporting date

Particulars	March 31, 2025	March 31, 2024
Discount rate	6.90%	7.20%
Expected rate of return on plan assets	7.20%	7.50%
Salary escalation rate	9.00%	9.00%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

e) Sensitivity analysis: Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, Holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

Rs. in millions

Particulars	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Discount rate	1.0%	1.0%	(10.61)	(9.15)	12.01	10.36
Salary escalation rate	1.0%	1.0%	10.21	8.68	(9.24)	(7.84)
Withdrawal rate	1.0%	1.0%	(1.37)	(1.06)	1.50	1.17

Assumptions regarding future mortality for gratuity benefit is set based on actuarial advice in accordance with published statistics and experience in the domicile country of the Company.

f) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

i) Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All assets are maintained with fund managed by LIC of India.

ii) Changes in bond yields: A decrease in bond yields will increase plan liabilities.

iii) Future salary escalation and inflation risk : Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence Company is encouraged to adopt asset-liability management.

The Company's assets are maintained in a trust fund managed by public sector Insurance Company via, LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

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Note 45 : Assets and liabilities relating to employee benefits (Continued)

g) Defined benefit liability and employer contributions

The Company has agreed that it will aim to eliminate the deficit in gratuity plan over the years. Funding levels are assessed by LIC on annual basis and the Company makes contribution as per the instructions received from LIC. The Company compares the expected contribution to the plan as provided by actuary with the instruction from LIC and assesses whether any additional contribution may be required. The Company considers the future expected contribution will not be significantly increased as compared to actual contribution.

The company has contributed Rs. 9.78 millions for the year ending March 31, 2025 (March 31, 2024 is Rs. 10.70 millions). The company intends to contribute Rs. 31.80 millions for the year ending March 31, 2025 (March 31, 2024 is Rs. 17.10 millions).

The weighted average duration is 9.32 years (March 31, 2024 : 9.61 years). The following benefits payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Rs. in millions

Particulars	Less than 1 year	between 1-2 years	between 2-5 years	over 5 years	Total
March 31, 2025	40.59	13.80	60.81	114.72	229.91
March 31, 2024	34.12	12.92	45.68	105.96	198.68

h) Major categories of plan assets are as follows :

Rs. in millions

Particulars	Unquoted			
	March 31, 2025		March 31, 2024	
Investment funds Insurance funds (LIC pension and group schemes fund)	141.74	100%	126.75	100%
Total	**141.74**	**100%**	**126.75**	**100%**

The category wise details of the plan assets is not available as it's maintained by LIC.

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Note 46 : Employees stock option plan

Share-based compensation benefits are provided to employees via the Holding Company's Employees Stock Option Plan ("Emcure ESOS 2013"). These options will vest over period of 3 to 5 years from the grant date and are subject to the condition of continued service of the employees.

In the given case all options are issued by the Holding Company. The Company does not have an obligation to settle these share based payment transactions, therefore these options are treated as equity settled transactions. Once vested the option can be exercised within 5 years from date of Initial Public Offer (IPO) of the Holding Company or date of vesting, whichever is later. The exercise price of the options is determined in accordance with mechanism defined in Emcure ESOS 2023 plan. Expense is recognised over the vesting period with corresponding increase in other equity.

Summary of options granted under the plan:

Particulars	Tranche - 1		
	Revised Exercise Price	March 31, 2025	March 31, 2024
Date of grant		October 01, 2013	
Opening balance	165	30,000	30,000
Grant during the year	165	-	-
Adjustment for bonus issue*	165	-	-
Cancelled/transferred during the year	165	-	-
Exercised during the year	165	(30,000)	-
Closing balance	**165**	**-**	**30,000**
Exercisable		-	-

Particulars	Tranche - 7		
	Revised Exercise Price#	March 31, 2025	March 31, 2024
Date of grant		June 06, 2019	
Opening balance	466	19,978	19,978
Grant during the year	466	-	-
Closing balance	**466**	**19,978**	**19,978**
Exercisable	-	-	-

Particulars	Tranche - 12		
	Revised Exercise Price#	March 31, 2025	March 31, 2024
Date of grant		May 27, 2021	
Opening balance	862	20,000	20,000
Grant during the year	862	-	-
Cancelled/transferred during the year	-	(20,000)	-
Closing balance	**862**	**-**	**20,000**
Exercisable	-	-	-

No options expired during the periods covered in the above table.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Revised Exercise Share option price (Rs.) March 31, 2025	Number of share options March 31, 2025	Revised Exercise Share option price (Rs.) March 31, 2024	Number of share options March 31, 2024
October 1, 2013	165	-	165	30,000
June 06, 2019	466	19,978	466	19,978
May 27,2021	862		862	20,000
Weighted average remaining contractual life of options	4.28 Years		5.89 Years	

Expenses recognised in statement of profit and loss:

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Employee share-based payment	-	0.89

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Note 47 : Revenue from contract with customer

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Revenue recognised from contracts with customers	4,299.46	4,220.82
Disaggregation of revenue		
Sale of products	3,448.32	3,626.20
Sale of services	499.82	151.75
Other operating revenue	351.32	442.87
Total	**4,299.46**	**4,220.82**
Based on markets		
Within India	3,108.82	3,511.05
Outside India -	**1,190.64**	**709.77**
a. Asia	291.65	241.65
b. South America	45.79	124.01
c. Europe	532.23	151.97
d. Other continents	320.72	192.14
Total	**4,299.46**	**4,220.82**

During the year ended March 31, 2025 and March 31, 2024 no revenue from transaction with a single external customer amount to 10% or more of the Company's revenues from external customers.

There is no significant change in the contract asset and contract liabilities.

Performance obligations

The Company satisfies its performance obligations pertaining to the sale of goods at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to refund due to returns and do not contain any financing component. The payment for domestic sales is generally due within 7-45 days and for exports not exceeding 180 days. The Company is obliged for returns/refunds due to expiry & saleable returns. There are no other significant obligations attached in the contract with customer.

The Company satisfies its performance obligations pertaining to the sale of services over the period of the contract / at point in time, depending on how the control of the promised asset is transferred to the customer.

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligation and in evaluating when a customer obtains control of promised goods.

The transaction price is ascertained and allocated to the performance obligations based on the standalone price of individual performance obligation.

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods / providing of service) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price.

Reconciliation of contract price with revenue recognised in statement of profit and loss:

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Contract price	4,387.87	4,357.10
Less:		
Amount recognised as sales returns & breakage expiry	81.10	128.48
Allowance for Interest Loss	7.31	7.80
Revenue recognised in statement of profit and loss	4,299.46	4,220.82

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Notes to the financial statements (continued)
For the year ended March 31, 2025

Note 48 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

Rs. In millions

Particulars	Notes	March 31, 2025	March 31, 2024
Current			
Financial assets			
Cash and cash equivalents	12	3.71	34.59
Balances other than cash and cash equivalents	13	28.95	33.89
Trade receivables	11	1,033.89	595.81
Other current financial assets	14	191.32	197.47
Non-financial assets			
Inventories	10	1,206.65	1,479.62
Other current assets	15	479.23	335.72
Total current assets pledged as security		**2,943.75**	**2,677.10**
Non current			
Financial assets			
Deposits with banks	8	3.92	4.40
Non-financial assets			
Property, plant and equipment	3	2,328.54	2,427.32
Capital work-in-progress	4	87.34	75.38
Total non current assets pledged as security		**2,419.80**	**2,507.10**
Total assets pledged as security		**5,363.55**	**5,184.20**

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Note 49 : Segmental reporting

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Company's board of directors along with it's Managing director, examines the Company's performance and have identified single reportable operating segment, viz. 'Pharmaceuticals' for the purpose of making decision on allocation of resources and assessing its performance. Board of directors primarily use revenue as a measure to assess the performance of the operating segment.

The Company is domiciled in India. The amount of its revenue from external customers broken down by destination of shipment of goods is shown in the table below.

Entity – wide disclosures:

Rs. in millions

Revenue from external customers	March 31, 2025	March 31, 2024
Sales		
India	2,932.64	3,192.70
Outside India	1,015.50	585.25
Sub Total (A)	**3,948.14**	**3,777.95**
Other operating income		
India	176.18	318.35
Outside India	175.14	124.52
Sub Total (B)	**351.32**	**442.87**
Total (A+B)	**4,299.46**	**4,220.82**

All non-current assets of the Company are located in India.

Note 50 : Expenditure on Research and Development

The total expenditure incurred on Research and Development including in house Research and Development during the year is as follows;

Rs. in millions

Particulars	March 31, 2025	March 31, 2024
Revenue	772.26	650.98
Capital	12.91	32.57
Total	**785.17**	**683.55**
R&D expenditure as a % of revenue from operations	**18.26%**	**16.19%**

Note 51 : Information regarding Micro, Small and Medium Enterprises

The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	March 31, 2025	March 31, 2024
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
a. Principal outstanding and not overdue as per MSME act	11.80	7.16
b. Principal outstanding and overdue as per MSME act and interest due thereon	-	-
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	14.72	11.47
iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.04	0.01
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

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Note 52 : Government grant

1. Government grants in relation to EPCG are related to exemption of basic customs duty on purchase of imported machineries to be used for the manufacturing of products. The Company is required to fulfil the export obligation against duty benefit received. Refer Note 43 for the details of unfulfilled obligations. Based on past experience, the Company is confident that it will fulfil conditions attached to the grant received. During the year Company has fulfil the export obligation and recognised income Rs. 31.62 millions (March 31, 2024 Rs. 11.05 millions).

Rs. in millions

EPCG grants	March 31, 2025	March 31, 2024
Balance at beginning of the year - deferred grant	47.99	48.26
Duty saved during the year	13.87	10.78
Released to the statement of profit and loss	31.62	11.05
Balance at end of the year	30.24	47.99
Current	-	-
Non-current	30.24	47.99

2. The Company has received a sanction for various Government grants towards research and development expenses for life saving drugs and vaccines. The Company has recognised the income of grant amounting to Rs. 180.32 millions (March 31, 2024 : Rs. 299.37 millions) in Other Operating Revenue for the eligible expenses incurred towards respective projects, out of which Rs. 47.65 million (March 31, 2024: Rs. 67.47 million) has been accrued as Government Grant receivable under 'other current financial assets'.

Rs. in millions

Government grants receivable	March 31, 2025	March 31, 2024
Balance at beginning of the year	67.47	150.85
Received during the year	200.13	382.75
Recognised in the statement of profit and loss	180.31	299.37
Balance at end of the year	47.65	67.47
Current	47.65	67.47
Non-current	-	-

3. The Company has also received grants amounting to Rs.Nil millions (March 31, 2024 :Rs. 10.32 millions) for which eligible expenses will be incurred in the next year, accordingly the Company has disclosed the same as Deferred Revenue grants under other current liabilities.

Rs. in millions

Deferred revenue grants	March 31, 2025	March 31, 2024
Balance at beginning of the year	10.32	10.32
Reunded during the year	(20.00)	-
Deferred/ (recognised) in statement of profit and loss	9.68	-
Balance at end of the year	-	10.32
Current	-	10.32
Non-current	-	-

4. Government Grants amounting to Rs. 114.04 millions (March 31, 2024 : Rs. 114.04 millions) disclosed under other non-current liabilities related to the amount received to incur capital expenditure for building manufacturing facility. The company will offset these grants at the time of incurring capital expenditures for the eligible manufacturing facility.

Rs. in millions

Deferred capital grants	March 31, 2025	March 31, 2024
Balance at beginning of the year	114.04	114.04
Received during the year	-	-
Eligible capital expenditure incurred during the year	-	-
Balance at end of the year	114.04	114.04
Current		
Non-current	114.04	114.04

5. During the current year, the Company has received eligibility under Production Linked Incentive scheme of the Government of India. The Company has recognized income of Rs 141.75 millions (March 31, 2024 : Rs 125.84 millions) under the said scheme. Balance receivable under this scheme of Rs. 141.75 millions as on March 31, 2024 (March 31, 2024 : Rs 130 millions) disclosed under 'other current financial assets '.

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For the year ended March 31, 2025

Note 53 : Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are promoting education, healthcare and ensuring environmental sustainability. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below :

Rs. In millions

Particulars	March 31, 2025	March 31, 2024
(a) amount required to be spent by the company for the full year		
Total amount required to be spent by the company	8.53	9.85
Less: Utilisation of excess balance relating to relating to earlier years approved by board	0.17	-
Net amount required to be spent by the company	**8.36**	**9.85**
(b) amount of expenditure incurred till date		
Paid		
(i) Construction/acquisition of asset	-	-
(ii) On purposes other than (i) above	8.36	9.91
Yet to be paid		
(i) Construction/acquisition of asset	-	-
(ii) On purposes other than (i) above*	-	-
Total (b)	**8.36**	**9.91**
(c) shortfall at the end of the year	-	-
(d) reason for shortfall	N/A	N/A
(e) total of previous years shortfall (Cumulative)	-	-
(f) nature of CSR activities	Promoting Healthcare, Education	Promoting Healthcare, Education
(g) Movement in Excess CSR spent balance relating to earlier years		
Opening balance	0.17	0.11
Add: Excess spent in current year	-	0.06
Less: Utilisation of balance during the current year	0.17	-
Closing balance	**(0.00)**	**0.17**

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Notes to the financial statements (continued)
For the year ended March 31, 2025

Note 54 : Ratios as per the Schedule III requirements

(a) **Current Ratio = Current Assets divided by Current Liabilities**

Particulars	31-Mar-25	31-Mar-24
Current Assets	3,143.30	2,763.64
Current Liabilities	1,812.66	2,727.15
Ratio	**1.73**	**1.01**
% change from 31 March 2024	**71%**	**13%**

Reason for change more than 25%:
During the year ended March 31, 2025, the working capital loans were repaid out of proceeds received from long term borrowings from holding company. Hence there is significant reduction in current liabilities impacting current ratio.

(b) **Debt Equity ratio/ Gearing ratio = Total debt divided by Total equity**

Particulars	31-Mar-25	31-Mar-24
Total debt	3,464.88	1,755.32
Total equity	2,377.56	2,505.02
Ratio	**1.46**	**0.70**
% change from 31 March 2024	**108%**	**20%**

Reason for change more than 25%:
During the year ended March 31, 2025, company has borrowed long term borrowings from its holding company to meets its contractual obligations leading to significant increase in debt. Due to this debt equity ratio is high compared to previous year.

(c) **Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest, Lease payments and principal repayments**

Particulars	31-Mar-25	31-Mar-24
Profit for the year	(115.19)	322.53
Add: Depreciation and amortizations	641.10	412.73
Add: Finance cost	294.36	216.13
Add: (Profit)/loss on sale of property, plant and equipment	(0.32)	(16.30)
Earnings available for debt services	**819.95**	**935.09**
Finance cost paid	296.94	230.32
Lease payments	185.61	166.31
Principal repayments of non-current borrowings	145.33	145.20
Total Interest and Principal repayments	**627.88**	**541.83**
Ratio	**1.31**	**1.73**
% change from 31 March 2024	**-24%**	**-6%**

Reason for change more than 25%:
Earnings during the year were lower due to various reasons as mentioned in note 54(d) below. Hence debt service ratio is lower compared to previous year.

(d) **Return on Equity Ratio / Return on Investment Ratio = Profit for the year divided by average equity**

Particulars	31-Mar-25	31-Mar-24
Profit for the year	(115.19)	322.53
Average equity	2,441.29	2,343.53
Ratio	**-5%**	**14%**
% change from 31 March 2024	**-134%**	**-9%**

Reason for change more than 25%:
During the year, the revenue from operations remained stagnant whereas the expenses increased as per historical trend. Product mix change lead to reduction in gross margins. Further R&D expenditure was higher compared to previous year. Due to this company has incurred loss in current year

(e) **Inventory Turnover Ratio = Cost of goods sold divided by average inventory**

Particulars	31-Mar-25	31-Mar-24
Cost of goods sold	1,033.52	839.47
Average Inventory	1,343.14	1,438.63
Ratio	**0.77**	**0.58**
% change from previous year	**32%**	**2%**

Reason for change more than 25%:
Due to change in product mix, the cost of goods sold during the year was high, hence it is impacting inventory turnover ratio.

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Note 54 : Ratios as per the Schedule III requirements (continued)

(f) Trade Receivables turnover ratio = Revenue from operations (excluding other operating revenue) divided by average trade receivables

Particulars	31-Mar-25	31-Mar-24
Revenue from operations	4,299.46	4,220.82
Less: other operating revenue	(351.32)	(442.87)
Net sales	**3,948.14**	**3,777.95**
Average Trade Receivables	814.85	603.38
Ratio	**4.85**	**6.26**
% change from previous year	**-23%**	**1%**

Reason for change more than 25%:
Change is not more than 25%.

(g) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	31-Mar-25	31-Mar-24
Credit Purchases	2,241.73	2,389.13
Average Trade Payables	645.62	936.03
Ratio	**3.47**	**2.55**
% change from previous year	**36%**	**33%**

Reason for change more than 25%:
During the year, the company has paid its creditors at more frequent intervals leading to reduction in trade payable. Hence there is improvement in ratio

(h) Net capital Turnover Ratio = Net sales divided by Net Working Capital (whereas net working capital = current assets - current liabilities)

Particulars	31-Mar-25	31-Mar-24
Net Sales	3,948.14	3,777.95
Net working capital	1,330.64	36.49
Ratio	**2.97**	**103.53**
% change from previous year	**-97%**	**1088%**

Reason for change more than 25%:
Refer Note 54 (a), increase in current liabilities which is impacting the Net capital turnover ratio.

(i) Net profit ratio = Profit for the year divided by net sales

Particulars	31-Mar-25	31-Mar-24
Profit for the year	(115.19)	322.53
Net Sales	3,948.14	3,777.95
Ratio	**-3%**	**9%**
% change from previous year	**-134%**	**-6%**

Reason for change more than 25%:
Refer Note 54(d), resulting in loss impacting the Net profit ratio.

(j) Return on capital employed = EBIT divided by Capital Employed (total equity plus debt and deferred tax liability)

Particulars	31-Mar-25	31-Mar-24
Profit for the year	(115.19)	322.53
Add: Depreciation and amortisation expense	641.10	412.73
Add: Finance costs	294.36	216.13
Add: Tax expenses	(24.06)	197.93
EBITDA	**796.21**	**1,149.32**
EBIT	**155.11**	**736.59**
Total equity	**2,377.56**	**2,505.02**
Deferred tax liability	**-**	**15.45**
Non-current borrowings	2,772.79	183.36
Current borrowings	692.09	1,571.96
Total debt	**3,464.88**	**1,755.32**
EBIT	155.11	736.59
Capital Employed	5,842.44	4,275.79
Ratio	**3%**	**17%**
% change from previous year	**-85%**	**11%**

Reason for change more than 25%:
Refer Note 54(b), increase in Non current borrowings resulting in change in return on capital employed.

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Note 55 : Code of Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code.

Note 56 : Additional regulatory information required by Schedule III

i. 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.

ii. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iii. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

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

v. 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 in the books of account.

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

vii. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

viii. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

ix. The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

x. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

xi.The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Note 57 : Events occurring after March 31, 2025

There are no significant events subsequent to year ended March 31, 2025.

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: 21 May 2025

For and on behalf of the Board of Directors
Gennova Biopharmaceuticals Limited
CIN :U24231PN2001PLC016295

Shailesh Ayyangar
Chairman
DIN : 00268076

Sanjay Singh
Whole-time Director & CEO
DIN : 01693705

Rutuja Gohad
Company Secretary
Membership No. A35340

Place: Pune
Date: 21 May 2025

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Independent Auditor's Report

To the Members of Zuventus Healthcare Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zuventus Healthcare Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 Act 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.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.

2 A. 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.

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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 the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 1 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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 has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 37 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 52(v) to the financial statements, 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 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 their knowledge and belief, as disclosed in the Note 52(vi) to the financial statements, 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(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) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

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f. Based on our examination which included test checks, except for instances mentioned below, the Company has used accounting software for maintaining its books of account which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the respective software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved, except for instances mentioned below, by the company as per the statutory requirements for record retention.

i. The feature of recording audit trail (edit log) facility was not enabled at the database level from 1 April 2024 to 18 November 2024 to log any direct data changes for the accounting software used for maintaining all books of accounts.

ii. The feature of recording audit trail (edit log) facility was not enabled for certain fields and tables at the application layer of the accounting software used for maintaining books of accounts relating to Revenue and Receivables, Inventory, Property, Plant and Equipment, Purchase and Payables

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Abhishek

Partner

Membership No.: 062343

ICAI UDIN:25062343BMOJBT6211

Place: Pune

Date: 21 May 2025

Annexure A to the Independent Auditor's Report on the Financial Statements of Zuventus Healthcare Limited for the year ended 31 March 2025

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(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 proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments nor provided guarantee and security, granted advances in the nature of loans to the companies, firms, limited liability partnership or any other parties. The Company has granted loan to a company during the year in respect of which the requisite information is as below. The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loan to holding company as below:

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Annexure A to the Independent Auditor's Report on the Financial Statements of Zuventus Healthcare Limited for the year ended 31 March 2025 *(Continued)*

Particulars	Loans (Rs. in Millions)
Aggregate amount during the year – Emcure Pharmaceuticals Limited	4,915.00
Balance outstanding as at balance sheet date – Emcure Pharmaceuticals Limited	4,057.30

(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 provided during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. 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 is no loan or advance in the nature of loan 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods

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Annexure A to the Independent Auditor's Report on the Financial Statements of Zuventus Healthcare Limited for the year ended 31 March 2025 *(Continued)*

and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
The Provident Fund Act, 1972	Provident Fund	79.94	20.00	FY 2010-11	High Court, Mumbai
Finance Act, 1994	Service Tax	26.98	0.40	FY 2015-16 & FY 16-17	CESTAT Kolkata
The Goods & Service Tax Act, 2017	Goods & Service Tax-Tamil Nadu	0.27	0.01	FY 2017-18	The Commissioner Appeals SGST
The Goods & Service Tax Act, 2017	Goods & Service Tax-Delhi	0.38	0.03	FY 2017-18	The commissioner of Appeals SGST
The Goods & Service Tax Act, 2017	Goods & Service Tax-Uttar Pradesh	26.95	0.61	FY 2017-18	The Commissioner Appeals CGST
The Goods & Service Tax Act, 2017	Goods & Service Tax-Maharashtra	141.00	4.24	FY 2017-18 to FY 21-22	The Commissioner Appeals CGST
The Goods &	Goods &	0.26	0.01	FY 2018-19	The

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Annexure A to the Independent Auditor's Report on the Financial Statements of Zuventus Healthcare Limited for the year ended 31 March 2025 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Service Tax Act, 2017	Service Tax-Rajasthan				Commissioner Appeals CGST
The Goods & Service Tax Act, 2017	Goods & Service Tax-Rajasthan	1.63	0.07	FY 2018-19	The Commissioner Appeals CGST
The Goods & Service Tax Act, 2017	Goods & Service Tax-Delhi	3.13	0.13	FY 2018-19	The Commissioner Appeals SGST
The Goods & Service Tax Act, 2017	Goods & Service Tax-Odisha	5.65	0.24	FY 2018-19	Additional Commissioner of State Tax, Appellate Cuttack -I West Circle
The Goods & Service Tax Act, 2017	Goods & Service Tax-Assam	0.18	0.01	FY 2018-19	The Commissioner Appeals SGST
The Goods & Service Tax Act, 2017	Goods & Service Tax-Odisha	8.55	0.42	FY 2019-20	Additional Commissioner of State Tax, Cuttack -I West Circle
The Goods & Service Tax Act, 2017	Goods & Service Tax-Karnataka	0.19	0.01	FY 2019-20	The Commissioner Appeals

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Annexure A to the Independent Auditor's Report on the Financial Statements of Zuventus Healthcare Limited for the year ended 31 March 2025 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
The Goods & Service Tax Act, 2017	Goods & Service Tax-Tamil Nadu	1.57	0.08	FY 2020-21	The Commissioner Appeals
The Income Tax Act, 1961	Income Tax	995.63	19.41	AY 2017-18, AY 2018-19, AY 2019-20, AY 2020-21 & AY 2022-23	Commissioner of Income Tax(Appeals)
The Income Tax Act, 1961	Income Tax	316.17	82.21#	AY 2015-16, AY 2016-17 & AY 2021-22	Commissioner of Income Tax(Appeals)
The Income Tax Act, 1961	Income Tax	7.62	1.69*	AY 2023-24	Commissioner of Income Tax(Appeals)

#Includes amount adjusted by way of income tax refund of Rs. 59.93 millions.

* Appeal filed subsequent to year ended 31 March 2025.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as

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Annexure A to the Independent Auditor's Report on the Financial Statements of Zuventus Healthcare Limited for the year ended 31 March 2025 *(Continued)*

defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.

(f) The company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31st March 2025. Accordingly clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.



Annexure A to the Independent Auditor's Report on the Financial Statements of Zuventus Healthcare Limited for the year ended 31 March 2025 *(Continued)*

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Abhishek
Partner
Membership No.: 062343
ICAI UDIN:25062343BMOJBT6211

Place: Pune
Date: 21 May 2025

Annexure B to the Independent Auditor's Report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Zuventus Healthcare Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

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Annexure B to the Independent Auditor's Report on the financial statements of Zuventus Healthcare Limited for the year ended 31 March 2025 *(Continued)*

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Abhishek

Partner

Membership No.: 062343

ICAI UDIN:25062343BMOJBT6211

Place: Pune

Date: 21 May 2025

ZUVENTUS HEALTHCARE LTD.

FINANCIAL STATEMENT FOR THE YEAR ENDED

March 31, 2025

ZUVENTUS HEALTHCARE LIMITED
Balance Sheet as at March 31, 2025

INR in Millions

Particulars	Note	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	2	2,438.69	2,524.73
Capital work-in-progress	3	204.20	159.35
Right of use assets	5	337.12	236.92
Other intangible assets	4	8.78	7.60
Financial assets			
i) Loans	12A	4,057.30	-
ii) Other non-current financial assets	6	80.80	81.88
Deferred tax assets (net)	32	22.87	-
Income tax assets (net)	33	266.75	293.24
Other non-current assets	7	20.67	20.75
Total non-current assets		7,437.18	3,324.47
Current assets			
Inventories	8	1,354.96	1,269.48
Financial assets			
i) Investments	9	760.43	2,996.51
ii) Trade receivables	10	1,354.77	1,259.63
iii) Cash and cash equivalents	11	95.97	182.07
iv) Bank balances other than (iii) above	12	15.59	397.68
v) Other current financial assets	13	-	2.13
Other current assets	14	151.82	137.14
Total current assets		3,733.54	6,244.64
Total assets		11,170.72	9,569.11
Equity and liabilities			
Equity			
Equity share capital	15	200.55	200.55
Other equity			
Reserves and surplus	16	8,097.34	6,759.20
Total equity		8,297.89	6,959.75
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Lease liabilities	5	245.15	153.43
ii) Other financial liabilities	17	225.07	230.48
Provisions	18	164.25	157.20
Deferred tax liabilities (net)	32	-	8.47
Total non-current liabilities		634.47	549.58
Current liabilities			
Financial liabilities			
i) Lease liabilities	5	71.27	54.71
ii) Trade payables	19		
Total outstanding dues to micro and small enterprises		47.92	39.30
Total outstanding dues to others		785.49	723.66
iii) Other current financial liabilities	20	801.85	836.92
Provisions	21	208.94	177.92
Other current liabilities	22	89.56	95.06
Current tax liabilities (net)	33	233.33	132.21
Total current liabilities		2,238.36	2,059.78
Total liabilities		2,872.83	2,609.36
Total equity and liabilities		11,170.72	9,569.11
Summary of material accounting policies followed by the Company	1		

The notes referred to above form an integral part of the financial statement
As per our report of even date attached

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 21, 2025

For and on behalf of the Board of Directors
of Zuventus Healthcare Ltd
CIN U85320PN2002PLC018324

Satish Mehta
Chairman
DIN - 00118691

P. K. Guha
Managing Director
DIN - 00118415

Ganesh Ramchandran
Chief Financial Officer

Ankita Saraogi
Company Secretary

Place: Pune
Date: May 21, 2025

ZUVENTUS HEALTHCARE LIMITED

Statement of Profit and Loss (including other comprehensive income) for the year ended March 31, 2025

INR In Millions

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Revenue :			
Revenue from operations	23	10,850.46	10,504.17
Other income	24	329.03	245.01
Total income		11,179.49	10,749.18
Expenses :			
Cost of materials consumed	25	1,762.78	1,831.26
Purchases of stock-in-trade		1,573.58	1,496.28
Changes in inventories of finished goods, work-in-progress and traded goods	26	(36.90)	57.87
Employee benefit expenses	27	2,821.70	2,765.84
Finance cost	30	55.41	80.71
Depreciation and amortisation expense	29	290.02	275.28
Other expenses	28	2,805.83	2,559.01
Net loss on foreign currency transactions		0.49	0.03
Total Expenses		9,272.91	9,066.28
Profit before taxation		1,906.58	1,682.90
Tax expense	31		
Current tax		586.85	456.91
Deferred tax		(28.09)	(23.15)
Total tax expenses		558.76	433.76
Profit for the year		1,347.82	1,249.14
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plan	42	(12.93)	(16.23)
Income tax relating to these items	31	3.25	4.09
Net other comprehensive income/(loss) not to be reclassified subsequently to profit or loss		(9.68)	(12.14)
Total comprehensive income for the year		1,338.14	1,237.00
Earnings per equity share:			
Basic earnings per share	40	67.21	62.29
Diluted earnings per share		67.21	62.29
Face value per share : INR 10 (March 31, 2024 : INR 10)			
Summary of material accounting policies followed by the Company	1		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 21, 2025

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Place: Pune
Date: May 21, 2025

ZUVENTUS HEALTHCARE LIMITED

Statement of Changes in Equity for the period ended March 31, 2025

A. Equity Share Capital	Note	INR in millions
As at April 1, 2024		200.55
Changes in equity share capital	15	-
As at March 31, 2025		200.55

A. Equity Share Capital	Note	INR in millions
As at April 1, 2023		200.55
Changes in equity share capital	15	-
As at March 31, 2024		200.55

INR in Millions

Other equity	Note	Reserves and Surplus		Equity contribution from holding company	Total other equity
		General Reserve	Retained earning		
As at April 1, 2024		161.67	6,595.69	1.84	6,759.20
Profit for the year		-	1,347.82	-	1,347.82
Items of other comprehensive income recognised directly in retained earnings		-	(9.68)	-	(9.68)
As at March 31, 2025		161.67	7,933.83	1.84	8,097.34

INR in Millions

Other equity	Note	Reserves and Surplus		Equity contribution from holding company	Total other equity
		General Reserve	Retained earning		
As at April 1, 2023		161.67	5,759.80	1.84	5,923.31
Profit for the year		-	1,249.14	-	1,249.14
Items of other comprehensive income recognised directly in retained earnings		-	(12.14)	-	(12.14)
Dividend paid	16	-	(401.11)	-	(401.11)
As at March 31, 2024		161.67	6,595.69	1.84	6,759.20

Summary of material accounting policies followed by the Company 1

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 21, 2025

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DIN : 00118415

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Chief Financial Officer

Ankita Saraogi
Company Secretary

Place: Pune
Date: May 21, 2025

ZUVENTUS HEALTHCARE LIMITED

Cash Flow Statement for the period ended March 31, 2025

INR In Millions

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Cash flow from operating activities :-		
Profit before taxation	**1,906.58**	**1,682.90**
Adjustment for:		
Depreciation and amortisation expenses	290.02	275.28
Unrealised exchange gain/Loss	0.03	0.03
Finance costs	55.41	80.71
Provision for doubtful debts	131.00	48.75
Interest income from bank and non convertible debenture	(57.78)	(192.60)
Interest income on Intercorporate loans	(194.66)	-
Gain on Termination of Lease	(3.34)	-
Change in fair value of investments held at FVTPL	(3.27)	(2.16)
Profit on sale of Investment	(54.77)	(23.16)
Loss on sale of property, plant and equipment	5.24	0.71
Operating profit before working capital changes	**2,074.46**	**1,870.46**
Working capital adjustments:		
- (Increase)/decrease in other assets	(14.46)	82.69
- (Decrease)/increase in other liabilities	(5.50)	0.86
- Decrease/(increase) in other financials assets	0.99	(22.39)
- (Decrease)/increase in other financials liabilities	(52.22)	140.28
- Increase/(decrease) in trade payables	70.45	(19.21)
- (Increase) in trade receivables	(226.17)	(247.19)
- (Increase)/Decrease in inventories	(85.48)	86.89
- Increase/(Decrease) in provisions	25.14	(47.49)
Cash generated from operating activities	**1,787.21**	**1,844.90**
Income taxes paid (net of refund)	(475.69)	(484.95)
Net cash generated from operating activities (A)	**1,311.52**	**1,359.95**
Cash flows from investing activities		
Acquisition of property, plant and equipment, intangibles and capital work-in-progress	(167.13)	(147.57)
Proceeds from sale of property, plant and equipment	0.98	1.66
Sale of mutual fund	6,659.52	6,123.16
Purchase of mutual fund	(6,969.75)	(6,490.00)
Purchase of non convertible debenture	-	(2,500.00)
Redemption of non convertible debenture	2,500.00	-
Interest received on non convertible debenture	162.59	-
Inter Corporate Deposit given	(4,915.00)	-
Inter Corporate Deposit repaid	857.70	-
Interest received from inter corporate deposit	194.66	-
Interest received from banks and others	32.37	160.28
Term deposits placed	(61.58)	(950.77)
Term deposits redeemed/matured	413.06	2,725.85
Net cash used in investing activities (B)	**(1,292.58)**	**(1,077.39)**
Cash flows from financing activities		
Repayment of lease liabilities	(94.03)	(86.77)
Interest paid	(11.01)	(12.52)
Interim dividend paid	-	(300.83)
Final dividend paid	-	(100.28)
Net cash used in financing activities (C)	**(105.04)**	**(500.40)**
Net decrease in cash and cash equivalents (A+B+C)	**(86.10)**	**(217.84)**
Cash and cash as at beginning of the year (refer below)	**182.07**	**399.91**
Cash and cash equivalent as at end of the year (refer below)	**95.97**	**182.07**

INR In Millions

Components of cash and cash equivalent:	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.20	0.26
Balances with bank in current accounts	5.37	17.15
Demand deposit	-	60.00
Balances with bank in cash credit accounts	90.40	104.66
Total cash and cash equivalent* (refer note no. 11)	95.97	182.07

*Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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ZUVENTUS HEALTHCARE LIMITED

ZUVENTUS HEALTHCARE LIMITED
Cash Flow Statement for the period ended March 31, 2025

INR In Millions

Changes in liabilities arising from financial activities	As at March 31, 2025	As at March 31, 2024
Finance cost		
Opening balance	-	-
Finance cost during the year	55.41	80.71
Amount paid during the year	(11.01)	(12.52)
Others (including amortised cost adjustment)	(27.95)	(68.19)
Interest on shortfall of advance tax	(16.45)	
Closing balance	-	-

Footnotes to the cash flow statement:
1. Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The notes referred to above form an integral part of the financial statement.
As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 21, 2025

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DIN - 00118415

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Chief Financial Officer

Ankita Saraogi
Company Secretory

Place: Pune
Date: May 21, 2025

1 **General Information :**

Zuventus Healthcare Limited (hereinafter referred to as "Company") is a Company limited by shares, incorporated and domiciled in India. The Company has its own manufacturing facility in Jammu, Sikkim and Bangalore. The Company is engaged in developing, manufacturing and marketing a broad range of pharmaceutical products in India.

A. Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

The financial statements were authorised for issue by the Company's Board of Directors on May 21, 2025.

Details of the Company's accounting policies are included in Note B. These policies have been consistently applied to all the years presented, unless otherwise stated.

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded-off to the nearest millions, unless otherwise indicated.

c. Basis of Measurement

The Financial statements have been prepared on historical cost basis except for the following items:

Items	Measurement Basis
Certain Financial assets and liabilities	Fair Value
Equity settled share based payment arrangements	Fair Value
Net defined benefit (asset) / liability	Fair Value of plan assets less present value of defined benefit obligations

d. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimations uncertainties that have a significant risk resulting in a material adjustment in the year ended March 31, 2025 is included in following notes:

Note B. i. (ii) revenue recognition: estimate of expected returns;
Note B. c. Useful lives of property, plant, equipment and intangibles;
Note 8 - Valuation of inventories
Note 21 and 37 - Recognition and measurement of provisions and contingencies : key assumptions about the likelihood and magnitude of an outflow of resources;
Note 32 - Recognition of deferred tax assets: availability of future taxable profit against which tax credit can be used;
Note 35 - Impairment of financial instruments;
Note 35(A): measurement of ECL allowance for trade and finance receivables,
Note 42 - Measurement of defined benefit obligations: key actuarial assumptions;

e. Measurement of fair values

A number of the Company accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to measurement of fair values. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework including Level 3 fair value, and reports directly to the head of treasury.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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A. Basis of preparation (continued)

f. Current versus non current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:
a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b. it is held for the purpose of being traded;
c. it is expected to be realized within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets / non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
a. it is expected to be settled in the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be settled within 12 months after the reporting date; or
d. the Company does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities / non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

Based on the time involved between the acquisition of assets for procedding and their realization in cash and cash equivalents, the company has identified twelve month as its operating cycle for determining current and non-current classificationof assets and liabilities in the balance sheet.

B. Material accounting policies

a. Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange difference are recognised in profit and loss.

b. Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets 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.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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B. Material accounting policies (continued)

b. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policy and objectives for the portfolio and the operation of those policies in practice.
- These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of asset;
- How the performance of portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and other basic leading risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Company's claim to cash flows for specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amount of principal and interest on principal amount outstanding, which may include reasonable additional compensation for early termination of contract. Additionally, for a financial asset acquired on a significant premium or discount to its contractual par amount, a feature that permits or require prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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B. Material accounting policies (continued)

b. Financial instruments (continued)

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

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

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit and loss.

II. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated embodied in the specific assets to which it related and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance Lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013 except for the following:

- Furniture and fixtures at leasehold premises are depreciated over the lease period.
- Vehicles are depreciated over 5 years, as per technical evaluation.
- Certain plant and machinery are depreciated over 3-10 years, as per technical evaluation

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represents the period over which the management expects to use these assets.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

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B. Material accounting policies (continued)

d. Intangible Assets

i. Initial recognition:

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment loses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases future economic benefit embodied in the specific asset to which it relates.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value over their estimated useful lives using straight line method, as is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Intangible Asset	Estimated useful life
Software	3 to 6 Years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories based weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The net realisable value of work-in- progress is determined with reference to the selling price of related finished products.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material price have declined and it is estimated that the cost of finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

f. Impairment

i. impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue for a period of more than 12 months from the credit term offered to the customer;

- the restructuring of loan or advance by the Company on the terms that the Company would not consider otherwise;
- it is probable that borrower will enter bankruptcy or the financial reorganisation;
- The disappearance of active market for a security because of financial difficulties.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) recognized in the Statement of profit and loss.

While determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitative and qualitative information and analysis based on Company's historical experience and informed credit assessment and including forward - looking information.

The company assumes that the credit risk on financial assets has increased significantly if it is more than 30 days past due.

The Company considers financial asset to be in default when:

a. the borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to action such as realising security (if any is held); or

b. The financial asset is 90 days or more past due.

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ZUVENTUS HEALTHCARE LIMITED

B. Material accounting policies (continued)

f. Impairment (continued)

i. impairment of financial instruments (continued)

Measurement of expected credit loss

Expected credit loss are probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance of expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write – off

The gross carrying amount of financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when Company determines that the debtor does not have asset or source of income that could generate sufficient cash flows to repay the amount subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

ii. Impairment of non-financial asset

The Company's non-financial assets, other than inventories and deferred tax, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).
The Company's corporate assets (e.g. central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Employee benefits

i. Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment transactions

Share-based compensation benefits are provided to employees by Holding company via Employee Stock Option Scheme ("ESOS) 2013.

The grant date fair value of equity settled share-based payment awards granted to employees of the Company is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards superannuation fund scheme and Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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ZUVENTUS HEALTHCARE LIMITED

B. Material accounting policies (continued)

g. Employee benefits (continued)

iv. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation result in a potential asset for the Company, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long term employee benefits:

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

vi. Termination benefits:

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

h. ***Provisions (other than for employee benefits), Contingent liabilities and contingent assets***

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

i. Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

ii. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

i. Revenue

i. Sale of goods

Revenue is measured based on the consideration specified in a contract with a customer. Consideration is allocated to each performance obligation specified in the contract. The Company recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes significant financing component.

The Company recognises refund liability where the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price).

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ZUVENTUS HEALTHCARE LIMITED

B. Material accounting policies (continued)

i. Revenue (continued)

ii. Sales returns and breakage expiry

When a customer has a right to return the product within a given period, the Company has recognised an allowance for returns. The allowance is measured equal to the value of the sales expected to return in the future period. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The Company has an obligation to accept the goods which will expire. The Company has recognised an allowance for the returns due to expiry. The allowance is measured on the basis of historical trend of expiry against the sales occurred in the current and earlier period. Management considers the sales value for the periods which are equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.

iii. GST refund

Company receives GST refund on sale of manufactured goods at Sikkim. Income of GST refund is recognized as and when the eligibility criteria for GST refund is fulfilled and application for same is filed.

iv. Scrap Sales

The Company recognizes income of scrap sales accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

v. Interest income

Interest income is recognised using effective interest rate method.

j. Lease

The Company as a lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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

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





B. Material accounting policies (continued)

k. Recognition of interest income or expenses

Interest income or expenses is recognised using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- The gross carrying amount of the financial assets; or

- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the assets (when asset is not credit – impaired) or to the amortised cost of the liability. However for financial asset that have become credit – impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to gross basis.

l. Income tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and current tax 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 or simultaneously.

ii. Deferred tax

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 also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets unrecognised/recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting data.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity and they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The deferred tax in respect of timing differences which reverse during the tax holiday period is not recognised to the extent the enterprise's gross total income is subject to the deduction during the tax holiday period.

m. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

n. Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

o. Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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B. Material accounting policies (continued)

p. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the company are identified as Chief operating decision maker. Refer note 41 for segment information.

q. Earnings Per Share

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the reporting period, except where the results would be anti-dilutive.

r. Cash flow statement

Cash flow are reported using the indirect method, whereby profit before tax 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 item 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.

s. Research and development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

C. Recent accounting pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements

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Notes to the financials statements (continued)
For the year ended March 31, 2025

INR in Millions

Note 2 Property, plant and equipment	Gross book value				Accumulated depreciation				Net book value
	As at April 1, 2024	Additions during the year	Disposals during the year	As at March 31, 2025	As at April 1, 2024	Charge for the period	Disposals during the year	As at March 31, 2025	As at March 31, 2025
Freehold land	511.62	2.66	-	514.28	-	-	-	-	514.28
Leasehold improvements	39.62	1.46	1.64	39.44	24.63	4.43	1.64	27.42	12.02
Building	1,493.60	7.35	-	1,500.95	306.63	50.05	-	356.68	1,144.27
Plant and machinery	1,101.86	95.22	17.76	1,179.32	586.49	86.20	11.80	660.89	518.43
Electrical installation	208.40	5.09	0.52	212.97	120.59	18.16	0.51	138.24	74.73
Air handling equipment	141.30	1.60	0.70	142.20	75.75	10.26	0.58	85.43	56.77
Computers	68.07	6.19	1.31	72.95	53.59	9.57	1.30	61.86	11.09
Office equipment's	47.32	4.13	0.92	50.53	25.80	6.31	0.92	31.19	19.34
Furniture and fixtures	103.36	2.35	0.77	104.94	40.06	10.17	0.65	49.58	55.36
Vehicles	95.34	1.35	1.48	95.21	52.22	12.07	1.48	62.81	32.40
Total	3,810.49	127.40	25.10	3,912.79	1,285.76	207.22	18.88	1,474.10	2,438.69

INR in Millions

Note 2 Property, plant and equipment	Gross book value				Accumulated depreciation				Net book value
	As at April 1, 2023	Additions during the year	Disposals during the year	As at March 31, 2024	As at April 1, 2023	Charge for the period	Disposals during the year	As at March 31, 2024	As at March 31, 2024
Freehold land	503.96	7.66	-	511.62	-	-	-	-	511.62
Leasehold improvements	25.92	15.19	1.49	39.62	21.68	4.44	1.49	24.63	14.99
Building	1,487.35	6.25	-	1,493.60	256.81	49.82	-	306.63	1,186.97
Plant and machinery	1,074.61	42.61	15.36	1,101.86	515.78	83.87	13.16	586.49	515.37
Electrical installation	202.41	6.16	0.17	208.40	102.82	17.88	0.11	120.59	87.81
Air handling equipment	141.25	0.09	0.04	141.30	65.44	10.32	0.01	75.75	65.55
Computers	63.60	5.03	0.56	68.07	45.46	8.69	0.56	53.59	14.48
Office equipment's	40.94	6.87	0.49	47.32	20.76	5.53	0.49	25.80	21.52
Furniture and fixtures	96.28	7.45	0.37	103.36	30.45	9.90	0.29	40.06	63.30
Vehicles	89.45	13.37	7.48	95.34	47.55	12.15	7.48	52.22	43.12
Total	3,725.77	110.68	25.96	3,810.49	1,106.75	202.60	23.59	1,285.76	2,524.73

Description	31-Mar-25	31-Mar-24
Title deeds held in the name of	Zuventus Healthcare Ltd.	
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	N/A	
Reason for not being held in the name of the Company	N/A	

INR in Millions

Note 3 Capital work in progress	As at the beginning	Additions during the year	Capitalised during the year	As at the end
Year ended March 31, 2025	159.35	44.84	-	204.20
Year ended March 31, 2024	112.24	47.48	(0.37)	159.35

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Capital work-in-progress ageing schedule

INR in Millions

March 31, 2025	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects overdue from original planned completion date	44.84	47.48	110.79	1.09	204.20

INR in Millions

March 31, 2024	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects overdue from original planned completion date	47.48	110.79	1.09	-	159.35

Capital work-in-progress completion schedule

INR in Millions

March 31, 2025	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
SIKKIM site restoration work *	204.20	-	-	-	204.20

* The work related to sikkim site restoration project as on 31 March 2025 is overdue and has extended from its original plan.

INR in Millions

March 31, 2024	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
SIKKIM site restoration work	159.35	-	-	-	159.35

Footnote to Note 3:

1 The capital work in progress at the year end mainly consists of building pertaining to sikkim plant.

INR in Millions

Note 4 Intangible assets	Gross Book Value				Accumulated amortisation				Net book value
	As at April 1, 2024	Additions during the year	Deletion during the year	As at March 31, 2025	As at April 1, 2024	Charge for the year	Deletion during the year	As at March 31, 2025	As at March 31, 2025
Software	31.38	9.02	5.78	34.62	23.78	5.30	3.24	25.84	8.78
Total	31.38	9.02	5.78	34.62	23.78	5.30	3.24	25.84	8.78

INR in Millions

Note 4 Intangible assets	Gross Book Value				Accumulated amortisation				Net book value
	As at April 1, 2023	Additions during the year	Deletion during the year	As at March 31, 2024	As at April 1, 2023	Charge for the year	Deletion during the year	As at March 31, 2024	As at March 31, 2024
Software	25.16	6.22	-	31.38	20.23	3.55	-	23.78	7.60
Total	25.16	6.22	-	31.38	20.23	3.55	-	23.78	7.60

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Notes to the financials statements (continued)
For the year ended March 31, 2025

Note 5 : Leases

Lease contracts entered by the Company majorly pertains for land and buildings taken on lease to conduct its business in the ordinary course. Information about leases for which the company is lessee is presented as below:

Right-of-use asset

INR in Millions

Particulars	Land	Land & Building	Total
Balance as at April 1, 2024	**53.54**	**183.38**	**236.92**
Additions for new leases entered	-	187.18	187.18
Deletions for leases terminated	-	(9.48)	(9.48)
Depreciation charge for the year	(0.75)	(76.75)	(77.50)
Balance as at March 31, 2025	52.79	284.33	337.12

INR in Millions

Particulars	Land	Land & Building	Total
Balance as at April 1, 2023	**54.29**	**170.72**	**225.01**
Additions for new leases entered	-	89.42	89.42
Deletions for leases terminated	-	(8.38)	(8.38)
Depreciation charge for the year	(0.75)	(68.38)	(69.13)
Balance as at March 31, 2024	53.54	183.38	236.92

Lease Liabilities

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Balance as at the beginning	208.14	196.05
Additions for new leases entered	187.18	89.42
Deletions for leases terminated	(12.82)	(8.38)
Interest on lease liabilities	27.95	17.82
Repayment of lease liabilities	(94.03)	(86.77)
Balance as at the end	316.42	208.14
Current	71.27	54.71
Non-current	245.15	153.43

Maturity analysis - contractual undiscounted cash flows-

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Less than one year	95.70	69.75
One to five years	239.31	153.19
More than five years	74.56	50.42
Total undiscounted lease liabilities at year end	409.57	273.36

Amount recognised in statement of Profit & Loss

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Interest on lease liabilities	27.95	17.82
Depreciation on right-of-use assets	77.50	69.13
Expenses relating to short term leases	2.20	3.33
Expenses relating to leases of low value assets, excluding leases of low value assets	0.98	1.91
Total	108.63	92.19

Amounts recognised in cash flow statement
Cash flow from financing activities

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Repayment of lease liabilities	(94.03)	(86.77)
- Principal	(66.08)	(68.95)
- Interest	(27.95)	(17.82)

The weighted average incremental borrowing rate of 9-9.85% (March 31, 2024 : 9-9.85%) has been applied to lease liabilities recognised in the balance sheet.

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Note 12A Other non-current financials assets	March 31, 2025	March 31, 2024
Unsecured considered good, unless otherwise specified:		
Loans to related parties (refer note 45)	4,057.30	-
Total	4,057.30	-

Break-up of security details	March 31, 2025	March 31, 2024
Loans considered good - Unsecured	4,057.30	-
Total	4,057.30	-

INR in Millions

Note 6 Other non-current financials assets	March 31, 2025	March 31, 2024
Unsecured considered good, unless otherwise stated :		
Term deposits with banks for remaining maturity period more than 12 months	1.55	2.74
Deposit with Provident Fund authority	20.00	20.00
Deposits to related parties (refer note 45)	4.46	5.46
Other security deposits	54.66	52.52
Interest accrued on deposits with bank	0.13	1.16
Total	80.80	81.88

Note : Term deposits of INR 1.55 million (March 31, 2024: INR 2.74 million) are held as lien by bank for performance bank guarantees, earnest money deposits and others.

INR in Millions

Note 7 Other non-current assets	March 31, 2025	March 31, 2024
Unsecured considered good, unless otherwise stated :		
Capital advances	3.98	3.84
Prepaid expenses	1.50	1.86
Balances with government authorities	15.19	15.05
Total	20.67	20.75

INR in Millions

Note 8 Inventories	March 31, 2025	March 31, 2024
Raw materials [includes in transit : INR nil million (March 31, 2024 : INR 0.00 million)]	431.29	372.19
Packing materials	75.75	84.09
Work-in-progress	33.57	48.03
Finished goods	464.71	434.59
Traded goods [includes in transit : INR nil million (March 31, 2024 : INR 11.80 million)]	338.51	317.27
Stores and spares	11.13	13.31
Total	1,354.96	1,269.48

Amounts recognised in profit or loss
Write-downs of inventories amounted to INR 22.35 millions (March 31, 2024 : INR 2.85 millions). Increase/decrease in write-down provision is recognised as an expense during the year and included in 'cost of material consumed or changes in inventories of finished goods, work in progress and traded goods' in statement of profit and loss.

Inventories have been hypothecated as security against the short term borrowings (refer note 39).

Rs. in Millions

Note 9 Investments	March 31, 2025	March 31, 2024
Investment in Debentures		
Unquoted- valued at amortised cost		
Non convertible debentures of Avet Lifescience Private	-	2,500.00
Interest accrued on above (refer note 45)	-	104.35
Investment designated at fair value through profit & loss (FVTPL)		
Investment in units in mutual funds (quoted fund)	760.43	392.16
	760.43	2,996.51
Aggregate amount of quoted investments	755.00	390.00
Aggregate market value of quoted investments	760.43	392.16
Aggregate amount of unquoted investments	-	2,604.35

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INR in Millions

Note 10 Trade receivables	March 31, 2025	March 31, 2024
Undisputed receivables - considered good	1,590.31	1,361.41
Undisputed receivables - credit impaired	-	-
Disputed receivables - which have significant increase in credit risk	16.00	16.00
Less: allowance for doubtful debts	(251.54)	(117.78)
Total	1,354.77	1,259.63

Note: 10 Trade receivable (Continued)

Of the above, trade receivables from related parties are as below

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Total trade receivables from related parties (refer note 45)	32.21	33.94
Less: Allowance for doubtful debts	-	-
Net trade receivables	32.21	33.94

For terms and conditions of trade receivables owing from related parties, refer note 45.
Refer note 39 for information on trade receivables pledged as security by the company.
The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 35.

INR in Millions

As at March 31, 2025	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed receivables - considered good	836.99	426.17	137.61	51.18	117.62	20.74	1,590.31
Undisputed receivables - credit impaired	-	-	-	-	-	-	-
Disputed receivables - which have significant increase in credit risk	-	-	-	-	-	16.00	16.00
Total	836.99	426.17	137.61	51.18	117.62	36.74	1,606.31
Less: Loss allowance	-	-	-	-	-	-	(251.54)
Total	836.99	426.17	137.61	51.18	117.62	36.74	1,354.77

INR in Millions

As at March 31, 2024	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed receivables - considered good	778.39	367.82	73.99	117.70	7.01	16.50	1,361.41
Undisputed receivables - credit impaired							-
Disputed receivables - credit impaired	-	-	-	-	-	16.00	16.00
Total	778.39	367.82	73.99	117.70	7.01	32.50	1,377.41
Less: Loss allowance	-	-	-	-	-	-	(117.78)
Total	778.39	367.82	73.99	117.70	7.01	32.50	1,259.63

INR in Millions

Note 11 Cash and cash equivalents	March 31, 2025	March 31, 2024
Cash on hand	0.20	0.26
Balances with banks in current accounts	5.37	17.15
Demand deposits (with original maturity of less than 3 months)	-	60.00
Bank balances on cash credit	90.40	104.66
Total	95.97	182.07

INR in Millions

Note 12 Bank balances other than cash and cash equivalents	March 31, 2025	March 31, 2024
Term deposits with banks having initial maturity of more than 3 months but remaining maturity of less than 12 months (refer rote below)	11.41	361.70
Interest accrued on deposits with bank	4.18	35.98
Total	15.59	397.68

Note : Term deposits of INR 11.41 million (March 31, 2024 : INR 211.17 million) held as lien by bank against bank guarantees and letter of credit

INR in Millions

Note 13 Other current financial assets	March 31, 2025	March 31, 2024
Unsecured considered good, unless otherwise stated:		
Claim receivable	-	2.13
Total	-	2.13

INR in Millions

Note 14 Other current assets	March 31, 2025	March 31, 2024
Unsecured considered good, unless otherwise specified:		
Advances for supply of goods and services	15.32	29.15
Balances with government authorities	89.01	73.79
Advance to employees	27.67	24.04
Prepaid expenses	19.82	9.76
Other current assets	-	0.40
Total	151.82	137.14

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INR in Millions

Note 15 Equity Share Capital	March 31, 2025		March 31, 2024	
	Number of shares	Value	Number of shares	Value
a. Authorised share capital Equity shares of INR 10 each	2,50,00,000	250.00	2,50,00,000	250.00
b. Issued, subscribed and paid up capital* Equity shares of INR 10 each	2,00,55,180	200.55	2,00,55,180	200.55

* All issued shares are fully paid up

c. Reconciliation of the number of the shares outstanding at the beginning and at the end of the period/ year

INR in Millions

Particulars	March 31, 2025		March 31, 2024	
	Number of shares	Value	Number of shares	Value
Equity shares outstanding at the beginning and at the end of the period/ year	2,00,55,180	200.55	2,00,55,180	200.55

d. Shares held by holding company

Particulars	March 31, 2025		March 31, 2024	
	No. of shares held	% of Shareholding	No. of shares held	% of Shareholding
Equity shares Emcure Pharmaceuticals Limited, the holding Company	1,59,60,000	79.58%	1,59,60,000	79.58%

e. Equity shareholders holding shares more than 5%

Particulars	March 31, 2025		March 31, 2024	
	No. of shares held	% of Shareholding	No. of shares held	% of Shareholding
Promoters Emcure Pharmaceuticals Limited	1,59,60,000	79.58%	1,59,60,000	79.58%
Others Mr. Prakash Kumar Guha	25,11,000	12.52%	25,11,000	12.52%
Total	**1,84,71,000**	**92.10%**	**1,84,71,000**	**92.10%**

f. Percentage change in shares held by promoters

Particulars	March 31, 2025	March 31, 2024
Emcure Pharmaceuticals Limited	-	-

g. Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

h. Information regarding shares in the last five years

No shares were issued for consideration other than cash during the period of five years immediately preceding the year ended March 31, 2025. Further the Company has not undertaken any buy back of shares during the period of five years immediately preceding the year ended March 31, 2025.

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INR in Millions

Note 16 Reserves and Surplus	March 31, 2025	March 31, 2024
General Reserve		
Balance as at the beginning and at the end of the year	161.67	161.67
Surplus in statement of profit and loss		
Balance as at the beginning of the year	6,595.69	5,759.80
Profit for the year	1,347.82	1,249.14
Items of other comprehensive income transferred to retained earnings		
Remeasurement of post employment benefit obligation, net of tax	(9.68)	(12.14)
Appropriations		
Final Dividend - FY 2022-23	-	(100.28)
Interim Dividend - FY 2023-24	-	(300.83)
Balance as at the end of the year	7,933.83	6,595.69
Equity contribution from Holding Company		
Balance as at the beginning of the year	1.84	1.84
Cash settlement of stock options issued to employees	-	-
Balance as at the end of the year	1.84	1.84
Total	8,097.34	6,759.20

The following dividends were declared and paid by the Company during the year:

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Final dividend on equity shares FY 2022-23(INR 5 per equity share)*	-	100.28
Interim dividend on equity shares FY 2023-24(INR 15 per equity share)	-	300.83
Total	-	401.11

* Final dividend paid during the period ended March 31, 2024 amounting to INR 100.28 million is related to dividend proposed during the year ended March 31, 2023.

Nature and purpose of reserves :

Retained earnings

Retained earnings are the profits earned till date, less any transfers to other reserves and dividends distributed.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Equity contribution from Holding Company

Equity contribution from holding Company in the nature of employee stock option issued to employees.

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For the year ended March 31, 2025

INR in Millions

Note 17 Other non current financial liabilities	March 31, 2025	March 31, 2024
Trade deposits	51.25	51.25
Allowance for expected sales return (refer note 20)	173.82	179.23
Total	225.07	230.48

INR in Millions

Note 18 Non-current provisions	March 31, 2025	March 31, 2024
Provision for employee benefits		
Provision for compensated absences	164.25	157.20
Total	164.25	157.20

INR in Millions

Note 19 Trade payables	March 31, 2025	March 31, 2024
Trade payables to related parties (Refer Note 45)	15.28	18.00
Other trade payables		
Total outstanding dues of micro and small Enterprises (refer footnote (c) below)	47.92	39.30
Total outstanding dues of creditors other than micro & small enterprises	770.21	705.66
Total	833.41	762.96

Note : Information regarding Micro, Small and Medium Enterprises

a) All trade payable are current.

b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 35.

c) There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at year end. Refer note 46, for information required to be disclosed under the Micro, Small and Medium Enterprises Deveolpment Act, 2006.

INR in Millions

As at March 31, 2025	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	-	47.92	-	-	-	47.92
Others	182.23	598.00	1.10	3.57	0.59	785.49
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	182.23	645.92	1.10	3.57	0.59	833.41

INR in Millions

As at March 31, 2024	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	-	39.30	-	-	-	39.30
Others	102.33	615.51	4.47	1.30	0.05	723.66
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	102.33	654.81	4.47	1.30	0.05	762.96

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INR in Millions

Note 20 Other current financials liabilities	March 31, 2025	March 31, 2024
Employee benefits payable	434.95	475.23
Creditors for capital assets	65.72	53.98
Other liabilities (refer note (a) below)	14.00	14.00
Allowance for expected sales return (refer note (b) below)	287.18	293.71
Total	801.85	836.92

(a) Other liabilities includes commission payable to directors also disclosed under Related Party Transaction. Refer note 45 for details.

(b) Allowance For Sales Return Subsequent To Sale :
Allowance has been made towards probable return of goods from customers, as per Indian Accounting Standard (Ind AS) 115 estimated by management based on past trends.

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Balance at beginning of the year	472.94	424.21
Allowance made during the year	460.05	506.45
Allowance utilised during the year	(471.99)	(457.72)
At the end of the year (non-current and current)	461.00	472.94

INR in Millions

Note 21 Provisions	March 31, 2025	March 31, 2024
Provision for employee benefits		
Provision for compensated absences	85.90	69.93
Provision for gratuity (refer Note 42)	123.04	107.99
Total	208.94	177.92

INR in Millions

Note 22 Other current liabilities	March 31, 2025	March 31, 2024
Statutory dues including provident fund and tax deducted at source	79.58	81.22
Advances from customers	9.98	13.84
Total	89.56	95.06

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INR in Millions

Note 23 Revenue from Operations	March 31, 2025	March 31, 2024
Revenue from contract with customer		
Sale of products (refer note 44)	10,798.99	10,471.22
Other operating revenue		
Export incentives	0.88	0.07
Scrap sales	2.69	1.83
GST refund received (refer note 47)	47.90	31.05
Total	**10,850.46**	**10,504.17**

INR in Millions

Note 24 Other Income	March 31, 2025	March 31, 2024
Interest income under the effective interest method from:		
Banks and others	57.78	192.60
Intercorporate loans	194.66	-
Profit on sale of Investment	54.77	23.16
Net changes in fair value of Mutual Fund measured at FVTPL	3.27	2.16
Miscellaneous income	18.55	27.09
Total	**329.03**	**245.01**

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INR in Millions

Note 25 Cost of material consumed	March 31, 2025	March 31, 2024
A: Raw material consumed		
Opening inventory	372.19	410.88
Add : Purchases (net)	1,398.35	1,349.63
	1,770.54	1,760.51
Less: Closing inventory	431.29	372.19
Cost of raw materials consumed during the year	1,339.25	1,388.32
B: Packing material consumed		
Opening inventory	84.09	73.68
Add : Purchases (net)	415.19	453.35
	499.28	527.03
Less: Closing inventory	75.75	84.09
Cost of packing materials consumed during the year	423.53	442.94
Total (A+B)	**1,762.78**	**1,831.26**

INR in Millions

Note 26 Changes in inventory of finished goods, work in progress and traded goods.	March 31, 2025	March 31, 2024
Opening inventory		
Finished goods	434.59	429.99
Work-in-process	48.03	51.41
Traded goods	317.27	376.36
	799.89	857.76
Less: Closing inventory		
Finished goods	464.71	434.59
Work-in-process	33.57	48.03
Traded goods	338.51	317.27
	836.79	799.89
(Increase)/Decrease in inventories of finished goods, work-in-progress and traded goods	**(36.90)**	**57.87**

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INR in Millions

Note 27 Employee benefit expenses	March 31, 2025	March 31, 2024
Salaries, wages and bonus	2,437.67	2,380.50
Contribution to provident and other funds (refer Note 42)	175.64	166.61
Gratuity (refer note 42)	57.96	50.12
Staff welfare expenses	150.43	168.61
Total	**2,821.70**	**2,765.84**

INR in Millions

Note 28 Other expenses	March 31, 2025	March 31, 2024
Processing charges	62.58	47.53
Factory consumables	90.64	84.30
Power and fuel	180.59	174.72
Insurance	19.05	17.03
Repair and maintenance	61.15	53.88
Rent	3.18	5.24
Rates and taxes	55.85	59.12
Freight	120.23	114.02
Advertisement & promotional materials	637.99	586.27
Travelling, conveyance and vehicle expenses	577.73	583.06
Commission on sales	302.56	228.17
Printing, stationery, postage and telephones expenses	20.74	27.18
Legal and professional fees	169.03	196.46
Contractual Services	170.19	169.91
Payment to auditors (refer note below)	2.95	1.48
Commission to Non-Executive Directors (refer note 45)	14.00	14.00
Directors sitting fees (refer note 45)	1.08	1.11
Provision for doubtful debts (refer note 35)	131.00	48.75
Loss on sale of asset	5.24	0.71
Bad debts written off	1.18	1.62
Expenditure towards corporate social responsibility (refer Note 48)	41.57	39.50
Miscellaneous expenses	137.30	104.95
Total	**2,805.83**	**2,559.01**

Note : The company has elected to present gain or losses arising from foreign exchange difference as a separate line item on the face of the statement of profit and loss. Accordingly figures for the year ended March 31, 2024 amounting to INR 0.03 million has been reclassified from other expense.

Note : Payment to auditor:

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Audit fees	2.40	1.30
Out of pocket expenses	0.55	0.18
Total	**2.95**	**1.48**

INR in Millions

Note 29 Depreciation and amortisation expenses	March 31, 2025	March 31, 2024
Depreciation on property, plant and equipment	207.22	202.60
Amortisation on intangible assets	5.30	3.55
Depreciation on right-of-use assets	77.50	69.13
Total	**290.02**	**275.28**

INR in Millions

Note 30 Finance cost	March 31, 2025	March 31, 2024
Interest on short-term borrowings measured at amortised cost	0.17	0.41
Interest on shortfall of advance tax	16.45	1.58
Interest accrued on lease liability	27.95	17.82
Unwinding of discounts on provision	-	50.37
Other borrowing costs	10.84	10.53
Total	**55.41**	**80.71**

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INR in Millions

Note 31 a) Tax expenses	March 31, 2025	March 31, 2024
Current tax expenses		
Current tax on profits for the period	535.10	445.09
Tax related to prior years	51.75	11.82
Total current tax expense	**586.85**	**456.91**
Deferred tax		
Originating and reversal of temporary differences	(41.31)	(11.25)
Changes in recognised temporary differences of earlier years	13.22	(11.90)
Total deferred tax (benefit)/expense	**(28.09)**	**(23.15)**
Total income tax expense	**558.76**	**433.76**

INR in Millions

b) Tax income/(expenses) recognised in OCI	March 31, 2025	March 31, 2024
Remeasurements of defined benefit plan	3.25	4.09
	3.25	4.09

INR in Millions

c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	March 31, 2025		March 31, 2024	
Profit before tax expense		1,906.58		1,682.90
Tax using the company's domestic tax rate	25.17%	479.85	25.17%	423.55
Effects of following on tax rates:				
Non deductible expenses	0.55%	10.47	0.62%	10.38
Change in estimate related to prior years (refer note below)	2.71%	51.75	0.70%	11.82
Changes in recognised temporary differences of earlier years	0.91%	17.34	-0.71%	(11.90)
Other items	-0.03%	(0.65)	-0.01%	(0.09)
Effective tax rate	**29.31%**	**558.76**	**25.77%**	**433.76**

Note : This represent additional tax liability for A.Y. 2012-13 and 2014-15 as per order received under Vivad se Vishwas Scheme.

d) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

INR in Millions

Unused tax losses - Long term capital loss	March 31, 2025		March 31, 2024	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Unused tax losses for which no deferred tax asset has been recognised	275.81	63.11	275.81	63.11
	275.81	63.11	275.81	63.11

INR in Millions

e)Tax losses carried forward- Expiry	March 31, 2025	March 31, 2024
Tax losses - Expiry in A.Y. 2028-29	41.09	41.09
Tax losses - Expiry in A.Y. 2029-30	22.02	22.02
Total	63.11	63.11

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INR in Millions

Note 32 Deferred tax liabilities (net)	March 31, 2025	March 31, 2024
Deferred tax assets on:		
Allowance for doubtful debts on trade receivables	63.30	29.64
Provision - employee benefit	95.52	99.36
Lease Liability	79.64	52.38
Total deferred tax assets	238.46	181.38
Deferred tax liabilities on:		
Property, plant and equipment	140.99	141.24
Intangible assets	2.21	1.91
Others	0.83	0.54
Right to use asset	71.56	46.16
Total deferred tax liabilities	215.59	189.85
Deferred income tax Assets/(liabilities) - net	**22.87**	**(8.47)**

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ZUVENTUS HEALTHCARE LIMITED

ZUVENTUS HEALTHCARE LIMITED
Notes to the financials statements (continued)
For the year ended March 31, 2025

Note 32 Deferred income tax Assets/(liabilities) - net

INR in Millions

Movement of Deferred tax assets / liabilities	Balance of Deferred tax asset as at April 1, 2024	Balance of Deferred tax liability as at April 1, 2024	Transferred to statement of profit and loss	Transferred to Other comprehensive income	Balance of Deferred tax asset as at March 31, 2025	Balance of Deferred tax liability as at March 31, 2025
Allowance for doubtful debts on trade receivables	29.64	-	33.66	-	63.30	-
Provision - employee benefit	99.36	-	(7.09)	3.25	95.52	-
Lease Liability	52.38	-	27.26	-	79.64	
Property, plant and equipment	-	(141.24)	0.25	-	-	(140.99)
Intangible assets	-	(1.91)	(0.30)	-	-	(2.21)
Others	-	(0.54)	(0.29)	-	-	(0.83)
Right to use asset	-	(46.16)	(25.40)	-	-	(71.56)
Total	181.38	(189.85)	28.09	3.25	238.46	(215.59)

INR in Millions

Movement of Deferred tax assets / liabilities	Balance of Deferred tax asset as at April 1, 2023	Balance of Deferred tax liability as at April 1, 2023	Transferred to statement of profit and loss	Transferred to Other comprehensive income	Balance of Deferred tax asset as at March 31, 2024	Balance of Deferred tax liability as at March 31, 2024
Allowance for doubtful debts on trade receivables	15.92	-	13.72	-	29.64	-
Provision - employee benefit	80.82	-	14.45	4.09	99.36	-
Lease Liabilities	49.34	-	3.04	-	52.38	-
Property, plant and equipment	-	(137.57)	(3.67)	-	-	(141.24)
Intangible assets	-	(1.24)	(0.67)	-	-	(1.91)
Others	-	-	(0.54)	-	-	(0.54)
Right to use asset	-	(42.97)	(3.19)	-	-	(46.16)
Total	146.08	(181.78)	23.14	4.09	181.38	(189.85)

INR in Millions

Note 33 Income tax assets/liabilities (net)	March 31, 2025	March 31, 2024
Income tax assets (net of provision)	266.75	293.24
Income tax liability (net of advance tax)	(233.33)	(132.21)
Total (net of advance tax)	33.42	161.03

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Note 34 : Capital management

Risk management

The company`s objectives when managing capital are to

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholder's and benefits for other stakeholder's, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder's, return capital to share holders or issue new shares.

Generally 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 equivalent's)
divided by
Total equity as shown in the balance sheet.

The Company's strategy is to maintain a gearing ratio less than 1.50x, which is acceptable under bank norms. The gearing ratio at year end is as follows:

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Net debt*	-	-
Equity attributable to owners of Zuventus Healthcare Limited	8,297.89	6,959.75
Net Debt to Equity ratio*	-	-

* As the net debt as on March 31, 2025 and March 31,2024 is negative, the Company for the purpose of this disclosure has considered net debt as zero and accordingly net debt to equity ratio is zero.

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Note 35 : Financial risk management

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company's risk management is carried out by treasury department under guidance of board of directors and the core management team, and it focuses on actively ensuring the minimal impact of company's financial position.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, Investments, trade receivables, financial assets measured at amortised cost.	Aging analysis credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Effective management of foreign exchange inflows & outflows
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Ongoing review of existing borrowing rates and seeking for new facilities at lower rate.

A. **Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Other financial assets that are potentially subject to credit risk consists of cash equivalents, investments and deposits.

Further, the Company also recognises loss allowance by using a provision matrix based on historical credit loss experience wherein fixed provision rates are defined for each financial asset which is past due / not due. The Company depending on the diversity of its asset base, uses appropriate groupings if the historical credit loss experience shows significant different loss patterns for different customer segments / financial assets.

Also, the Company limits its exposure to credit risk from receivables by establishing a maximum payment period for customers.

The Company considers the recoverability from financial assets on regular intervals so that such financial assets are received within the due dates.

The Company has exposure to credit risk which is limited to carrying amount of financial assets recognized at the date of Balance sheet.

Trade receivables

Trade receivables are usually due within 7-180 days. Generally, and by practice significant domestic customers enjoy a credit period of approximately 7-45 days and for export customers, the credit period ranges from 30 to 180 days. The receivables are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure except for receivables from government agencies and related parties. However, the Company does not identify specific concentration of credit risk with regard to trade receivables, as the amounts recognized represent a large number of receivables from various customers. Further, majority of the receivables pertains to receivables from Subsidiaries, wherein the concentration of credit risk is considered to be low. Certain receivables are also backed by letter of credit from the banks, resulting into negligible credit risk in recovery of such receivables.

The Company uses a provision matrix (simplified approach) to measure the expected credit loss of trade receivables and other financial assets measured at amortised cost.

Year ended March 31, 2025:

Expected credit loss for trade receivables under simplified approach

INR in Millions

Ageing	Not due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 361 days past dues	Total
Gross carrying amount	836.99	359.48	66.69	20.41	117.20	205.54	1,606.31
Expected loss rate (includes interest as well as credit loss)	1.58%	1.42%	7.92%	14.85%	26.48%	94.30%	15.66%
Expected credit losses (loss allowance provision)	13.26	5.11	5.28	3.03	31.04	193.82	251.54
Carrying amount of trade receivables (net of impairment)	**823.73**	**354.37**	**61.41**	**17.38**	**86.16**	**11.72**	**1,354.77**

Year ended March 31, 2024:

Expected credit loss for trade receivables under simplified approach

INR in Millions

Ageing	Not due	0-90 days past dues	91-180 days past dues	181-270 days past dues	271-360 days past dues	More than 361 days past dues	Total
Gross carrying amount	778.38	334.43	33.39	16.99	57.01	157.21	1,377.41
Expected loss rate (includes interest as well as credit loss)	1.34%	1.26%	7.67%	17.07%	28.82%	51.70%	8.55%
Expected credit losses (Loss allowance provision)	10.40	4.21	2.56	2.90	16.43	81.28	117.78
Carrying amount of trade receivables (net of impairment)	**767.98**	**330.22**	**30.83**	**14.09**	**40.58**	**75.93**	**1,259.63**

During the period, the Company has made write-offs of trade receivables amount to INR 1.18 million (March 31,2024 :INR 1.62 million).

There are no financial assets which have been written off during the year which are subject to enforcement activity.

Reconciliation of loss allowance provision — Trade receivables

INR in Millions

Particulars	Mar-25	Mar-24
Loss allowance opening balance	117.78	63.26
Amounts written off	(1.18)	(1.62)
Net remeasurement of loss allowances	134.94	52.90
Loss allowance closing balance	251.54	117.78





Note 35 : Financial risk management (continued)

A Credit risk (Continued)

Cash and cash equivalents, Investments and deposits with banks:

With respect to the cash and cash equivalents and deposits with banks, the concentration of credit risk is negligible as these are kept with the reputable banks with very high credit worthiness.

Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in mutual funds and non-convertible debentures. The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any significant losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

B. Liquidity risk

Liquidity risk management implies maintaining sufficient cash and availability of funds through adequate amount of committed credit facility to meet the commitments arising out of financials liabilities. Due to the dynamic nature of the underlying business, company maintains flexibility in funding by maintaining availability under committed credit lines. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, monitoring balance sheet liquidity ratios against debt covenants and maintaining debt financing plans and ensuring compliance with regulatory requirements.

The Company manages its liquidity needs by carefully monitoring scheduled debt payments as well as cash requirement for day-to-day business. Liquidity needs are monitored regularly as well as on the basis of a rolling 30 day cash flow projection. Long-term liquidity needs for a period from 180 to 360 days period are identified and revised at regular intervals.

The Company maintains cash and marketable securities to meet its liquidity requirements. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

i. *Financing arrangements*

The company has access to the following undrawn borrowing facilities of INR 443 million as at March 31, 2025 (March 31, 2024 INR 589.67 million).
The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice subject to the continuance of satisfactory credit ratings.

ii. *Maturities of financial liabilities*

The amounts disclosed in the table are the contractual undiscounted cash flow's of financial liabilities. Balance's due within 12 months equal their carrying balance's as the impact of discounting is not significant.

INR in Millions

Contractual maturities of financial liabilities	within 1 Years	1 to 2 years	2 to 5 years	More than 5 years	Total
March 31, 2025					
Trade payable	833.41	-	-	-	833.41
Trade deposits	-	-	51.25	-	51.25
Leased Liability	95.70	85.19	154.12	74.56	409.57
Other financial liabilities	801.85	173.82	-	-	975.67
Total	**1,730.96**	**259.01**	**205.37**	**74.56**	**2,269.90**
March 31, 2024					
Trade payable	762.96	-	-	-	762.96
Trade deposits	-	-	51.25	-	51.25
Leased Liability	69.75	59.78	93.41	50.42	273.36
Other financial liabilities	836.92	179.23	-	-	1,016.15
Total	**1,669.63**	**239.01**	**144.66**	**50.42**	**2,103.72**

C. Market risk

Market risk is the risk that changes in Market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of it's holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i. *Foreign currency risk*

The Company transacted in foreign currencies for procurement of raw material and sale of goods. Consequently the Company is exposed to a minimal foreign exchange risk through its purchases from overseas suppliers and sales to overseas customers in foreign currency.

INR in Millions

Particulars	Currency	March 31, 2025		March 31, 2024	
		Foreign Currency	Local Currency	Foreign Currency	Local Currency
Trade receivable	USD	*	-	*	0.11
Trade receivable	EURO	0.12	11.43	0.10	8.85
Trade payable	EURO	0.01	0.79	-	-
Trade payable	USD	0.01	0.74	*	*
Trade payable	GBP	0.01	0.65	0.01	0.78

* below rounding off norms

Sensitivity:
The company operates mainly in local currency and no/or minimum exposures to foreign currency. Hence no sensitivity analysis has been carried out.

II. *Interest rate risk*

There is no borrowing. Hence no interest risk arise.

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Note 36 : Fair value measurements

A. Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

March 31, 2025 — INR in Millions

Particulars	Carrying amounts valued at				Fair value			
	FVTPL	Amortised cost	Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Invesment								
-Mutual fund	760.43	-	-	760.43	760.43	-	-	760.43
Financial assets not measured at fair value*								
Invesment	-	-	-	-	-	-	-	-
Trade receivables	-	1,354.77	-	1,354.77	-	-	-	-
Cash and cash equivalents	-	95.97	-	95.97	-	-	-	-
Security deposits	-	59.12	-	59.12	-	-	-	-
Term deposit with banks	-	12.96	-	12.96	-	-	-	-
Other financial assets	-	24.31	-	24.31	-	-	-	-
Total financial assets	760.43	1,547.13	-	2,307.56	760.43	-	-	760.43
Financial liabilities not measured at fair value*								
Trade deposits	-	51.25	-	51.25	-	-	-	-
Trade payables	-	833.41	-	833.41	-	-	-	-
Creditors for capital goods	-	65.72	-	65.72	-	-	-	-
Lease liabilities	-	316.42	-	316.42	-	-	-	-
Other financials liabilities	-	909.95	-	909.95	-	-	-	-
Total financial liabilities	-	2,176.75	-	2,176.75	-	-	-	-

* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

March 31, 2024 — INR in Millions

Particulars	Carrying amounts valued at				Fair value			
	FVTPL	Amortised cost	Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*								
-Non convertible debenture(including interest)	-	2604.35	-	2,604.35	-	-	-	-
-Mutual fund	392.16	-	-	392.16	392.16	-	-	392.16
Trade receivables	-	1,259.63	-	1,259.63	-	-	-	-
Cash and cash equivalents	-	182.07	-	182.07	-	-	-	-
Security deposits	-	57.98	-	57.98	-	-	-	-
Term deposit with banks	-	364.44	-	364.44	-	-	-	-
Other financial assets	-	59.27	-	59.27	-	-	-	-
Total financial assets	392.16	4,527.74	-	4,919.90	392.16	-	-	392.16
Financial liabilities not measured at fair value*								
Trade deposits	-	51.25	-	51.25	-	-	-	-
Trade payables	-	762.96	-	762.96	-	-	-	-
Creditors for capital goods	-	53.90	-	53.90	-	-	-	-
Lease liabilities	-	208.14	-	208.14	-	-	-	-
Other financials liabilities	-	962.17	-	962.17	-	-	-	-
Total financial liabilities	-	2,038.50	-	2,038.50	-	-	-	-

* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

There are no transfers between any levels during the year.

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Note 37 : Contingent liabilities

Claims against the Company not acknowledged as debts as at March 31, 2025

INR in Millions

Sr. No.	Particulars	March 31, 2025	March 31, 2024
	Claims as at 31-March 2025 | 31-March 2024		
a)	Provident Fund (refer note (4) below)	53.61	53.61
b)	Indirect tax matters (refer note (3) below)	126.15	27.54
b)	Income tax matters (refer note (1) and (2) below)	903.62	1,072.51
		1,083.38	1,153.66
	Claims received/ (settled/closed) subsequent to year end		
b)	Indirect tax matters (refer note (3) below)	-	7.75
		-	7.75
	Sub-total	1,083.38	1,161.41
	Interest on above matter	437.41	-
	Total	1,520.79	1,161.41

Notes:

1) The Company is in receipt of various regular assessment orders from Income tax authorities. Income tax demands/matters are in relation to certain deductions/allowances in earlier years, which are pending in appeals. The Company has responded to such demand notices/appeals and believes that the operation will not have any significant impact on the group's financial position and performances for the year ended March 31, 2025.

2) A Search and Seizure Operation ('the Operation') was conducted by the Income Tax Department under section 132 of the Income-tax Act, 1961 during the month of December 2020. The Company has received orders u/s 153A and has filed appeals with CIT(A) against the said orders. Considering the disallowances, management is of the view that the matters involved are normal tax matters, and accordingly the operation will not have any significant impact on the Company's financial position and performance for the period ended March 31, 2025.

3) The Company is in receipt of various demand notices from the Indian Goods and Services Tax authorities. Customs Duty, Excise Duty, Service Tax and Sales Tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. The Company has responded to such demand notices and believes that the chances of any liability arising from such notices are less than probable. Accordingly, no provision is made in the financial statements as of March 31, 2025

4) Pursuant to an inspection on Zuventus Healthcare Limited ("Zuventus") by the Employees' Provident Fund Organisation ("EPFO"), EPFO through its order dated June 16, 2010 ("EPFO Order") provided that provident fund should be deducted on fitment allowance for both employee and employers contribution. The same was upheld and confirmed by order of the Employees' Provident Fund Appellate Tribunal, New Delhi dated August 24, 2011 ("Tribunal Order"). Zuventus challenged the same by filing writ petition before Bombay High Court who, vide order dated December 8, 2011 ("Order"), stayed the execution operation and implementation of EPFO Order and the Tribunal Order on the precondition that Zuventus deposits Rs. 20 million with EPFO. The proceedings are currently pending before the Bombay High Court and next hearing date is awaited. Management believes that it has strong grounds of defense in the matter and the said demand will not have any significant impact on the group's financial position and performances for the year ended March 31, 2025.

5) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have any effect on its financial position.

Note 38 : Capital and other commitments (to the extent not provided for)

A) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) INR 43.54 millions (March 31, 2024: INR 21.66 millions)

B) Financial guarantees given

The details of security and corporate guarantee given by the company on behalf of its Holding Company for loan taken from financial institution are :

INR in Millions

Particulars	Currency	As at March 31, 2025		As at March 31, 2024	
		Sanctioned amount	Outstanding amount	Sanctioned amount	Outstanding amount
Security	INR	N.A.	N.A.	N.A.	1,245.31
Bank guarantee	INR	N.A.	N.A.	890.00	747.97

Note 39 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

INR in Millions

Particulars	Note	March 31, 2025	March 31, 2024
Current			
Financial assets			
Trade receivables	10	1,354.77	1,259.63
Cash and cash equivalents	11	95.97	182.07
Bank balances other than above	12	15.59	397.68
Other financial assets	13	-	2.13
Other current assets	14	151.82	137.14
Non-financial assets			
Inventories	8	1,354.96	1,269.48
Total current assets pledged as security		2,973.11	3,248.13
Non Current			
Property, plant and equipment (refer note below)	2	-	1,245.31
Total non current assets pledged as security		-	1,245.31
Total assets pledged as security		2,973.11	4,493.44

Note: The Company has pledged asset of INR Nil million (March 31, 2024 : INR 1245.31 million) on behalf of its Holding Company for loan taken from financial institution.

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Note 40 : Earnings per share

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Basic / Diluted earning per share		
A. Profit after tax attributable to equity shareholders (INR millions)	1,347.82	1,249.14
B. Weighted average number of equity shares for the year	2,00,55,180	2,00,55,180
Basic/Diluted earnings per share (INR) (A/B)	**67.21**	**62.29**
Face value per share (INR)	**10.00**	**10.00**

Note 41 : Segmental reporting

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Company's board of directors along with it's Managing director, examines the Company's performance and have identified single reportable operating segment, viz. 'Pharmaceuticals' for the purpose of making decision on allocation of resources and assessing its performance. Board of directors primarily use revenue as a measure to assess the performance of the operating segment.

The Company is domiciled in India. The amount of its revenue from external customers broken down by destination of shipment of goods is shown in the table below.

Entity-wide disclosures

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Sales		
India	10,783.15	10,462.34
Outside India	15.84	8.88
Sub Total (A)	**10,798.99**	**10,471.22**
Other Operating revenue		
India	51.47	32.95
Outside India	-	-
Sub Total (B)	**51.47**	**32.95**
Total (A+B)	**10,850.46**	**10,504.17**

Non-current assets used in the Company's business or liabilities contracted have not been identified to any segment as the non-current assets and services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities is made.

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Note 42 : Assets and liabilities relating to employee benefits

a. Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund and family pension fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund and family pension fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is INR 160.74 million, (March 31, 2024 INR 149.55 million).

Defined Contribution Plans: The company has recognised the following amount in the statement of profit and loss for the year

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Contribution to employees' provident fund	111.79	100.89
Contribution to employees' family pension fund	48.96	48.66
Others	14.89	17.06
Total	175.64	166.61

b. Post-employment obligations

Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to fund managed by Life Insurance Corporation of India. Contributions are made as per the demands by LIC of India.

These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, etc.

c. Defined benefit plans

The amounts recognised in the balance sheet, profit or loss, other comprehensive income and the movements in the net defined benefit obligation are as follows:

INR in Millions

Particulars	Present Value of Obligation	Fair Value of Plan assets	Total
As at April 1, 2024	436.79	(328.80)	107.99
Current service cost	50.30		50.30
Transfer In/(Out)	0.22	0.03	0.25
Interest expenses/(income)	30.17	(24.39)	5.78
Mortality charges and taxes		1.63	1.63
Total amount recognised in profit and loss	80.69	(22.73)	57.96
Remeasurements of: -Return on PLAN assets, excluding amounts included in interest expense/(income)			-
Actuarial (gain)/ losses - experience	-	0.79	0.79
Actuarial (gain)/ losses - financial assumptions	-	0.33	0.33
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	2.89		2.89
Actuarial (gain)/ losses - demographic changes	-	-	-
Actuarial (gain)/ losses - financial assumptions	8.92	-	8.92
Total amount recognised in Other Comprehensive Income	11.81	1.12	12.93
Employer contribution		(55.84)	(55.84)
Benefit payments	(35.97)	35.97	-
As at March 31, 2025	493.32	(370.28)	123.04

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Note 42 : Assets and liabilities relating to employee benefits (continued)

INR in Millions

Particulars	Present Value of	Fair Value of Plan	Total
As at April 1, 2023	377.16	(263.73)	113.43
Current service cost	42.78	-	42.78
Transfer In/(Out)	(0.21)	0.22	0.01
Interest expenses/(income)	26.63	(20.97)	5.66
Mortality charges and taxes	-	1.67	1.67
Total amount recognised in statement of profit & loss	69.20	(19.08)	50.12
Remeasurements of: -Return on PLAN assets, excluding amounts included in interest expense/(income)			
Actuarial (gain)/ losses - experience	-	5.24	5.24
Actuarial (gain)/ losses - financial assumptions	-	(3.75)	(3.75)
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	8.15	-	8.15
Actuarial (gain)/ losses - demographic changes	5.23	-	5.23
Actuarial (gain)/ losses - financial assumptions	1.36	-	1.36
Total amount recognised in Other Comprehensive Income	14.74	1.49	16.23
Employer contribution	-	(71.79)	(71.79)
Benefits payments	(24.31)	24.31	-
As at March 31, 2024	436.79	(328.80)	107.99

d. *The net liability disclosed above relates to funded and unfunded plans are as follows:*

INR in Millions

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Present value of obligation	493.32	436.79
Fair value of plan assets	(370.28)	(328.80)
Deficit of funded plan	123.04	107.99

The company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The company intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

Principal actuarial assumptions as at the reporting date:

Particulars	As At	
	March 31, 2025	March 31, 2024
Discount rate	6.60%	7.20%
Expected rate of return on plan assets	7.20%	7.30%
Salary escalation rate	9.00%	9.00%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

e. *Sensitivity analysis:*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions , holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

Particulars	Change in Assumption	Impact on defined benefit obligation	
		Increase in Assumption	Decrease in Assumption
	March 31, 2025	March 31, 2025	March 31, 2025
Discount rate	1.0%	(14.66)	15.76
Salary escalation rate	1.0%	11.48	(10.90)
Withdrawal rate	1.0%	(1.67)	1.76

Particulars	Change in Assumption	Impact on defined benefit obligation	
		Increase in Assumption	Decrease in Assumption
	March 31, 2024	March 31, 2024	March 31, 2024
Discount rate	1.0%	(13.01)	13.97
Salary escalation rate	1.0%	10.11	(9.61)
Withdrawal rate	1.0%	(1.21)	1.27

Assumptions regarding future mortality for gratuity benefit is set based on actuarial advice in accordance with published statistics and experience in the domicile country of the Company.

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Note 42 : Assets and liabilities relating to employee benefits (continued)

f. Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed

i. Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All assets are maintained with fund managed by LIC of India.

ii. Changes in bond yields: A decrease in bond yields will increase plan liabilities.

iii. Future salary escalation and inflation risk : Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence Company is encouraged to adopt asset-liability management.

The Company's assets are maintained in a trust fund managed by public sector insurance company via, LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

g. Defined benefit liability and employer contributions

The Company has agreed that it will aim to eliminate the deficit in gratuity plan over the years. Funding levels are assessed by LIC on annual basis and the company makes contribution as per the instructions received from LIC. The Company compares the expected contribution to the plan as provided by actuary with the instruction from LIC and assesses whether any additional contribution may be required. The company considers the future expected contribution will not be significantly increased as compared to actual contribution.

Expected contributions to post-employment benefit plans for following periods.

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Expected Contribution to post-employment benefit plans	123.00	108.00
	123.00	108.00

The weighted average duration of the defined benefit obligation is as follows

Periods

Particulars	March 31, 2025	March 31, 2024
The weighted average duration of the defined benefit obligation (years)	4.35	4.30
	4.35	4.30

The following benefits payments are expected to be paid:

INR in Millions

Particulars	Less than 1 year	between 1-2 years	between 2-5 years	over 5 years	Total
March 31, 2025 Defined benefit obligation - gratuity	189.51	81.29	226.54	257.56	754.90
March 31, 2024 Defined benefit obligation - gratuity	165.60	81.93	196.50	238.31	682.34

h. Major plan assets

INR in Millions

Particulars	March 31, 2025	March 31, 2024
	Unquoted	Unquoted
Investment funds		
Insurance funds (LIC pension and group schemes fund)	370.28	328.80
Total	370.28	328.80

The category wise details of the plan assets is not available as it's maintained by LIC.

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Note 43 : Employees stock option plan

Share-based compensation benefits are provided to employees via the holding company's Employees Stock Option Plan ("Emcure ESOS 2013")

The fair value of options granted under the "Emcure ESOS 2013" is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options on the grant date:

- Including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

In the given case all options are issued by the holding company. The company does not have an obligation to settle these share based payment transactions, therefore these options are treated as equity settled transactions. Expense is recognised over the vesting period with corresponding increase in other equity.

Summary of options granted under the plan:

Particulars	Tranche - 1			
	Exercise Price	March 31, 2025	Exercise Price	March 31, 2024
Date of grant	October 01, 2013			
Opening balance	221	30,000	221*	30,000
Exercised during the year	(221)	(30,000)	221*	-
Closing balance	-	-	221*	30,000

*During the year ended March 31, 2016, the company had issued bonus shares to its shareholders in the ratio of 3:1. Correspondingly, proportionate adjustment has been made by increasing the number of options granted and reducing exercise price per option. Board of directors vide resolution dated January 29, 2016 has approved the adjustments to options granted.

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Exercise Share options price (Rs.) March 31, 2025	Number of share options March 31, 2025	Exercise Share options price (Rs.) March 31, 2024	Number of share options March 31, 2024
October 1, 2013	-	-	221	30,000
Total	-	-	221	30,000
Weighted average remaining contractual life of options			6 Years	

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Note 44 : Revenue from contract with customer

INR In Millions

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Revenue recognised from contracts with customers		
Disaggregation of revenue		
Within India	10,785.84	10,464.17
Outside India -		
Other continents	15.84	8.88
Total	**10,801.68**	**10,473.05**
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	13.84	7.72

There is no significant change in the contract liabilities.

The Company satisfies its performance obligations pertaining to the sale of goods at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract subject to return and do not contain any financing component. The payment is generally due within 30 to 60 days. The Company is obliged for returns/refunds due to expiry & saleable returns. There are no other significant obligations attached in the contract with customer.

There is no significant judgement involve in ascertaining the timing of satisfaction of performance obligation and in evaluating when a customer obtains control of promised goods.
The transaction price is ascertained and allocated to the performance obligations based on the standalone price of individual performance obligation.

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price.

Reconciliation of contract price with revenue recognised in statement of profit and loss:

INR In Millions

Particulars	31 March 2025	31 March 2024
Contract price	11,264.46	10,934.91
Less:		
Amount recognised as sales returns & breakage expiry	(460.05)	(456.08)
Allowance for interest loss	(2.73)	(5.78)
Revenue recognised in statement of profit and loss	**10,801.68**	**10,473.05**

Major customer

The Company has no external customer which accounts for more than 10% of the Company's total revenue for the year ended March 31, 2025.

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For the year ended March 31, 2025

Note 45 : Related Party disclosure

i) Related parties and the nature of relationship

Holding Company
Emcure Pharmaceuticals Limited

Fellow Subsidiary
Gennova Biopharmaceuticals Limited

Key Management Personnel
Mr. Satish Mehta - (Chairman)
Mr. Prakash Guha - (Managing Director)
Mr. Sanjay Mehta - (Non Executive Non Independent Director)
Mrs. Namita Thapar - (Non Executive Non Independent Director)
Mr. Shreekant K Bapat - (Non Executive Non Independent Director) Tenure as Independent Director completed on July 27, 2022 & appointed as Non-Executive Non-Independent Director w.e.f. October 13, 2022)
Mr. Shailesh Ayyangar- (Independent Director)Resigned as Non Executive Non Independent Director w.e.f. May 29, 2023 and was appointed as Independent director w.e.f. May 30, 2023.
Mr. Palamadai. S. Jayakumar (Independent Director) (Resigned w.e.f. Oct 15, 2024)
Mr. Vijay Gokhale (Independent Director) (Appointed w.e.f. July 26, 2022)
Mr. Ganesh Ramchandran (CFO) (Appointed w.e.f. 11.08.2021)

Enterprise over which Key Management Personnel have significant influence:
H.M. Sales Corporation
Avet Lifesciences Pvt. Ltd
UTH Beverage Factory Pvt Ltd

INR in Millions

Sr. No.	Description of the nature of the Transaction	Volume of transactions during		Amount outstanding as at			
		Year ended	Year ended	March 31, 2025		March 31, 2024	
		March 31, 2025	March 31, 2024	Receivable / Advance to supplier	Payable / Advance from customer	Receivable / Advance to supplier	Payable / Advance from customer
1)	**Purchase of goods and services (net of returns)**						
	Emcure Pharmaceuticals Limited	226.83	353.14	-	0.24	-	13.93
	Gennova Biopharmaceuticals Limited	24.04	28.31	-	-	-	-
2)	**Purchase of assets**						
	Emcure Pharmaceuticals Limited	-	0.04	-	-	-	-
	Gennova Biopharmaceuticals Ltd.	-	7.20	-	-	-	-
3)	**Sale of goods and services**						
	Emcure Pharmaceuticals Limited	10.84	10.42	0.10	-	-	-
	H.M. Sales Corporation	0.02	25.08	32.11	-	33.48	-
	UTH Beverage Factory Pvt Ltd	-	0.39	-	-	0.46	-
4)	**Sale of Steam**						
	Emcure Pharmaceuticals Limited	9.48	9.23	-	-	-	-
5)	**Sale of Assets**						
	Emcure Pharmaceuticals Ltd.	2.66	-	0.07	-		
	Gennova Biopharmaceuticals Ltd.	-	0.01	-	-	-	-
6)	**Lab Service Charges**						
	Emcure Pharmaceuticals Ltd.	0.90	0.90	-	-	-	-
7)	**Deposits paid**						
	Emcure Pharmaceuticals Limited	-	4.46	4.46	-	5.46	-
8)	**Commission paid**						
	H.M. Sales Corporation	14.51	13.72	-	3.99	-	3.31
9)	**Reimbursement of expenses made**						
	Emcure Pharmaceuticals Limited	26.02	11.91	-	11.05	-	0.62
	H.M. Sales Corporation	0.85	1.47	-	-	-	0.14
	UTH Beverage Factory Pvt Ltd	-	0.13	-	-	-	-
10)	**Expenses Received**						
	Emcure Pharmaceuticals Ltd.	-	8.72	-	-	-	-
11)	**Remuneration paid - KMP**						
	Mr. P K Guha	69.82	68.39	-	2.26	-	2.92
	Mr. Ganesh Ramchandran	9.65	8.63	-	0.67	-	0.50
12)	**Post-employment obligations-KMP**						
	Mr. P K Guha	4.05	4.14	-	35.27	-	31.22
	Mr. Ganesh Ramchandran	0.23	0.26	-	0.70	-	0.47
13)	**Compensated absences provisions-KMP**						
	Mr. P K Guha	0.60	0.68	-	8.06	-	7.46
	Mr. Ganesh Ramchandran	0.38	0.39	-	1.26	-	0.88

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Notes to the financials statements (continued)
For the year ended March 31, 2025
Note 45 : Related Party disclosure (continued)

Sr. No.	Description of the nature of the Transaction	Volume of transactions during		Amount outstanding as at			
		Year ended	Year ended	March 31, 2025		March 31, 2024	
		March 31, 2025	March 31, 2024	Receivable / Advance to supplier	Payable / Advance from customer	Receivable / Advance to supplier	Payable / Advance from customer
14)	**Dividend paid**						
	Emcure Pharmaceuticals Limited	-	319.20	-	-	-	-
	Mr. P K Guha	-	50.22	-	-	-	-
	Mr. Satish Mehta	-	1.26	-	-	-	-
	Mr. Sanjay Mehta	-	0.21	-	-	-	-
15)	**Commission paid - Non Whole Time Directors ***						
	Mr. S.K. Bapat	7.50	7.50	-	7.50	-	7.50
	Mr. Shailesh Aayangar	4.50	4.50	-	4.50	-	4.50
	Mr. Vijay Gokhale	1.50	1.00	-	1.50	-	1.00
	Mr. Palamadai Jayakumar	0.50	1.00	-	0.50	-	1.00
16)	**Sitting fees paid - Non Whole Time Directors**						
	Mr. S.K. Bapat	0.33	0.33	-	-	-	-
	Mr. Shailesh Aayangar	0.21	0.12	-	-	-	-
	Mr. Vijay Gokhale	0.36	0.36	-	-	-	-
	Mr. Palamadai Jayakumar	0.18	0.30	-	-	-	-
17)	**Lease expense including interest as per Ind AS 116**						
	Emcure Pharmaceuticals Limited	5.35	8.40	-	-	-	-
18)	**Corporate guarantee given on behalf of Holding Company to Financial Institution ***						
	Emcure Pharmaceuticals Limited	-	747.97	-	-	-	-
19)	**Security given on behalf of Holding Company to Financial Institution ***						
	Emcure Pharmaceuticals Limited	-	1,245.31	-	-	-	-
20)	**Income from corporate guarantee and security given on behalf of Holding Company**						
	Emcure Pharmaceuticals Limited	4.08	13.39	-	-	-	-
21)	**Investment in Debentures ***						
	Avet Lifesciences Pvt. Ltd.	-	2,500.00	-	-	2,500.00	-
22)	**Redemption of Debentures ***						
	Avet Lifesciences Pvt. Ltd.	2,500.00	-	-	-		
23)	**Interest on Debenture**						
	Avet Lifesciences Pvt. Ltd.	58.24	115.93	-	-	104.35	-
24)	**Deposit Refunded**						
	Emcure Pharmaceuticals Ltd.	1.00	0.02	-	-	-	-
25)	**Inter-Company Deposits (ICD) #**						
	Emcure Pharmaceuticals Ltd. - ICD Given	4,915.00	-	4,915.00	-	-	-
	Emcure Pharmaceuticals Ltd. - ICD Repaid From Given	(857.70)	-	(857.70)	-	-	-
26)	**Interest Income on Inter-Company Deposits (ICD)**						
	Emcure Pharmaceuticals Ltd.	194.66	-	-	-		

Note :

* The outstanding balance of corporate guarantee and security given as at 31 March 2025 is INR NIL (31 March 2024 is INR 747.97 million and INR 1245.31 million respectively). The same was given for the general bussines purpose of the party.

* During the year ended March 31, 2024, Zuventus Healthcare Limited (subsidiary of the Holding Company) has subscribed to Redeemable Non-convertible debentures (NCD's) of Avet Lifesciences Private Limited ("Avet") of Rs. 2,500.00 million. The rate of interest of these debentures is Modified Mumbai Inter-bank forward offer rate (MIFOR) plus spread of 415.3 bps. The NCD's are repayable over a period of 5 years from date of allotment. However, basis memorandum of understanding entered on March 31, 2024, both the parties have agreed to redeem these debentures before March 31, 2025. As at 31st March 2025 outstanding amount of NCD's and interest thereon is Rs. Nil (as at 31 March 2024 Rs. 2,604.35 million). The interest rate was higher than the prevailing yield of Government Security closest to the tenor of the loan. Proceeds from NCD's were utilised for general business purpose by Avet.

* Payment of commission to Non-Executive Directors is provided for, on tentative basis in the interim period and is not applicable to specific Director. Final commission will be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors subsequent to completion of financial year.

* All related party transactions entered during the year and outstanding balances were in ordinary course of the business and are on an arm's length basis. Outstanding balances are unsecured and to be settled in cash.

\# INR In Millions

Particular	Tenure of Loan	Rate of Interest p.a.	Loan		Interest accrued on loan	
			31 March 2025	31 March 2024	31 March 2025	31 March 2024
Emcure Pharmaceuticals Ltd.	36 months	7.50%	4,057.30	-	-	-

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Note 46 : Information regarding Micro, Small and Medium Enterprises

The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

INR in Millions

Particulars	March 31, 2025	31st March 2024
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
a. Principal outstanding and not overdue as per MSME act	47.92	39.30
b. Principal outstanding and overdue as per MSME act and interest due thereon	-	-
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	6.50	15.16
iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.06	0.15
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

Note 47 : GST refund received

The Company is entitled to subsidy in the form of proportionate refund of GST paid in cash (i.e. other than utilising input credit) by its unit at Sikkim for a period not exceeding ten years from the date of start of commercial production. There are no unfulfilled conditions or other contingencies attached to this grant.

Note 48 : Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are promoting education, healthcare and ensuring environmental sustainability. Amount spent during the year on activities which are specified in Schedule VII of the Companies Act 2013 are as mentioned below :

INR in Millions

Particulars	March 31, 2025	31st March 2024
(a) amount required to be spent by the company for the full year		
Total amount required to be spent by the compnay	39.76	39.41
Less: Utilisation of excess balance relating to earlier years approved by Board	(0.43)	(0.10)
Net amount required to be spent by the group	39.33	39.31
(b) amount of expenditure incurred till date;		
Paid		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	41.57	39.50
Yet to be paid		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-
Total (b)	41.57	39.50
(c) shortfall at the end of the year	NA	NA
(d) reason for shortfall	NA	NA
(f) nature of CSR activities	Promoting Healthcare, Education, Rural development projects, Environment Sustainability & Training to promote rural and/or nationally recognised sports	Promoting Healthcare, Education, Rural development projects, Environment Sustainability & Training to promote rural and/or nationally recognised sports
(h) Movement in Excess CSR spent balance relating to earlier years		
Opening balance	0.43	0.43
Add: Excess spent in current year	2.24	0.19
Less: Balance utilised during the year	(0.43)	(0.10)
Less: Balance lapsed during the year	(0.24)	(0.09)
Closing balance	2.00	0.43

Note 49 : Expenditure on research and development during the year

INR In Millions

Particulars	March 31, 2025	31st March 2024
R&D - Revenue	84.34	82.99
R&D - Capital	34.77	27.05
Total	119.11	110.04
R&D expenditure as a % of revenue from operations	1.10%	1.05%

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For the year ended March 31, 2025

Note 50 : Ratios as per the Schedule III requirements

(a) Current Ratio = Current Assets divided by Current Liabilities

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Current Assets	3,733.54	6,244.64
Current Liabilities	2,238.36	2,059.78
Ratio	**1.67**	**3.03**
% change from previous period	**-45%**	

Reason for change more than 25%:
The current ratio decrease on acount of redeemption of NCD Rs.2500 million in FY 25.

(b) Debt Equity ratio/ Gearing ratio = Total debt divided by Total equity

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Total debt	-	-
Total equity	8,297.89	6,959.75
Ratio	-	-
% change from previous period	**0%**	

Reason for change more than 25%:
Change is not more than 25%.

(c) Debt Service Coverage Ratio = Earnings available for debt services divided by total Interest, lease payments and principal repayments

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Profit for the year	1,347.82	1,249.14
Add: Depreciation and amortizations	290.02	275.28
Add: Finance cost	55.41	80.71
Add: (Profit)/Loss on sale of property,plant and equipment	5.24	0.71
Earnings available for debt services	**1,698.49**	**1,605.84**
Finance cost (including interest capitalised)	11.01	12.52
Lease payments	94.03	86.77
Principal repayments (including certain prepayments)	-	-
Total Interest and Principal repayments	**105.04**	**99.29**
Ratio	**16.17**	**16.17**
% change from previous period	**0%**	

Reason for change more than 25%:
Change is not more than 25%.

(d) Return on Equity Ratio = Profit for the year divided by average equity

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Profit for the year	1,347.82	1,249.14
Average equity	7,628.82	6541.81
Ratio	**18%**	**19%**
% change from previous period	**-5.26%**	

Reason for change more than 25%:
Change is not more than 25%.

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(e) Inventory Turnover Ratio = Cost of goods sold divided by average inventory

INR In Millions

Particulars	March 31, 2025	March 31, 2024
Cost of goods sold	3,299.46	3,385.41
Average Inventory	1,312.22	1,312.93
Ratio	**2.51**	**2.58**
% change from previous period	**-3%**	

Reason for change more than 25%:
Change is not more than 25%.

(f) **Trade Receivables turnover ratio = Revenue from operations (excluding other operating revenue) divided by average trade receivables**

INR In Millions

Particulars	March 31, 2025	March 31, 2024
Revenue from operations	10,850.46	10,504.17
Less: other operating revenue	(51.47)	(32.95)
Net sales	**10,798.99**	**10,471.22**
Average Trade Receivables	1,307.20	1,160.41
Ratio	**8.26**	**9.02**
% change from previous period	**-8%**	

Reason for change more than 25%:
Change is not more than 25%.

(g) **Trade payables turnover ratio = Credit purchases divided by closing trade payables**

INR in Millions

Particulars	March 31, 2025	March 31, 2024
Credit Purchases	5,943.03	5,693.46
Average Trade Payables	798.19	772.57
Ratio	**7.45**	**7.37**
% change from previous period	**1%**	

Reason for change more than 25%:
Change is not more than 25%.

(h) **Net capital Turnover Ratio = Net sales divided by Net Working Capital (whereas net working capital = current assets - current liabilities)**

INR In Millions

Particulars	March 31, 2025	March 31, 2024
Net Sales	10,798.99	10,471.22
Net working capital	1,495.18	4,184.86
Ratio	**7.22**	**2.50**
% change from previous period	**189%**	

Reason for change more than 25%:
The ratio got impacted because of decreased in working capital mainly due to decreased in investment as

(i) **Net profit ratio = Profit for the year divided by net sales**

INR In Millions

Particulars	March 31, 2025	March 31, 2024
Profit for the year	1,347.82	1,249.14
Net Sales	10,798.99	10,471.22
Ratio	**12%**	**12%**
% change from previous period	**0%**	

Reason for change more than 25%:
Change is not more than 25%.

B S R & Co. LLP
8th Floor, Business Plaza
Westin Hotel Campus
36/3-B, Koregaon Park
Annex, Ghorpadi
Pune-411001
India
Chartered Accountants

ZUVENTUS HEALTHCARE LIMITED

(j) **Return on capital employed = Adjusted EBIT divided by Capital Employed (total equity plus debt and deferred tax liability)**

INR In Millions

Particulars	March 31, 2025	March 31, 2024
Profit for the year	1,347.82	1,249.14
Add: Depreciation and amortisation expense	290.02	275.28
Add: Finance costs	55.41	80.71
Add: Tax expenses	558.76	437.85
EBITDA	**2,252.01**	**2,042.98**
Adjusted EBIT	**1,961.99**	**1,767.70**
Total equity	**8,297.89**	**6,959.75**
Deferred tax liability	-	**8.47**
Non-current borrowings	-	-
Current borrowings	-	-
Total debt	-	-
Adjusted EBIT	1,961.99	1,767.70
Capital Employed	8,297.89	6,968.22
Ratio	**24%**	**25%**
% change from previous period	**-4%**	

Reason for change more than 25%:
Change is not more than 25%.

(k) **Return on Investment**

INR In Millions

Particulars	March 31, 2025	March 31, 2024
Return on investment	115.82	141.25
Waighted average investment	1,878.47	2,996.51
Ratio	**6%**	**5%**
% change from previous period	**20%**	

Reason for change more than 25%:
Change is not more than 25%.

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ZUVENTUS HEALTHCARE LIMITED

Note 51 : Code of Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code.

Note-52 Additional disclosure as per schedule III Companies Act 2013

(i) The company does not have any Benami property, where any proceeding has been initiated or pending against The company for holding any Benami property.

(ii) The company does not have any transactions with companies struck off.

(iii) The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

(iv) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The company has complied with the number of layers prescribed under the Companies Act, 2013

(ix) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year

Note 53 : Events occurring after March 31, 2025

There are no significant events subsequent to year ended March 31, 2025.

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For B S R & Co. LLP
Firm Registration: 101248W/W-100022
Chartered Accountants

Abhishek
Partner
Membership No. 062343

Place: Pune
Date: May 21, 2025

For and on behalf of the Board of Directors
of Zuventus Healthcare Ltd
CIN: U85320PN2002PLC018324

Satish Mehta
Chairman
DIN - 00118691

Ganesh Ramchandran
Chief Financial Officer

Place: Pune
Date: May 21, 2025

P. K. Guha
Managing Director
DIN - 00118415

Ankita Saraogi
Company Secretary

Quality Checks : Completed
Spelling / diction / [illegible]
Indexing / pagination [illegible]
Calculation / arithmetical [illegible]
rounding off errors
Done by :
Name and Designation..... ASHISHEK, Partner.
Signature and Date..... abhishek

Madhavan N. Iyengar & Associates
Chartered Accountants

Madhavan N Iyengar
Proprietor
B.COM, LLB, FCA, CS
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INDEPENDENT AUDITOR'S REPORT

To,

The Members of Emcutix Biopharmaceuticals Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Emcutix Biopharmaceuticals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, statement of profit and loss (including other comprehensive income), Statement of changes 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit, other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the audit of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure(s) to Board's Report, but does not include the financial statements and our auditor's report thereon.

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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Management's responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of 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 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.

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

Auditor's Responsibilities for the audit of the Financial Statements

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

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also



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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

A. 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 the paragraph B(viii)

(c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flows statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the financial statements comply with the Ind AS 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 March 31, 2025 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters therewith are as stated in the paragraph A(b) above on reporting under section 143(3)(b) and paragraph B(viii) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014.

(g) With respect to the adequacy of the financial controls with reference to financial statement of the Company and the operative effectiveness of such controls, refer our separate Report in "Annexure B"

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i. The Company has no pending litigations as at March 31, 2025 (Refer note 37).

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The management has represented that, to the best of its knowledge and belief, 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;

v. The management has represented, that, to the best of its knowledge and belief, 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

vi. Based on audit procedures which we 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.

vii. The Company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

viii. Based on our examination which included test checks, except for instances mentioned below, the Company has used accounting software for maintaining its books of account which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the



relevant transactions recorded in the respective software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, except for instances mentioned below, the audit trail has been preserved, by the company as per the statutory requirements for record retention.

i. The feature of recording audit trail (edit log) facility was not enabled at the database level from 1 April 2024 to 18 November 2024 to log any direct data changes for the accounting software used for maintaining all books of accounts.

ii. The feature of recording audit trail (edit log) facility was not enabled for certain fields and tables at the application layer of the accounting software used for maintaining books of accounts relating to Revenue and Receivables, Inventory, Property, plant and equipment, Purchase and payables.

ix. In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **Madhavan N Iyengar & Associates**
Chartered Accountants
FRN 137246W

Madhavan N Iyengar
M No 044366
Proprietor
UDIN: 25044366BMKTAE1465
Place: Pune
Date: 21-May-2025

Madhavan N. Iyengar & Associates * Chartered Accountants * M. No. 044366 Pune

Independent Auditor's Report (continued)
Emcutix Biopharmaceuticals Limited

Annexure A to the Independent Auditor's Report on the Financial Statement of Emcutix Biopharmaceuticals Limited for the year ended 31 March 2024. (Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

i. (a) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(ii) The Company does not have Intangible Assets, hence requirements to report on clause 3(i)(a)(ii) of the Order is not applicable

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management once in three years. All Property, Plant and Equipment were physically verified last financial year. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties. Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding Benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(b) During the year, the Company has not obtained working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. According to information and explanation given to us by the management, during the year the Company has not made any investments in, provided any guarantee or security or granted any loans or, advances in the nature of loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.



Annexure A to the Independent Auditor's Report on the Financial Statement of Emcutix Biopharmaceuticals Limited for the year ended 31 March 2024. (Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date) (continued)

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of Income tax, including goods and services tax, provident fund, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the term loans were applied for the purpose for which it has obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.



Annexure A to the Independent Auditor's Report on the Financial Statement of Emcutix Biopharmaceuticals Limited for the year ended 31 March 2024. (Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date) (continued)

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) & 3(ix)(f) is not applicable.

x. (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company. (Refer note 30 to the Financial statements)



Annexure A to the Independent Auditor's Report on the Financial Statement of Emcutix Biopharmaceuticals Limited for the year ended 31 March 2024. (Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date) (continued)

xiv. The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

xv The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi (a) The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us during the course of audit, the Company does not have a CIC. Accordingly, the requirement of clause 3 (vi)(d) are not applicable.

xvii The Company has incurred any cash losses amounting to Rs. 50.92 million in the financial year ending March 31, 2025.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (refer note 36 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management's business plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.



Annexure A to the Independent Auditor's Report on the Financial Statement of Emcutix Biopharmaceuticals Limited for the year ended 31 March 2024. (Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date) (continued)

xx. The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **Madhavan N Iyengar & Associates**
Chartered Accountants
FRN 137246W

Madhavan N Iyengar
M No 044366
Proprietor
UDIN: 25044366BMKTAE1465
Place: Pune
Date: 21-May-2025

Annexure B to the Independent Auditor's report on the financial statements of Emcutix Biopharmaceuticals Limited for the year ended March 31, 2025

Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph '2(A)(f)' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

1. We have audited the internal financial controls with reference to the financial statements of Emcutix Biopharmaceuticals Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

3. The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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



Annexure B to the Independent Auditor's report on the financial statements of Emcutix Biopharmaceuticals Limited for the year ended March 31, 2025

Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph '2(A)(f)' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **Madhavan N Iyengar & Associates**
Chartered Accountants
FRN 137246W

Madhavan N Iyengar
M No 044366
Proprietor
UDIN:25044366BMKTAE1465
Place: Pune
Date: 21-May-2025

Chartered Accountants * Madhavan N. Iyengar & Associates * M. No. 044366 Pune

EMCUTIX BIOPHARMACEUTICALS LIMTED
Balance Sheet as at March 2025

₹ in million

Particulars	Note	As at 31-Mar-25 Audited
A. Assets		
(1) Non-current assets		
Property, plant and equipment	2	0.81
Right-of-use assets	3	3.33
Deferred tax assets (net)	25	17.09
Income tax assets (net)	26	0.05
Total non- current assets		**21.28**
(2) Current assets		
Inventories	4	13.87
Financial assets		
i) Trade receivables	5	88.91
ii) Cash and cash equivalents	6	5.96
iii) Other current financial assets	7	0.07
Other current assets	8	17.96
		126.77
Total current assets		**126.77**
Total assets		**148.05**
B. Equity and liabilities		
Equity		
Equity share capital	9	0.10
Other equity	10	(50.54)
Total equity		**(50.44)**
C. Liabilities		
(1) Non-current liabilities		
Financial liabilities		
i) Borrowings	11	59.00
ii) Lease Liabilities	3	2.81
iii) Other non-current financial liabilities	12	16.50
Provisions	13	2.34
Total non-current liabilities		**80.65**
(2) Current liabilities		
Financial liabilities		
ii) Lease Liabilities	3	0.60
ii) Trade payables	14	
Total outstanding dues of micro and small enterprises		2.82
Total outstanding dues to others		79.92
iii) Other current financial liabilities	15	27.99
Other current liabilities	17	4.01
Provisions	16	2.50
Total current liabilities		**117.84**
Total liabilities		**198.49**
Total equity and liabilities		**148.05**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

Madhavan N. Iyengar & Associates
ICAI Firm Registration No: 137246
Chartered Accountants

Madhavan N Iyengar
Partner
Membership No. 044366

Place: Pune
Date: 21-May-2025

Madhavan N. Iyengar & Associates Chartered Accountants M. No. 044366 Pune

For and on behalf of the Board of Directors
Emcutix Biopharmaceuticals Limted
CIN: U21002PN2024PLC234721

Satish Mehta
Chairman
DIN: 00118691

Govindan Sathya Narayanan
Whole-time Director & CEO
DIN: 05213870

Place: Pune
Date: 21-May-2025

EMCUTIX BIOPHARMACEUTICALS LIMTED

Statement of Profit and Loss (including other comprehensive income) for the year ended March 31, 2025

Particulars	Note	For period 03-Oct-2024 to 31-Mar-2025
Revenue:		
Revenue from operations	18	118.77
Total income		**118.77**
Expenses:		
Purchases of stock-in-trade		44.91
Changes in inventories of finished goods, work-in-progress and stock in trade	19	(13.75)
Employee benefit expenses	20	79.45
Depreciation and amortisation expense	22	0.36
Finance cost	23	1.13
Other expenses	21	73.83
Total expenses		**185.93**
Profit before exceptional items and tax		**(67.16)**
Exceptional items		-
Profit before tax		**(67.16)**
Tax expense		
Current tax	24	-
Deferred tax		(16.97)
Total tax expenses		**(16.97)**
Profit for the year		**(50.19)**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	31	(0.47)
Income tax relating to these items	24	0.12
		(0.35)
Other comprehensive income for the year		**(0.35)**
Total comprehensive income for the year		**(50.54)**
Earnings per share:		
Basic	27	(5,019.00)
Diluted	27	(5,019.00)
[Face value per share: Rs.10 (Previous year: Rs.10)]		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

Madhavan N. Iyengar & Associates
ICAI Firm Registration No: 137246
Chartered Accountants

Madhavan N Iyengar
Partner
Membership No. 044366

Place: Pune
Date: 21-May-2025

Madhavan N. Iyengar & Associates * Chartered Accountants * M. No. 044366 Pune

For and on behalf of the Board of Directors
Emcutix Biopharmaceuticals Limted
CIN: U21002PN2024PLC234721

Satish Mehta
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Govindan Sathya Narayanan
Whole-time Director & CEO
DIN: 05213870

Place: Pune
Date: 21-May-2025

EMCUTIX BIOPHARMACEUTICALS LIMTED
Statement of Changes In Equity for the year ended March 31, 2025

Equity share capital	Note	Rs. in million
As at April 1, 2024		-
Changes in equity share capital	9	0.10
As at March 31, 2025		0.10

Rs. in million

Other equity	Reserves and Surplus		
	Note	Retained earnings	Total
As at April 1, 2024		-	-
Profit for the year		(50.19)	(50.19)
Remeasurements of post-employment benefit obligations (net of tax)	31	(0.35)	(0.35)
		(50.54)	(50.54)
Others		-	-
		-	-
As at March 31, 2025		(50.54)	(50.54)

Note:
For description of nature and purpose of reserves refer note 10.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

Madhavan N. Iyengar & Associates
ICAI Firm Registration No: 137246
Chartered Accountants

Madhavan N Iyengar
Partner
Membership No. 044366

Place: Pune
Date: 21-May-2025

Madhavan N. Iyengar & Associates
M. No. 044366
Pune
Chartered Accountants

For and on behalf of the Board of Directors
Emcutix Biopharmaceuticals Limted
CIN: U21002PN2024PLC234721

Satish Mehta
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Govindan Sathya Narayanan
Whole-time Director & CEO
DIN: 05213870

Place: Pune
Date: 21-May-2025

EMCUTIX BIOPHARMACEUTICALS LIMTED
Cash Flow Statement for the year ended March 31, 2025

Particulars	Period Ended 31-Mar-25 Audited
A. Cash flows from operating activities:	
Profit before tax	**(67.16)**
Adjustment for:	
Depreciation and amortisation expense	0.36
Finance costs	1.13
	(65.67)
Working capital adjustments:	
- (Increase) / decrease in inventories	(13.87)
- (Increase) / decrease in trade receivables	(88.91)
- (Increase) / decrease in other financial assets	(0.07)
- (Increase) / decrease in other assets	(17.96)
- Increase / (decrease) in trade payables	82.74
- Increase / (decrease) in other financial liabilities	44.49
- Increase / (decrease) in other liabilities	4.01
- Increase / (decrease) in provisions	4.37
	14.80
Cash generated from operating activities	**(50.87)**
Income tax paid (net of refunds)	(0.05)
Net cash generated from operating activities (A)	**(50.92)**
B. Cash flows from investing activities	
Purchase of property, plant and equipment, Leasehold Land and capital work-in-progress	(0.87)
Net cash used in investing activities (B)	**(0.87)**
C. Cash flows from financing activities	
Proceeds from long-term borrowings	59.0
Repayment of Lease Liabilities	(0.39)
Proceeds from issue of shares	0.10
Interest paid	(0.96)
Net cash generated used in financing activities (C)	**57.75**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	5.96
Cash and cash equivalent as at beginning of the period	-
Effect of exchange rate fluctuations on cash and cash equivalent	-
Cash and cash equivalent as at period end	**5.96**

Components of cash and cash equivalent:	31-Mar-25
Cash on hand	-
Balances with bank in current accounts	5.96
Bank overdrafts used for cash management purpose	-
Total cash and cash equivalent*	**5.96**

* Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Madhavan N. Iyengar & Associates
ICAI Firm Registration No: 137246
Chartered Accountants

Madhavan N Iyengar
Partner
Membership No. 044366

Place: Pune
Date: 21-May-2025

Madhvan N. Iyengar & Associates M. No. 044366 Pune *Chartered Accountants*

For and on behalf of the Board of Directors
Emcutix Biopharmaceuticals Limted
CIN: U21002PN2024PLC234721

Satish Mehta
Chairman
DIN: 00118691

Govindan Sathya Narayanan
Whole-time Director & CEO
DIN: 05213870

Place: Pune
Date: 21-May-2025

Emcutix Biopharmaceuticals Limted
Notes to the financial statements (continued)
For the year ended March 31, 2025

1A. General information:

Emcutix Biopharmaceuticals Limted (hereinafter referred to as "Company") was incorporated on October 03,2024 under the Companies Act,2013. The Company is domiciled in india with its registered office located at pune.

The company is engaged in the manufacturing, processing, research, development, import, export, and trading of a wide range of pharmaceutical, biotechnological, nutraceutical, and chemical products. This includes drugs, medicines, herbal and biological products, cosmetics, surgical and laboratory supplies, agricultural and animal-based products, and other related consumer goods derived from natural and synthetic sources.

1B. Basis of preparation

a) Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

Details of the Company's accounting policies are included in Note 1C. The Company has been assessed as a going concern and will continue its operations for the foreseeable future.

b) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the amounts disclosed in the financial statements and notes have been rounded off to the nearest million, unless otherwise indicated.

c) Basis of Measurement

The financial statements are prepared under the historical cost convention except for the following items:

Items	Measurement Basis
Equity settled shared based payment options	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benef

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Head of Treasury.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Madhvan N. Iyengar & Associates Chartered Accountants M. No. 044366 Pune

EMCUTIX BIOPHARMACEUTICALS LIMITED PUNE

1B. Basis of preparation (continued)
e) Measurement of fair values (continued)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 29: Fair value measurements;
- Note 32: Employees stock option plan; and

f) Current versus non current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:
- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets / non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within 12 months after the reporting date; or
- the Company does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities / non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent. The operating cycle of the Company is less than 12 months.



1C. Material accounting policies

a) Foreign Currency Translation

Transaction in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange difference are recognised in statement of profit and loss, except exchange differences arising from the translation of long term foreign currency monetary items pertaining to period prior to transition to Ind AS and which are not related to purchase of property, plant and equipment and intangible assets which are recognised directly in other equity.

b) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost; or
- Fair value [either through profit and loss (FVTPL) or through other comprehensive income (FVOCI)]

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- The asset is held within a business model whose objective is to hold assets 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Madhvan N. Iyengar & Associates * Chartered Accountants * M. No. 044366 Pune

EMCUTIX BIOPHARMACEUTICALS LIMITED ★ PUNE

1C. Material accounting policies (continued)

b) Financial instruments (continued)
ii. Classification and subsequent measurement (continued)

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- The stated policy and objectives for the portfolio and the operation of those policies in practice.
  These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial asset to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of asset;
- How the performance of portfolio is evaluated and reported to the Company's management;
- The risk that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and other basic leading risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Company's claim to cash flows for specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amount of principal and interest on principal amount outstanding, which may include reasonable additional compensation for early termination of contract. Additionally, for a financial asset acquired on a significant premium or discount to its contractual par amount, a feature that permits or require prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is significant at initial recognition.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income,
Financial assets at FVOCI	These assets are subsequently measured at fair value. Fair value changes are recognised in other comprehensive income. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. When such asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is

Madhvan N. Iyengar & Associates Chartered Accountants M. No. 044366 Pune
EMCUTIX BIOPHARMACEUTICALS LIMITED PUNE

1C. Material accounting policies (continued)

b) Financial instruments (continued)
ii. Classification and subsequent measurement (continued)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

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

c) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimate costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Madhvan N. Iyengar & Associates Chartered Accountants M. No. 044366 Pune

EMCUTIX BIOPHARMACEUTICALS LIMITED PUNE

1C. Material accounting policies (continued)

c) Property, plant and equipment (continued)
ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013 except for vehicles and furnitures and fixtures at leasehold premises. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimated useful life	Useful life as per schedule II
Computers	3-6 years	3-6 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives represents the period over which the management expects to use these assets.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost on inventories is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The net realisable value of work-in- progress is determined with reference to the selling price of related finished products.

The comparison of cost and net realizable value is made on an item-by-item basis.

The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.





1C. Material accounting policies (continued)

e) Impairment

Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

Evidence that a financial asset is credit impaired includes the following observed data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue for a period of more than 12 months from the credit term offered to the customer;

- the restructuring of loan or advance by the Company on the terms that the Company would not consider otherwise;
- it is probable that borrower will enter bankruptcy or the financial reorganization;
- the disappearance of active market for a security because of financial difficulties.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) is recognized in the statement of profit and loss.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitate and qualitative information and analysis based on Company's historical experience and informed credit assessment and including forward - looking information.

The Company assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due.

The Company considers financial asset to be in default when:
a. The borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to action such as realising security (if any is held); or
b. The financial asset is 360 days or more past due.

Measurement of expected credit loss

Expected credit loss are probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance of expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write – off

The Gross carrying amount of financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when Company determines that the debtor does not have asset or source of income that could generate sufficient cash flows to repay the amount subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.





1C. Material accounting policies (continued)

f) Employee benefits

i. Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment transactions

Share-based payment are provided to employees via the Parent Company's Employees Stock Option Plan ("Emcure ESOS 2013")

The grant date fair value of equity settled share-based payment awards granted to employees of the Company is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation result is a potential asset for the Company, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long term employee benefit

The Company's liability in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

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1C. Material accounting policies (continued)

g) Provisions (other than for employee benefits), Contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

i. Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

ii. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

h) Revenue

Sale of goods
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The Company recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes significant financing component.

The consideration can be fixed or variable. Where the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods or services to a customer. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

The Company recognises refund liability where the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price). The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The provision on account of the expected amount of returns is included in provisions and the right to recover returned goods is included in inventory.

Sales returns and breakage expiry
When a customer has a right to return the product within a given period, the Company has recognised an allowance for returns. The allowance is measured equal to the value of the sales expected to return in the future period. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

The Company has an obligation to accept the goods which will expire. The Company has recognised an allowance for the returns due to expiry. The allowance is measured on the basis of historical trend of expiry against the sales occurred in the current and earlier period. Management considers the sales value for the periods which are equivalent to average general shelf life of products. Revenue is adjusted for the expected value of the returns.





1C. Material accounting policies (continued)

i) Leases

The Company as a lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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

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

j) Income tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Current tax assets and current tax 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 or simultaneously.





1C. Material accounting policies (continued)

j) Income tax (continued)
ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for -

temporary differences on the initial recognition of assets or liabilities in a transaction that:

(a) is not a business combination and

(b) at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deduc

taxable differences related to investments in subsidiaries, associates and joint arrangements to the extent that the group is able to control

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

l) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

m) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company are identified as Chief operating decision maker. Refer note 34 for segment information.

n) Earnings per share

The basic earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per share is computed by dividing the net profit / (loss) after tax attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the reporting period, except where the results would be anti-dilutive.

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1C. Material accounting policies (continued)

o) Cash flow statement

Cash flow from operations are reported using the indirect method, whereby profit before tax 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 item 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. For the purpose of cash flow statement bank overdraft that are repayable on demand are considered as cash and cash equivalent as it form an integral part of the company's cash management.

p) Research and development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

1D. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. For the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

On May 9, 2025, MCA notified the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements.





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Rs. in million

Note 2 - Property, plant and equipment	Gross book value				Accumulated depreciation				Net book value
	As at 01-Apr-24	Additions during the year	Disposals during the year	As at 31-Mar-25	As at 01-Apr-24	Charge for the year	Disposals during the year	As at 31-Mar-25	As at 31-Mar-25
Computers	-	0.87	-	0.87 -	-	0.06		0.06 -	0.81 -
Total	**-**	**0.87**	**-**	**0.87**	**-**	**0.06**	**-**	**0.06**	**0.81**

Note 3: Leases - 116

Lease contracts entered by the Company majorly pertains for Land & buildings taken on lease to conduct its business in the ordinary course. The leases typically run for a period of 5 years, with an option to renew the lease after that date. Typically lease payments are renegotiated at the time of renewal. Certain leases have restrictions on further sub-leasing. Information about leases for which the company is lessee is presented as below:

Right-of-use assets

Rs. in million

Particulars	Land & Building	Total
Balance as at April 1, 2024		-
Additions for new leases entered	3.62	3.62
Deletions for leases terminated	-	-
Depreciation charge for the year	-0.29	-0.29
Balance as at March 31, 2025	**3.33**	**3.33**

Lease Liabilities

Particulars	31-Mar-25
Balance as at the beginning	-
Additions for new leases entered	3.63
Deletions for leases terminated	-
Interest on lease liabilities	0.17
Repayment of lease liabilities	-0.39
Balance as at the end	**3.41**
Current	0.60
Non-current	2.81

Maturity analysis - contractual undiscounted cash flows-

Particulars	31-Mar-25
Less than one year	0.89
One to five years	3.32
More than five years	-
Total undiscounted lease liabilities as at year end	**4.21**

Amount recognised in statement of Profit or Loss

Particulars	31-Mar-25
Interest on lease liabilities	0.17
Depreciation on ROU	0.30
Expenses relating to short term leases	-
Expenses relating to leases of low value assets, excluding leases of low value assets	0.11
Total	**0.58**

Amounts recognised in statement of cash flow
Cash flow from financing activities

Particulars	31-Mar-25
Repayment of Lease Liabilities	
- Principal	-0.22
- Interest	-0.17

The weighted average incremental borrowing rate of 9.90% p.a has been applied to lease liabilities recognised in the balance sheet.

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Rs. in million

Note 4 Inventories (valued at lower of cost or net realisable value)	31-Mar-25
Stock in trade [Includes in transit Rs.nil]	13.75
Stores and spares [Includes in transit Rs.nil]	0.12
Total	**13.87**

Rs. in million

Note 5 Trade receivables	31-Mar-25
Unsecured	
Undisputed receivables - considered good	88.91
Disputed receivables - which have significant increase in credit risk	-
Less: Loss allowance	-
Total	**88.91**

Note: The Company has no exposure to in foreign currency with respect to trade receivables as at year end.

Break-up of security details and ageing schedule;

Rs. in million

As at March 31, 2025	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed receivables - considered good	56.01	32.90	-	-	-	-	88.91
Undisputed receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed receivables - credit impaired	-	-	-	-	-	-	-
Disputed receivables - considered good	-	-	-	-	-	-	-
Disputed receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed receivables - credit impaired	-	-	-	-	-	-	-
Total	**56.01**	**32.90**	**-**	**-**	**-**	**-**	**88.91**
Less: Loss allowance							-
Total	**56.01**	**32.90**	**-**	**-**	**-**	**-**	**88.91**

Rs. in million

Note 6 Cash and cash equivalents	31-Mar-25
Cash on hand	-
Balances with bank in current accounts	5.96
Total	**5.96**

Rs. in million

Note 7 Other current financial assets	31-Mar-25
Unsecured considered good, unless otherwise specified:	
Other receivable	0.07
Total	**0.07**

Rs. in million

Note 8 Other current assets	31-Mar-25
Unsecured considered good, unless otherwise specified:	
Advances for supply of goods and services	17.73
Balances with government authorities	0.02
Prepaid expenses	0.21
Total	**17.96**

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Rs. in million

Note 9 Equity share capital	31-Mar-25	
	Number of shares	Value
a. Authorised share capital		
Equity Shares of Rs. 10 each	1,00,00,000	100.00
b. Issued, subscribed and paid up capital*		
Equity Shares of Rs. 10 each	10,000	0.10

* All issued shares are fully paid up.

c. Reconciliation of the number of the shares outstanding at the beginning and at the end of the year

Particulars	31-Mar-25	
	Number of shares	Value
Equity Shares outstanding at the beginning	-	-
Capital Raised	10,000.00	0.10
Equity Shares outstanding at the end of the year	**10,000**	**0.10**

d. Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e. Employee stock options

Since the date of incorporation, the Company has not issued any shares for consideration other than cash.

f. Details of equity shares held Shareholders holding more than 5% shares

Particulars	31-Mar-25	
	No. of Shares held	% of Shareholding
Holding Company		
Emcure Pharmaceuticals Limited	9,996	99.96%
Total	**9,996**	**99.97%**

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Note 10 Other equity	Note	31-Mar-25
Retained earnings	(i)	-50.54
Share options outstanding account		-
Total		**-50.54**

Note to other equity	31-Mar-25
i. Retained earnings	
Balance as at the beginning of the year	-
Profit for the year	-50.19
Items of other comprehensive income recognised directly in retained earnings	-0.35
Balance as at the end of the year	**-50.54**
Total	**-50.54**

Nature and purpose of other reserves

Share options outstanding account
The Company has established equity-settled share-based payment plans for certain categories of employees of the group. Refer note 31 for further details of these plans.

Retained earnings
Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the company.

Note 11 Non-current borrowings	31-Mar-25
Unsecured	
Indian currency loans from related party (refer note 30)	59.00
Total	**59.00**

Note: The company has taken loan from Holding Company repayable on demand with term of 36 months carrying interest rate of 8.00%.

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Note 12 Other non-current financial liabilities	31-Mar-25
Trade deposits	16.50
Total	**16.50**

Note 13 Non-current provisions	31-Mar-25
Provision for employee benefits	
Provision for compensated absences	2.34
Total	**2.34**

Note 14 Trade payables	31-Mar-25
Trade payables to related parties (refer note 30)	56.89
Other trade payables	
Total outstanding dues of micro and small enterprises (refer footnote (b) below)	2.82
Total outstanding dues of creditors other than micro and small enterprises	23.03
Total	**82.74**

Footnotes:

(a) All trade payables are current.

(b) There are no micro and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at year end. Refer note 35, for information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

(c) The Company has no exposure to in foreign currency with respect to trade payables as at year end.

Trade payables ageing schedule;

As at March 31, 2025	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	0.09	2.73	-	-	-	2.82
Others	7.90	72.01	-	-	-	79.91
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**7.99**	**74.74**	**-**	**-**	**-**	**82.73**

Note 15 Other current financial liabilities	31-Mar-25
Employee benefits payable	26.99
Other payables	1.00
Total	**27.99**

Note 16 Current provisions	31-Mar-25
Provision for employee benefits	
Provision for compensated absences	1.22
Provision for gratuity (refer note 31)	1.28
Total	**2.50**

Note 17 Other current liabilities	31-Mar-25
Statutory dues including provident fund and tax deducted at source	4.01
Total	**4.01**

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Note 18 Revenue from operations	31-Mar-25
Revenue from contracts with customers	
Sale of products	118.77
Total	**118.77**

Note 19 Changes in inventories of finished goods, work-in-progress and stock in trade	31-Mar-25
Opening inventory	
Work-in-process	-
Finished goods	-
Stock in trade	-
	-
Less: Closing inventory	
Work-in-process	-
Finished goods	-
Stock in trade	13.75
	13.75
Changes in inventories of finished goods, work-in-progress and stock in trade	**-13.75**

Note 20 Employee benefit expenses	31-Mar-25
Salaries, wages and bonus	73.18
Contribution to provident and other funds (refer note 31)	3.18
Gratuity (refer note 31)	0.81
Staff welfare expenses	2.28
Total	**79.45**

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Note 21 **Other expenses**	**31-Mar-25**
Factory consumables	0.01
Insurance	0.05
Rent (refer note 3)	0.11
Freight and forwarding expenses	0.40
Advertisement and promotional materials	50.75
Travelling and conveyance	18.73
Commission on sales	0.03
Printing and stationery	0.36
Legal and professional fees	1.60
Payment to auditors	0.07
Commission to non executive directors	1.00
Directors sitting fees	0.01
Miscellaneous expenses	0.71
Total	**73.83**

Footnotes

(a) Payment to auditors:

Particulars	**31-Mar-25**
Audit fees	0.07
Total	**0.07**

Note 22 **Depreciation and amortisation expense**	**31-Mar-25**
Depreciation on property, plant and equipment	0.06
Depreciation on right-of-use assets	0.30
Total	**0.36**

Note 23 **Finance cost**	**31-Mar-25**
Interest on related party borrowings	0.53
Interest accrued on lease liabilities	0.17
Other borrowing costs	0.43
Total	**1.13**





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Note 24 Tax expenses recognised in statement of profit and loss	31-Mar-25
Current tax	
Current tax on profits for the year	-
Tax related to prior years	-
Total current tax expense	-
Deferred tax	
Originating and reversal of temporary differences	-16.97
Changes in recognised temporary differences of earlier years	-
Total deferred tax expense/(benefit)	**-16.97**
Total	**-16.97**

Tax (expenses)/income recognised in other comprehensive income	31-Mar-25
Remeasurements of post-employment benefit obligations	0.12
Total	**0.12**

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	31-Mar-25	
Profit before tax from continuing operations		(67.16)
Tax using the Company's domestic tax rate of 25.17%	**25.17%**	**(16.90)**
Tax effect of amounts which are not (deductible) / taxable in calculating taxable income:		
Other items	0.10%	(0.07)
Effective tax rate	**25.27%**	**-16.97**

Note 25 Deferred tax assets/(liabilities) - net	31-Mar-25
Deferred tax assets:	
Income statement	
Losses carried forward	15.52
Provision - employee benefit	1.51
Lease Liability	0.86
Total deferred tax assets	**17.89**
Deferred tax liabilities:	
Property, plant and equipment	0.03
Right to use asset	0.84
Total deferred tax liabilities	**0.87**
Deferred tax asset/(liability) - net	**17.09**

Rs. in million

Note 26 Income tax assets/(liabilities) (net)	31-Mar-25
Income Tax assets (net of provision)	0.05
Income Tax liabilities (net of advance tax)	-
Income Tax assets/(liabilities) (net)	**0.05**

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Note 27 : Earnings per share

Particulars	31-Mar-25
Basic earnings per share	
A. Profit after tax attributable to equity shareholders (Rs. in million)	-50.19
B. Weighted average number of equity shares for the year	10,000
Basic earnings per share (Rs.) (A/B)	**-5,019.00**
Diluted earnings per share	
C. Adjusted net profit for the year (Rs. in million) (refer note below)	(50.19)
Weighted average number of equity shares for the year	10,000
Add: Effect of employee stock options*	-
D. Weighted average number of equity share (diluted) for the year	10,000
Diluted earnings per share (Rs.) (F/G)	**-5,019.00**
Face value per share (Rs.)	**10.00**

Note: Reconciliations of earnings used for calculating diluted earnings per share

Particulars	31-Mar-25
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	-50.19
Add: Employee share-based payment (net of tax)	-
Profit attributable to the equity holders of the company used for calculating diluted earnings per share	**-50.19**

Note 28(A) : Capital management

The Company's objectives when managing capital are to;
- Safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholder's and benefits for other stakeholder's, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Generally consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The Company's strategy is to maintain a gearing ratio less than 1.50x.

The gearing ratio at year end is as follows:

Particulars	31-Mar-25
Non-current borrowings	59.00
Current borrowings	-
Gross Debt	**59.00**
Less: Cash and cash equivalents	-5.96
Less: Term deposits with banks (current and non-current)	-
Less: Investments in mutual funds	-
Net Debt (A)	**53.04**
Total Equity (B)	-50.44
Gearing ratio (A/B)	-1.05

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Note 28(B) : Financial risk management

The Company is exposed to a variety of financial risks which results from the Company's operating and investing activities. The Company's risk management is carried out by central treasury department under guidance of the board of directors and the core management team of the Company, and it focuses on actively ensuring the minimal impact of Company's financial position. The Company does not have any direct significant exposure on commodities.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets measured at amortised cost.	Ageing analysis & credit ratings	Diversification of bank deposits, credit limits and
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Ongoing review of existing borrowing rates and seeking for new facilities at lower

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables.

Other financial assets that are potentially subject to credit risk consists of cash equivalents, inter corporate loans and deposits.

Further, the Company also recognises loss allowance by using a provision matrix based on historical credit loss experience wherein fixed provision rates are defined for each financial asset which is past due / not due. The Company depending on the diversity of its asset base, uses appropriate groupings if the historical credit loss experience shows significant different loss patterns for different customer segments / financial assets.

Also, the Company limits its exposure to credit risk from receivables by establishing a maximum payment period for customers.

The Company considers the recoverability from financial assets on regular intervals so that such financial assets are received within the due dates.

The Company has exposure to credit risk which is limited to carrying amount of financial assets recognised at the date of Balance sheet.

Trade receivables

Trade receivables are usually due within 7-180 days. Generally, and by practice significant domestic customers enjoy a credit period of approximately 90 days and for export customers, the credit period ranges from 30 to 180 days. The receivables are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure except for receivables from related parties. However, the Company does not identify specific concentration of credit risk with regard to trade receivables, as the amounts recognized represent a large number of receivables from various customers. Further, majority of the receivables pertains to receivables from Subsidiaries, wherein the concentration of credit risk is considered to be low. Certain receivables are also backed by letter of credit from the banks, resulting into negligible credit risk in recovery of such receivables.

The Company uses a provision matrix (simplified approach) to measure the expected credit loss of trade receivables and other financial assets measured at amortised cost.

Identification of concentrations of risk requires judgement in light of specific circumstances, and may arise from industry sectors, credit ratings, geographic distribution or a limited number of individual counterparties. However, in case of the Company there is no such concentration risk.
The Company's exposure to credit risk for trade receivables, other receivables, loans and contract assets by geographic region was as follows;

	31-Mar-25
Within India	94.94
Outside India	-
	94.94





Note 28(B) : Financial risk management

Year ended March 31, 2025:
Expected credit loss for trade receivables under simplified approach

Rs. in million

Ageing	Not Due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Gross carrying amount	56.01	32.90	-	-	-	-	88.91
Weighted-average loss rate (includes interest as well as credit loss)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected credit losses (loss allowance provision)	-	-	-	-	-	-	-
Carrying amount of trade receivables (net of loss allowance)	**56.01**	**32.90**	-	-	-	-	**88.91**

Reconciliation of loss allowance provision — Trade receivables

Rs. in million

Particulars	31-Mar-25
Loss allowance as at the beginning of the year	-
Amounts written off	-
Net remeasurement of loss allowances	-
Loss allowance as at the end of the year	-

Cash and cash equivalents and deposits with banks:
With respect to the cash and cash equivalents and deposits with banks, the concentration of credit risk is negligible as these are kept with the reputed banks with very high credit worthiness.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash and availability of funds through adequate amount of committed credit facility to meet the commitments arising out of financial liabilities. Due to the dynamic nature of the underlying business, Company maintains flexibility in funding by maintaining availability under committed credit lines. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, monitoring balance sheet liquidity ratios against debt covenants and maintaining debt financing plans and ensuring compliance with regulatory requirements.

The Company manages its liquidity needs by carefully monitoring scheduled debt payments as well as cash requirement for day-to-day business. Liquidity needs are monitored regularly as well as on the basis of a 30-day cash flow projection. Long-term liquidity needs for a period from 180 to 360 days period are identified and reviewed at regular intervals.

The Company maintains cash and marketable securities to meet its liquidity requirements. Funding in regards to long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:
- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities.

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Note 28(B) : Financial risk management

Rs. in million

Contractual maturities of financial liabilities	Within 1 year	1 to 2 years	2 to 5 years	Above 5 years	Total
March 31 2025					
Trade payable	82.74	-	-	-	82.74
Borrowings	-	-	59.00	-	59.00
Lease Liabilities	0.89	-	3.32	-	4.21
Trade deposit	-	-	16.50	-	16.50
Other financial liabilities	27.99	-	-	-	27.99
Total	111.62	-	78.82	-	190.44

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of it's holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which exposes the Company to interest rate risk. During March 31, 2025, the Company's borrowings at variable rate were mainly denominated in INR.

Interest rate risk exposure

The Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

As a part of Company's interest risk management policy, treasury department closely tracks the base interest rate movements on regular basis. Based on regular review, management assesses the need to enter into interest rate swaps, contracts to hedge foreign currency risk. Management reviews the future movement in base rate against different factors such as overall micro and macro economic factors, liquidity in the system, expected spending cycle. Further on regular basis management assess the possibility of entering into new facilities which would reduce the future finance cost which helps management to mitigate the risk

Sensitivity

The Company's policy is to minimize interest rate cash flow risk exposures on borrowing.

Rs. in million

Particulars	Impact on profit before tax
	31-Mar-25
Interest rates — increase by 25 basis points (25 bps) *	-0.15
Interest rates — decrease by 25 basis points (25 bps) *	0.15

* Holding all other variables constant

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Note 29 : Fair value measurements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

Rs. in million

March 31, 2025	**Carrying amounts valued at**			
	Fair value	**Amortised Cost**	**Cost**	**Total**
Financial assets not measured at fair value*				
Trade receivables	-	88.91	-	88.91
Cash and cash equivalents	-	5.96	-	5.96
Other financial assets	-	0.07	-	0.07
Total Financial assets	**-**	**94.94**	**-**	**94.94**
Financial liabilities not measured at fair value*				
Borrowings	-	59.00	-	59.00
Trade deposits	-	16.50	-	16.50
Lease Liabilities	-	3.41	-	3.41
Trade payables	-	82.74	-	82.74
Other Financial liabilities	-	27.99	-	27.99
Total financial liabilities	**-**	**189.64**	**-**	**189.64**

* The Company has not disclosed the fair value for financial instruments such as trade receivables, cash and cash equivalents, term deposits with banks, other financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value, due to their short-term nature. Fair value of long-term financial assets and financial liabilities carried at amortized cost is not materially different from the carrying amount.

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Note 30 - Related party disclosure

Related parties with whom there were transactions during the year and nature of relationship

Holding:

Emcure Pharmaceuticals Ltd.

Key Management Personnel: Whole Time Directors

Mr. Satish Mehta (Chairman,Non-Executive, Non-Independent Director)
Mr. Govindan Sathya Narayanan (Whole-time Director & CEO)

Key Management Personnel: Other than Whole Time Directors

Mr. Raghu Kumar

Enterprise over which Key Management Personnel have control:

H.M. Sales Corporation

Sr. No.	Description of the nature of transaction / balance	Transaction value	Balance outstanding as at	
			31-Mar-25	
		Year ended 31-Mar-25	Receivable / Advance to supplier	Payable / Advance from customer
(A)	**Transactions/ balances with related parties (other than KMP) are as follows:**			
1	**Purchase of goods & services**			
	Emcure Pharmaceuticals Ltd.	50.90		56.89
		50.90	-	**56.89**
2	**Sale /(Return) of goods and services**			
	H.M. Sales Corporation	15.37	12.25	-
		15.37	**12.25**	-
3	**Loans and advances taken**			
	Emcure Pharmaceuticals Ltd.	59.00		59.00
		59.00	-	**59.00**
4	**Interest expense**			
	H.M. Sales Corporation	0.08		0.06
		0.08	-	**0.06**
5	**Trade / Security deposits accepted**			
	H.M. Sales Corporation	3.50		3.50
		3.50	-	**3.50**
6	**Reimbursement of expenses made**			
	Emcure Pharmaceuticals Ltd.	1.08		1.28
		1.08	-	**1.28**
7	**Rent Expense**			
	Emcure Pharmaceuticals Ltd.	0.50		0.54
		0.50	-	**0.54**
(B)	**Transactions/ balances with related parties (KMP) are as follows:**			
1	**Remuneration paid**			
	Key Management Personnel: Whole Time Directors			
	Mr. Govindan Sathya Narayanan	11.84		1.02
		11.84	-	**1.02**
2	**Commission - Other than Whole Time Directors**			
	Mr. Raghu Kumar	1.00		1.00
3	**Sitting fees - Other than Whole Time Directors**			
	Mr. Raghu Kumar	0.01		-
		0.01	-	-
		142.79	**12.25**	**122.78**

(1) All related party transactions entered during the year and outstanding balances were in ordinary course of the business and are on an arm's length basis. Outstanding balances are unsecured and to be settled in cash.

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Note 31 : Assets and liabilities relating to employee benefits

a) Defined contribution plans

The Company has certain defined contribution plans. Contributions are made as per local regulations. The contributions are made to registered provident fund/pension fund/other fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Defined Contribution Plans: The Company has recognised the following amount in the Statement of Profit and Loss for the year;

Particulars	Year ended 31-Mar-25
Contribution to Employees Provident Fund	2.10
Contribution to Employees Family Pension Fund	0.90
Other defined contribution plan	0.18
Total	**3.18**

^ represents amount in respect of continuing and discontinued operations.

b) Post-employment obligations

Gratuity

The Company has a defined benefit gratuity plan for employees governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to fund managed by Life Insurance Corporation of India. Contributions are made as per the demands by LIC of India.

These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, etc.

c) Defined benefit plans

The amounts recognised in the balance sheet, profit or loss, other comprehensive income and the movements in the net defined benefit obligation are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Total
As at April 1, 2024	-	-	-
Current service cost	-	-	-
Transfer In/ (out)	2.49	-1.68	0.81
Interest expenses/(income)	-	-	-
Mortality charges and taxes	-	-	-
Total amount recognised in profit and loss	**2.49**	**-1.68**	**0.81**
- Defined benefit obligations			
Actuarial (gain)/ losses - experience	0.47	-	0.47
Actuarial (gain)/ losses - demographic changes	-	-	-
Actuarial (gain)/ losses - financial assumptions	-	-	-
Total amount recognised in other comprehensive income	**0.47**	**-**	**0.47**
Employer contribution	-	-	-
Benefit payments	-	-	-
As at March 31, 2025	**2.96**	**-1.68**	**1.28**

d) The net liability disclosed above relating to funded plans are as follows:

Particulars	As at 31-Mar-25
Present value of obligation	2.96
Fair value of plan assets	-1.68
Deficit of funded plan	**1.28**

The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Company intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

Principal actuarial assumptions as at the reporting date:

Post-employment benefits (Gratuity) - The principal actuarial assumptions were as follows:

Particulars	As at 31-Mar-25
a) Discount rate	6.60%
b) Expected rate of return on plan assets	
c) Salary escalation rate	9.00%
d) Withdrawal rate	
Field staff	30.00%
Factory staff	20.00%
e) Mortality table	IALM(2012-14) ult

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Normal retirement age is 58 years.

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Note 31 : Assets and liabilities relating to employee benefits

e) **Sensitivity analysis:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions , holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

Change in assumption	Impact on defined benefit	
	Increase in assumption	Decrease in assumption
	31-Mar-25	31-Mar-25
Discount rate by 1%	-0.12	0.12
Salary escalation rate by 1%	0.08	-0.09
Withdrawal rate by 1%	-0.03	0.02

Assumptions regarding future mortality for gratuity benefit is set based on actuarial advice in accordance with published statistics and experience in the domicile country of the company.

f) ***Risk exposure***

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

i) Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. All assets are maintained with fund managed by LIC of India.

ii) Changes in bond yields: A decrease in bond yields will increase plan liabilities.

iii) Future salary escalation and inflation risk : Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence company is encouraged to adopt asset-liability

The Company's assets are maintained in a trust fund managed by public sector insurance company via, LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years.

g) ***Defined benefit liability and employer contributions***

The Company has agreed that it will aim to eliminate the deficit in gratuity plan over the years. Funding levels are assessed by LIC on annual basis and the Company makes contribution as per the instructions received from LIC. The Company compares the expected contribution to the plan as provided by actuary with the instruction from LIC and assesses whether any additional contribution may be required. The Company considers the future expected contribution will not be significantly increased as compared to actual contribution.

Expected contributions to post-employment benefit plans for next year is Rs. 1.30 million.

The weighted average duration of the defined benefit obligation is 5.00 years . The following benefits payments are expected to be paid:

Rs. in million

	Less than 1 year	between 1-2 years	between 2-5 years	over 5 years	Total
March 31, 2025					
Defined benefit obligation - gratuity	0.66	0.58	1.51	6.30	9.05

h) ***Major plan assets***

Rs. in million

	As at 31-Mar-25
	Unquoted
Investment funds	
- Insurance Funds (LIC Pension and Group Schemes fund)	1.68
Total	**1.68**

The category wise details of the plan assets is not available as it's maintained by LIC.

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Note 32: Employees stock option plan

As at March 31, 2025, the Company has the following share-based payment arrangement:

Share option plans (equity settled)
Share-based compensation benefits are provided to employees via the Holding Company's Employees Stock Option Plan ("Emcure ESOS 2013"). These options will vest over period of 3 to 5 years from the grant date and are subject to the condition of continued service of the employees.

In the given case all options are issued by the Holding Company. The Company does not have an obligation to settle these share based payment transactions, therefore these options are treated as equity settled transactions. Once vested the option can be exercised within 5 years from date of Initial Public Offer (IPO) of the Holding Company or vesting date whichever is later. The exercise price of the options is determined by Holding in accordance with method stated in ESOS 2013 plan. Expense is recognised over the vesting period with corresponding increase in other equity.

Resolution date	Tranche No	Grant Date	Exercise Price	Total Options Granted
24-Mar-25	Tranche - 16	24-Mar-25	1,028.35	40,000

Options granted under this scheme carry no dividend or voting rights. When exercised, one option is convertible into one equity share.

Movement of the options granted under the plan is as below:

March 31, 2025	Grant Date	Balance as on 01-Apr-24	Grant during the year	Cancelled during the year	Exercised during the year	Settled during the year	Balance as on 31-Mar-25	Exercisable	Revised Exercise Price
Tranche - 16	24-Mar-25		40,000	-	-		40,000	-	1,028.35
Total/ Weighted average exercise price		-	40,000	-	-	-	40,000		1,028.35

The holding company has granted 40,000 employee stock options were granted during the year ended March 31, 2025.

The model inputs for options granted during the year ended March 31, 2025 included:

Sr.	Particulars	Tranche - 16
a.	Options granted	40,000
b.	Exercise Price Rs.	1,028.35
c.	Share Price at grant date	1,028.35
d.	Date of grant	24-Mar-25
e.	Expected price volatility of the company`s shares	34.39%
f.	Expected dividend yield	1.00%
g.	Risk free interest rate	6.75%
h.	Expected life of options	5.00

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Note 33: Revenue from operations

Particulars	Year ended 31-Mar-25
Revenue recognised from contracts with customers	118.77
Other operating revenue	-
Total	**118.77**
Disaggregation of revenue	
Based on markets	
Within India	118.77
Total	**118.77**
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year	-

A) There is no significant change in the contract liabilities.

B) The Company satisfies its performance obligations pertaining to the sale of goods at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract with customers are generally fixed price contract (except for contracts with subsidiaries, wherein there is variable consideration) subject to refund due to returns and do not contain any financing component. The Company is obliged for returns/refunds due to expiry & saleable returns. There are no other significant obligations attached in the contract with customer.

C) There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligation and in evaluating when a customer obtains control of promised goods. Transaction price ascertained for the performance obligation of the Company is agreed in the contract with the customer. Further, the variable consideration is an estimate amount arrived by using expected value method.

D) Reconciliation of contract price with revenue recognised in statement of profit and loss:

Rs. in million

Particulars	31-Mar-25
Contract price	118.77
Less:	
Amount recognised as sales returns & breakage expiry	-
Allowance for interest loss	-
Revenue recognised in statement of profit and loss	**118.77**

E) Major customer

For the year ended March 31, 2025, H.M. Sales Corporation accounted for 12.35% of the Company's total sales

Receivable from H.M Sales Corporation of Rs. 12.25 million is more than 10% of the Company's total receivable for the year ended March 31, 2025.

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Note 34 : Segment reporting

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Company's consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

Note 35 : Information regarding Micro, Small and Medium Enterprises

The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Rs. in million

Particulars	31-Mar-25
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-
a. Principal outstanding and not overdue as per MSME act	2.82
b. Principal outstanding and overdue as per MSME act and interest due thereon	-
ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-
iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-





Emcutix Biopharmaceuticals Limted
Notes to the financial statements (continued)
For the year ended March 31, 2025

Note 36 : Ratios as per the Schedule III requirements

(a) **Current Ratio = Current Assets divided by Current Liabilities**

Particulars	31-Mar-25
Current Assets	126.77
Current Liabilities	117.84
Ratio	**1.08**
% change from previous year	n/a

Reason for change more than 25%:
Not applicable as there is no comparative period

(b) **Debt Equity ratio = Total debt divided by Total equity**

Particulars	31-Mar-25
Total debt	59.00
Total equity	-50.44
Ratio	**(1.17)**
% change from previous year	n/a

Reason for change more than 25%:
Not applicable as there is no comparative period

(c) **Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest, Lease payments and principal repa**

Particulars	31-Mar-25
Profit for the year	-50.19
Add: Depreciation and amortizations	0.36
Add: Finance cost	1.13
Add: (Profit)/loss on sale of property, plant and equipment	-
Earnings available for debt services	**-48.70**
Finance cost paid	0.96
Lease payments	0.39
Principal repayments (including certain prepayments)	-
Total Interest and Principal repayments	**1.35**
Ratio	**(36.07)**
% change from previous year	n/a

Reason for change more than 25%:
Not applicable as there is no comparative period

(d) **Return on Equity Ratio / Return on Investment Ratio = Profit for the year divided by average equity**

Particulars	31-Mar-25
Profit for the year	(50.19)
Average equity	(25.22)
Ratio	**199%**
% change from previous year	n/a

Reason for change more than 25%:
Not applicable as there is no comparative period

Madhvan N. Iyengar & Associates * Chartered Accountants * M. No. 044366 Pune

EMCUTIX BIOPHARMACEUTICALS LIMITED ★ PUNE

(e) **Inventory Turnover Ratio = Cost of goods sold divided by average inventory**

Particulars	31-Mar-25
Cost of goods sold	31.16
Average Inventory	6.94
Ratio	**4.49**
% change from previous year	n/a

Reason for change more than 25%:
Not applicable as there is no comparative period

(f) **Trade Receivables turnover ratio = Revenue from operations (excluding other operating revenue) divided by average trade rece**

Particulars	31-Mar-25
Revenue from operations	118.77
Less: other operating revenue	-
Net sales	**118.77**
Average Trade Receivables	44.46
Ratio	**2.67**
% change from previous year	n/a

Reason for change more than 25%:
Not applicable as there is no comparative period

(g) **Trade payables turnover ratio = Credit purchases divided by average trade payables**

Particulars	31-Mar-25
Credit Purchases	117.73
Average Trade Payables	41.37
Ratio	**2.85**
% change from previous year	n/a

Reason for change more than 25%:
Not applicable as there is no comparative period

(h) **Net capital Turnover Ratio = Net sales divided by Net Working Capital (whereas net working capital = current assets - current lia**

Particulars	31-Mar-25
Net Sales	118.77
Net working capital	8.93
Ratio	**13.30**
% change from previous year	n/a

Reason for change more than 25%:
Not applicable as there is no comparative period

Madhvan N. Iyengar & Associates Chartered Accountants M. No. 044366 Pune

EMCUTIX BIOPHARMACEUTICALS LIMITED PUNE

(i) **Net profit ratio = Profit for the year divided by net sales**

Particulars	31-Mar-25
Profit for the year	-50.19
Net Sales	118.77
Ratio	**-42%**
% change from previous year	n/a

Reason for change more than 25%:
Not applicable as there is no comparative period

(j) **Return on capital employed = EBIT divided by Capital Employed (total equity plus debt and deferred tax liability)**

Particulars	31-Mar-25
Profit for the year	-50.19
Add: Depreciation and amortisation expense	0.36
Add: Finance costs	1.13
Add: Tax expenses	-16.97
EBITDA	**-65.67**
EBIT	**-66.03**
Total equity	**-50.44**
Deferred tax liability	-
Non-current borrowings	59.00
Current borrowings	-
Total debt	**59.00**
EBIT	-66.03
Capital Employed	8.56
Ratio	**-771%**
% change from previous year	n/a

Reason for change more than 25%:
Not applicable as there is no comparative period

Madhvan N. Iyengar & Associates Chartered Accountants M. No. 044366 Pune

EMCUTIX BIOPHARMACEUTICALS LIMITED PUNE

Note 37 : Contingent liabilities and commitments

There are no disputed matters, contingent liabilities or other commitments as at March 31, 2025.

Note 38 : Events occurring after the March 31, 2025

There are no significant events subsequent to year ended March 31, 2025.

Note 39 : Authorisation of Financial statements

The inancial statements were approved by the Board of Directors on May 21, 2025.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

Madhavan N. Iyengar & Associates
ICAI Firm Registration No: 137246
Chartered Accountants

Madhavan N Iyengar
Partner
Membership No. 044366

Place: Pune
Date: 21-May-2025

Madhavan N. Iyengar & Associates * Chartered Accountants * M. No. 044366 Pune

For and on behalf of the Board of Directors
Emcutix Biopharmaceuticals Limted
CIN: U21002PN2024PLC234721

Satish Mehta
Chairman
DIN: 00118691

Govindan Sathya Narayanan
Whole-time Director & CEO
DIN: 05213870

Place: Pune
Date: 21-May-2025

EMCURE NIGERIA LIMITED

FINANCIAL STATEMENTS
31 MARCH, 2025.



Segun Thomas & Co.
Chartered Accountants

member firm of INPACT International



EMCURE NIGERIA LIMITED

Annual Report and Accounts for the Year Ended 31st December, 2025.

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EMCURE NIGERIA LIMITED
CORPORATE INFORMATION

DIRECTORS	U.D Balaji Francis Nwobodo
COMPANY SECRETARY	Dilligent Nominees Limited Block 33, Plot 29 Tokunbo Disu Street Magodo Phase 1, Isheri, Lagos
REGISTERED OFFICE	No 29, Adeniyi Jones Avenue Ikeja, Lagos State, Nigeria
AUDITORS	Segun Thomas & Co (Chartered Accountants) (Member Firm of INPACT International) Block 33, Plot 29 Tokunbo Disu Street Magodo Phase 1, Isheri, Lagos
PRINCIPAL BANKERS	Zenith Bank of Nigeria

Directors' Report

Annual Report

The Directors are pleased to submit their annual report together with the Audited Financial Statements of the Company for the year ended March 31, 2025.

Legal Form

The Company was incorporated as a private limited liability Company in Nigeria on 2nd of July 2007 and commenced operations on 1st of April 2008. Its registered office is at No. 29, Adeniyi Jones Avenue, Ikeja, Lagos, Nigeria.

Beneficial Ownership

The authorised share capital of the company is 7,000,000 shares at ₦1.00 each. Out of this, 6,400,841 shares were issued, and 5,836,841 shares represent the paid-up capital. The issued share capital of the company as at March 2025 was held by the following shareholders

Shareholders Names	Ordinary Shares of N1 each	%
Emcure Pharmaceutical Limited India	5,836,840	99.999983%
Raju Kalera P.	1	0.000017%
	5,836,841	

Principal Activities

The principal activities of the company are importation and sale of Pharamceutical products and providing allied services.

Review of Business	**2025**	**2024**
Results for the year	**N '000**	**N '000**
Loss for the year	(283,826)	(1,107,011)
Tax Expenses	-	(728)
Loss for the year after tax	**(283,826)**	**(1,107,739)**

Transactions with Related parties

All related party transactions that were entered into during the financial year ended 31 March 2025 were on an arm's length basis and were in the ordinary course of business.

Property, Plant & Equipment

Information relating to changes in property, plant and equipment is disclosed in the Notes to these financial statements.

Directors

The names of the directors that served during the year and up to the date of this report are:

(i)	U.D Balaji	Director
(ii)	Francis Nwobodo	Director

No director holds any shares directly in the Company as at 31 March 2025

Directors' Report (Continuod)

Other Directors' Interest

None of the directors has notified the Company for the purpose of Section 303 of the Companies and Allied Matters Act 2020, of any declarable interest in contracts with which the Company is involved either at 31 March, 2025.

Corporate Governance

The Board is responsible for the corporate governance of the Company. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial status of the Company and ensures that the financial statements comply with the provisions of Companies and Allied Matters Act 2020.

They are also responsible for safeguarding the assets of the Company by taking reasonable steps for the prevention and detection of fraud and irregularities.

During the year under review, the Company has a Board of 2 Directors.

Employment & Employees

Employment of disabled persons

1 It is the policy of the Company that there should be no discrimination in considering applications for employment including those from disabled persons. During the year under review, there were no disabled persons in the Company's employment.

2 **Health, safety at work and welfare of employees**

Health and safety regulations are in force within the Company's premises and employees are aware of existing regulations. During the year under review, there were no cases relating to a sexual harassment filed.

3 **Employees' involvement and training**

The Company is commited to keeping employees fully informed as far as possible regarding the Company's performance and progress and in seeking their views whereever practicable on matters which particularly affect them as employees.

Employees' development is carried out at various levels withing the Company through both internal and external training.

Auditors

The Auditors, Segun Thomas & Co (Chartered Accountants), have indicated their willingness to continue in office as the Company's Auditors in accordance with Section 401 (2) of the Companies and Allied Matters Act, 2020. A resolution will be proposed authorizing the Directors to determine their remuneration.

By Order Of The Board

Francis Nwobodo
Director
Lagos, Nigeria.

EMCURE NIGERIA LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH, 2025.

The Companies and Allied Matters Act 2020 requires the Directors to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the Company as at the end of the financial year and of its results for that year. This responsibility includes ensuring that:

Proper accounting records are maintained;

* Appropriate internal control procedures are instituted which, as far as is reasonably possible, safe guard the asset ,prevent and detect fraud and other irregularities;
* Applicable accounting standards are followed;
* Suitable accounting policies and standards are adopted and consistently applied;
* Judgments and estimates made are reasonable and prudent; and
* The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business.

The Directors accept responsibility for these financial statements which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards (IFRS), Financial Reporting Council of Nigeria (Amendment) Act 2023 and the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that these financial statements give a true and fair view of the state of affairs of the Company as at the end of the financial period and its results for that period. They further accept responsibility for the maintenance of the accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The Board of Directors of Emcure Nigeria Limited., having thoroughly reviewed the company's operational and financial position, has resolved to voluntarily wind up the affairs of the company effective March 31, 2025.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

U.D Balaji
Director

Francis Nwobodo
Director

Certification of financial statements

In accordance to section 405 of the Companies and Allied Matters Act of Nigeria 2020, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

(i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in light of the circumstances under which such statement was made, and

(ii) audited financial statements and all other financial information included in the statements fairly present in all material respect, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements

We state that management and directors:

(i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company is made known to the officer by the officers of the Company, particularly during the period in which the audited financial statement report is being prepared,

(ii) have evaluated the effectiveness of the Conpany's internal controls within 90 days prior to the date of its audited financial statements, and

(iii) certify that the Company"s internal controls are effective as of that date.

We have disclosed:

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summaries, and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and

(ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control; and

(iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

U.D Balaji
Director

Francis Nwobodo
Director

SEGUN THOMAS & CO.
Chartered Accountants

Block 33, Plot 29, Tokunbo Disu Street,
Magodo Phase 1, Isheri, Lagos.
☎: 08060220071, 08023181125
E-mail: thomasfolorunshoo@yahoo.co.uk,
thomasfolorunsho@outlook.com
Website: www.segunthomasandco.com

INPACT MEMBER

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EMCURE NIGERIA LIMITED

Opinion

We have audited the accompanying Financial Statements of Emcure Nigeria Limited which comprise the statement of financial position as at 31 March 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cashflows for the period ended 31 March 2025 and a summary of the significant accounting policies and other explanatory notes set out on pages 14 to 34.

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company's financial position Emcure Nigeria Limited, as at 31 March, 2025 and its financial performance and its cash flows for the year ended and in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act, 2023 and the provisions of the Companies and Allied Matters Act, 2020.

Basis for Opinion

We conducted our audit in accordance with Internationl Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of the Financial Statements in Nigeria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the corporate information, Directors' Report, company's directors responsibilities, Certification of the financial statements and other national disclosures (Statement of value added and Financial Summary) which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and we will not express an audit opinion or any form of assurances 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 mistated. If, based on the work we have performed on the other information obatained prior to the date of this auditor's report, we conclude that there is a material mistatement of this information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by International Financial Reporting Standard Board and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2023 and for such internal controls as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonalble assurance about whether the financial statements as a whole are free from material mistatement, 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 ISAs will always detect a material mistatements when it exists. Mistatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

i) Indentify and assess the risk of material mistatement of the financial statements, whether due to fraud or error and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appopriate to provide a basis for our opinion. The risk of not detecting a material mistatement result 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.

ii) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing and opinion on the effectiveness of the Company's internal control.

iii) Evaluate the appropriateness of accounting policies used and the resonableness of accounting estimates and related disclosures made by the drectors.

iv) Conclude on the appropriateness of the director's use of 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 doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonaby be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied

Report On Other Legal and Regulatory Requirements

In accordance with the requirement of schedule 5 of the Companies and Allied Matters Act, 2020, we confirm that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
iii) The Company's financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

FOLORUNSHO O. THOMAS.

Folorunsho O. Thomas
FRC/2013/PRO/ICAN/004/00000004929
for and on behalf of:-



Segun Thomas & Co.
Chartered Accountants
Lagos, Nigeria
15th May, 2025

EMCURE NIGERIA LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH, 2025

	Note	2025 ₦'000	2024 ₦'000
Revenue	4	-	-
Cost of sales	5	-	-
Gross profit		-	-
Other operating income	6	23,056	69,874
Administrative expenses	7	(3,06,845)	(11,48,592)
Operating profit/(loss)		(2,83,789)	(10,78,719)
Financial charges	8	(37)	(28,293)
Profit/(Loss) before taxation	9	(2,83,826)	(11,07,011)
Taxation	10	-	(728)
Profit/(Loss) for the year		(2,83,826)	(11,07,740)
Other comprehensive income		-	-
Total comprehensive income attributable to Owners of the company		(2,83,826)	(11,07,740)
Basic earnings per share (kobo)	11	(49)	(190)
Diluted earnings per share (kobo)	11	(49)	(190)

EMCURE NIGERIA LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2025

	Note	2025 N'000	2024 N'000
Non Current Assets			
Property, plant and equipment	12	-	-
Total Non-Current Assets		-	-
Current assets			
Trade and other receivables	13	252,919	219,289
Prepayments	14	-	-
Cash and cash equivalent	15	9,147	7,506
Total Current Assets		262,066	226,795
Total assets		262,066	226,795
Equity and liabilities			
Equity			
Share capital	16	5,837	5,837
Revenue reserve		(2,183,983)	(1,900,157)
Total equity		(2,178,146)	(1,894,321)
Non-Current Liabilities			
Due to Related Company	17c	2,052,242	1,745,514
Deposit for share capital	18	-	-
Deferred tax liabilities	10d	1,048	1,048
		2,053,290	1,746,563
Current liabilities			
Other payables	19	384,847	372,479
Customers' deposits	20	1,327	1,327
Taxation	10	747	-
Total current liabilities		386,921	373,806
Total liabilities		2,440,212	2,120,369
Total equity and liabilities		262,066	226,048

The financial statements and notes on pages 10 to 34 were approved by the Board of Directors on the 12th of May 2025, and signed on its behalf by:

U.D. BALAJI
Director

FRANCIS NWOBODO
Director

EMCURE NIGERIA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2025.

	Share Capital ₦'000	Retained Earnings ₦'000	TOTAL ₦'000
Balance as at 1st April 2024	5,837	(19,00,157)	(18,94,321)
Total Comprehensive for the Year	-	(2,83,826)	(2,83,826)
Balance as at 31st March 2025	**5,837**	**(21,83,983)**	**(21,78,147)**
Balance as at 1st April 2023	5,837	(7,92,418)	(7,86,581)
Total Comprehensive for the Year	-	(11,07,740)	(11,07,740)
Balance as at 31st March 2024	**5,837**	**(19,00,157)**	**(18,94,321)**

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

EMCURE NIGERIA LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH, 2025

	2025 ₦'000	2024 ₦'000
Cash flow from operating activities		
Profit/(Loss) before taxation	**(2,83,826)**	**(11,07,011)**
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	-	(0)
Loss(Profit) on assets disposal		
Financial Charges	37	28,293
	37	**28,292**
Operating profit (loss) before changes in working capital	**(2,83,789)**	**(10,78,719)**
Working capital changes		
Changes in Inventory	-	-
Changes in Trade and other receivables	(33,630)	(92,960)
Changes in Prepayment	-	-
Changes in customers deposits	-	-
Changes in other payable & accruals	12,369	57,786
Changes in due to related company	3,06,728	11,47,507
	2,85,466	**11,12,333**
Cash generated from operations	1,677	33,614
Tax paid	-	-
Net cash flow from operating activities	**1,677**	**33,614**
Cash flow from investing activities		
Purchase of property, plant and equipment	-	-
Proceeds from sales of property, plant and equipment	-	-
Net cash flow from investing activities	**-**	**-**
Cash flow from financing activities		
Depositt for shares	-	0
Financial Charges	(37)	(28,293)
Net cash flow from financing activities	**(37)**	**(28,292)**
Net decrease in cash and cash equivalents	**1,641**	**5,322**
Cash and cash equivalents at 1 April	7,506	2,184
Cash and cash equivalents at the end of the year	**9,147**	**7,506**

EMCURE NIGERIA LIMITED
FINANCIAL STATEMENT, 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

1 Corporate Information

Emcure Nigeria Limited ("the Company") is a company domiciled in Nigeria. The address of the Company's office is No. 29 Adeniyi Jones Avenue, Ikeja, Lagos State. The Company is a Limited Company registered in Nigeria.

The Principal activity of the company is importation and sale of pharmaceutical products and providing allied services.

2 Basis of preparation and adoption of IFRSs

a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB), Companies and Allied Matters Act, CAP 20 Laws of the Federation of Nigeria, 2020.

The financial statement for the year ended 31 March, 2025 (including comparatives) were approved and authorized for issue by the board of Directors on 12th of May 2025.

b) Basis of measurement

The Financial Statements have been prepared on a historical cost basis except for financial assets and liabilities designated at fair value through profit or loss, all of which have been measured at fair value.

c) Functional and presentational Currency

These financial statements are presented in Nigerian Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand except where otherwise indicated.

d) Use of estimates and judgment

The preparation of the Financial Statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses; actual results may differ from these estimates.

Critical judgments applied in arriving at these estimates are based on the best information available to management at the time such estimates were made.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

e) Going concern status

The Board of Directors of Emcure Nigeria Limited, having thoroughly reviewed the company's operational and financial position, has resolved to voluntarily wind up the affairs of the company.

3 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the rates of exchange prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the foreign currency differences arising on retranslation are recognized in profit or loss. Non-Monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

a) Financial instruments

i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the Company has a legal right to offset the amounts and intends either or settle on a net basis or to realize the asset and settle the liability simultaneously. The Company's non-derivative financial assets are classified as loans and receivables.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

ii) Non- derivative financial liabilities

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: loan and borrowings and other payables. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

iii) **Share Capital**
Ordinary shares are classified as equity.

c) Property plant and equipment

i) **Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Items of property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognized includes the cost of material, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in the income statement in the year the asset is de-recognized.

ii) **Subsequent costs**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

iii) **Depreciation**
Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight line balance basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative periods are as follows:

Asset category	Useful lives
Plant and machinery	10%
Building	2%
Furnitures and fixtures	10%
Office equipment	10%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Capital work-in- progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

d) Intangible assets

i **Subsequent expenditure**

Subsequent expenditure is capitalized only when it increase the future economic benefits embodied in the specific assets to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

ii **Amortization**

Amortization is calculated over the cost of the assets, or other amount substituted for cost, less its residual value. Amortization is recognized in profit or loss on a straight –line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

e **Leased assets**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Group's statement of financial position.

f **Inventories**

Inventories are measured at the lower of cost and net realized value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost incurred in bringing each product to its present location and condition is based on:

Purchased finished goods	Purchase cost on a first –in, first – out basis including transportation and clearing costs.
Goods – in – Transit	Purchase cost incurred to date.

Net realized value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Allowance is made for obsolete, slow moving or defective items where appropriate.

g) Impairment

i Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired .A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by Companying together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred ,adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an assets or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses are recognized in respect of CGU are allocated first to reduce the carrying amounts of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets (excluding Goodwill for which impairment loss is not recognized), impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

h) **Non-current assets held for sale**

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured in accordance with the company's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re measurement are recognized in excess of any cumulative impairment loss.

i) **Employee benefit**

(i) Pension fund obligations

A defined contribution plan is a post- employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payment is available.

In line with the provisions of the pension Reform Act 2004, the Company instituted a defined contribution pension scheme for its permanent Staff. Staff contributions to the scheme are funded through payroll deductions while the Company's contributions are charged to profit or loss account. The Company's contribution is the required minimum of 10% while employees also contribute 8% of their insurable earnings (basic, housing and transport).

(ii) Short-term employee benefits

Short-term employees benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

j) **Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the liability. The unwinding of the discount is recognized as finance cost.

k) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

l) Revenue recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, sales returns, trade discounts and volume rebates.

Revenue is recognized when persuasive evidence exist that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discount will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. Transfer of significant risk and rewards of ownership is believed to be transferred to the buyer at the point of delivery to the buyer.

m) Government grants

Government grants are recognized when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognized in profit or loss as deduction to the related expenses on a systematic basis in the same periods in which such expenses are recognized. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

n) Financial income and Financial charges

i) **Financial income**

These are interest on short term deposits which are made for varying periods and interest earned on various bank accounts.

ii) **Financial charges**

Interest paid is recognized in the statement of profit or loss as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

o) **Income Tax**

Income tax expenses comprise current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rate statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been statutorily enacted by the reporting date. Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is provided for using the liability method, which represents taxation at the current rate of corporate tax on all timing differences between the accounting values and their corresponding tax values.

A deferred tax asset is recognized only to the extent that it is probable that taxable profits will be available against which the amount will be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

p) Earnings Per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effect of all dilutive potential ordinary shares

q) Related Parties

Related parties include the parent Company and any subsidiary or associated of the parent Company; Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

r) Application of new and revised standards and interpretations

At the date of authorisation of those financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Standard	*Title*
• *IFRS 17*	*Insurance Contracts*
• *IFRS 10 AND IAS 28 (ammended)*	*Sales or Contribution of Assets between and Investors and its Associates Or Joint Ventures*
• *Ammendment to IAS 1*	*Classification of Liabilities and current or non current*
• *Ammendment to IAS 3*	*Reference to the Conceptual Framework*
Ammendment to IAS 16	*Property, Plant and Equipment - Proceed before intended Use*
Ammendment to IAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*

- **IFRS 17 - Insurance Contract**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contract and supersedes IFRS 4 Insurance Contracts. In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods begining on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from IFRS 9 (Amendments to IFRS 4) the extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods begining on or after 1 January 2023.

- ***Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between and Investor and its Associate or Joint Venture***

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between and investor and its associate or joint venture. Specifically, the ammendmens state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in transaction with an associate or a joint venture that is accounted forusing the equity method, are recognised inthe parent's profit or loss only to the extent of the unrelated investors' interest in that associate or joint venture. The effective date of the amendments has yet to be set by the board: however, earlier application of the amendment is permitted.

- **Amendments to IAS 1 - Classification of Liabilites as Current or Non-Current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any assets, liability, income or expenses, or the information disclosed about those items. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

- ***Amendments to IFRS 3 - Reference to the Conceptual Framework***

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a reqirement that, for obligations within of scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. The amendments add an explicit statement that an acquirer does not recognise contingent assets acqired in a business combination. The amendment are effective for business combination for which the date of acquisition is on or after the beginning of 1 January 2022, with early application permitted.

- ***Amendments to IAS 16 - Property, Plant and Equipment - Proceed before Intended Use***

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operting in the manner intended by management on or after the earliest period presented in the financial statement in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to thw opening balance of rtained earning at the beginning of that earliest period of presented. The amendment are effective for annual period beginning on or after the beginning of 1 January 2022, with early application permitted.

- ***Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract***

The amendments specify that the 'cost of fulfilling' a contract comprises the 'cost that relates directly to the contract' The cost comprises of both incremental cost of fulfilling the contract and an allocation of other cost that relate directly to the contracts. The amendment are effective for annual period beginning on or after the beginning of 1 January 2022, with early application permitted.

The amendments apply retrospectively.

4 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

When applicable, further information about the assumption made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short-term trade receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value.

b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5 Financial risk management

The Company has no exposure to the following risk from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Company's exposure to each of the above risk, the Company's objectives, policies and processes for measuring and managing risk, and the Company management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework by developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyses the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect change in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company management oversees compliance with risk policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company's principal exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Management has an effective customer / distributor credit assessment process under which each new customer is analyzed individually for credit worthiness before the Company's distributorship agreement standard payment and delivery terms and conditions are offered to seal the distributorship arrangement. The Company's review includes external ratings, when available, and in some cases, bank references.

Purchase limit are established for each customer, which represents the maximum open amount without requiring approval from the Marketing Manager; these limits are reviewed quarterly. Customers that fail to meet the Company's bench mark credit worthiness may transact with the Company only on a cash or payment basis. The Company's payment and delivery terms and conditions offered to customers provide various credit limits based on individual customers.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customers, geographic location, industry, aging profile, maturity and existence of previous financial difficulties.

Trade and other receivables relate mainly to the Company's Distributors/wholesale customers. Customers that are graded as "high risk" are place on a restricted customer list and monitored by the Sales Department, and future sale are made on a cash or payment basis.

The Company has no significant concentration of credit risk. Cash and cash equivalents are placed with banks and financial institutions which are regulated.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of loses that have been incurred but not yet identified.

The collective loss allowance is determined based on historical date of payment statistics for similar financial assets.

The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligation, these excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The Company's Objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holding of financial instruments.

The Objective of Market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.
The Company manages market risks by keeping costs low to keep prices within profitable range.

The primary responsibility for the development and implementation of controls to address operational risks is assigned to senior management. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for the appropriate segregation of duties, including the independent authorization of transactions
- Requirements for the reconciliations and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedure to address the risks identified
- Requirements for the reporting of operational loses and proposed remediation action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance when it is effective

EMCURE NIGERIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2025.

4 Revenue

Revenue for the year which arose from the sales of pharmaceutical products:

i Within Nigeria	2025 ₦'000	2024 ₦'000
	-	-
	-	-

5 Cost of sales

	2025 ₦'000	2024 ₦'000
Cost of sales	-	-

6 Other operating income

	2025 ₦'000	2024 ₦'000
Market Support Services	20,756	69,874
Provision No Longer Required	2,300	-
	23,056	**69,874**

7 Administrative expenses

	2025 ₦'000	2024 ₦'000
Rent	-	19,550
Audit fees	3,000	3,000
Communication	341	105
Repairs and maintenance	1,704	504
Transport and travelling	-	13
Salaries and wages	405	5,561
Directors Renumeration	9,574	-
Industrial Training Fund	4	56
Legal and professional fee	22	9,418
P.C.N. & NAFDAC & Product registration charges	8,132	6,723
Provision No Longer Required	-	23,863
Foreign Exchange Difference	2,83,662	10,79,800
	3,06,845	**11,48,592**

8 Financial cost	2025	2024
	₦'000	₦'000
Bank charges	37	38
Loan interest	-	28,255
	37	**28,293**

9 Profit before taxation

i) **Profit before taxation is arrived at after charging:**	2025 ₦'000	2024 ₦'000
Depreciation on property, plant and equipment	-	-
Auditors fees	3,000	3,000
Directors aggregate emoluments	405	5,561

Profit before taxation (continued)

ii) Emolument of directors and employees

a) The aggregate emoluments of the Directors were:

Directors emolument	405	5,212
Other emoluments	-	349

b) The emoluments of the highest paid Director (excluding other emoluments) amounted to

	405	5,212

c) The table below shows the number of Directors of the Company excluding the Chairman whose remuneration excluding pension contribution (in respect of services to the Company) falls within the bands stated below:

₦2,000,000 - ₦6,000,000	1	1

iii) **Staff numbers and costs:**	2025 No	2024 No
The average number of persons employed (excluding directors) in the Company during the year was as follows:		
Management	-	-
Sales and marketing	-	-
	-	-

The aggregate payroll costs of these persons were as follows	₦'000	₦'000
Wages and salaries including staff bonus and gratuity	405	5,561

10	Taxation	2025	2024
(a)	**Per statement of profit or loss:**	**₦'000**	**₦'000**
	Income tax payable on result for the year	-	-
	Minimum tax	-	-
	Education tax	-	747
		-	**747**
	Under provision in previous year		
	Income tax	-	-
	Education tax	-	(19)
		-	(19)
	Deferred tax	-	-
	Charge for the year	-	**728**

(b) Income tax recognized in profit or loss

Corporate tax is calculated at between 0% - 30% (based on turnover level stipulated in the finance act effective February 2020) of the estimated taxable profit for the year. The charge for taxation in these financial statement is based on the Company Income Tax Act, CAP C21, LFN, 2004

Education Tax represents 3% of assessable profit in accordance with the provisions of Education Tax Act Cap E4, LFN, 2004

The income tax expense for the year can be reconciled to the accounting profit as per the statement of comprehensive income as follows:

	2025	2024
	₦'000	**₦'000**
Profit (Loss) before tax	**(2,83,826)**	**(11,07,011)**
Tax at the statutory corporation tax rate of 0% - 30 %	(85,148)	(3,32,103)
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit	84,409	3,39,575
Education tax at 3% of assessable profit	-	747
Adjusted loss unrelieved/relieved	739	(7,472)
Capital allowances absorbed	-	-
Balancing charge (Allowance)	-	-
Under provision in previous year	-	(19)
Deferred tax provision	-	-
Tax expense recognized in profit or loss	**(0)**	**728**
Effective tax rate	**0.00%**	**-0.07%**

The tax rate used for 2025 and 2024 reconciliation above is the corporate tax rate of 30% and 3% (for tertiary education tax) payable by corporate entities in Nigeria on taxation profits under tax law in the country, for the year ended 31 March 2025.

(c) Opening balance per Statement of Financial Position

	2025	2024
	₦'000	₦'000
Education tax	747	19
Payment during the year		
Education tax	-	-
Over/(Under) Provision in Prior years	-	(19)
	747	-
Charges for the year		
Education tax	-	747
Closing balance per Statement of Financial Position	747	747

(d) Deferred taxation

Opening balance per Statement of Financial Position	1,048	1,048
Charge for the year		
Closing balance per Statement of Financial Position	**1,048**	**1,048**

11 Earnings Per Share

(a) Basisc Earnings Per Share

The earnings and weighted average number of share capital used in the calculation of basic earnings per share are as follows:

	2025	2024
	₦'000	₦'000
Profit/(Loss) attributed to the equity holders	-2,83,826	-11,07,740
Weighted average number of share capital **('000)**	5,837	5,837
Basic earnings per share **(kobo)**	(49)	(190)

(b) Diluted Earnings Per Share

The earnings and weighted average number of share capital used in the calculation of diluted earnings per share are as follows:

	2025	2024
	₦'000	₦'000
Profit/(Loss) for the year attributable to the equity holders	-2,83,826	-11,07,740
Weighted average number of share capital	5,837	5,837
Diluted earnings per share **(kobo)**	(49)	(190)

12 Property, plant and equipment

	Motor Vehicle	Furnitures and Fittings	Office & Household Equipment	Total
Cost	**₦'000**	**₦'000**	**₦'000**	**₦'000**
As at 1 April 2024	-	871	614	1,485
Additions during the year	-	-	-	-
As at 31 March 2025	**-**	**871**	**614**	**1,485**
As at 1 April 2023	-	871	614	1,485
Additions during the year	-	-	-	-
As at 31 March 2024	**-**	**871**	**614**	**1,485**
Depreciation and impairment	**₦'000**	**₦'000**	**₦'000**	**₦'000**
As at 1 April 2024	-	871	614	1,485
Charge for the year	-	-	-	-
As at 31 March 2025	**-**	**871**	**614**	**1,485**
As at 1 April 2023	**-**	**871**	**614**	**1,485**
Charge for the year	-	-	-	-
As at 31 March 2024	**-**	**871**	**614**	**1,485**
Carrying Amount				
As at 31 March 2025	**-**	**-**	**-**	**-**
As at 31 March 2024	**-**	**-**	**-**	**-**

13a Trade and other receivables

	2025	2024
	₦'000	**₦'000**
Trade receivables	21,754	21,754
Provision for doubtful debt	(21,754)	(21,754)
Other receivables	2,52,919	2,19,289
	2,52,919	**2,19,289**

b Other receivables

	2025	2024
	₦'000	**₦'000**
Other Receivables	2,00,427	1,66,796
TDS Receivables	52,493	52,493
	2,52,919	**2,19,289**

14 Prepayments

	2025	2024
	N'000	**N'000**
No Objection certificate (NOC)	-	-
	-	**-**

15	Cash and cash equivalent	2025	2024
		₦'000	₦'000
	Bank balances	9,147	7,506
		9,147	**7,506**

16	Share capital		
	Authorized ordinary shares of ₦1 each	2025	2024
		₦'000	₦'000
	In number of shares	7,000	7,000
	In value	**7,000**	**7,000**
	Issued and fully paid		
		₦'000	₦'000
	In number of shares	5,837	5,837
	In value	**5,837**	**5,837**

17	Due to related Company (Non current)	2025	2024
		₦'000	₦'000
a)	Balance at the beginning of the year	10,16,921	3,58,770
	Exchange gain/loss difference	1,78,697	6,58,150
		11,95,618	**10,16,921**

b)	The details of the movement on interest payable is as follows:	2025	2024
		₦'000	₦'000
	Balance at the beginning of the year	7,28,593	2,39,236
	Additions during the year	1,28,031	4,89,357
	Balance at the end of the year	**8,56,624**	**7,28,593**

c)	Due to related Company (Non current)	2025	2024
	Non curreny liabilities	₦'000	₦'000
	Unsecured loan from Emcure Pharnaceuticals India	11,95,618	10,16,921
	Interest payable on loan (note 18b)	8,56,624	7,28,593
		20,52,242	**17,45,514**

Parent and Ultimate Controlling Party

d) As at end of 31 March 2025, Emcure Pharmaceutical India, the parent and ultimate controlling party of the company owned 100% of the issued share capital of the company.

e) The company had no additional unsecured loans during the year. The total outstanding loan as at 31/03/25 in US dollar was $780,241 excluding accrued interest.($580,241 was at the interest rate of 6% p.a. while $200,000 was at an interest rate of 8.3% p.a.) The repayment term is when the cash flow of the company improves.

f) The interest payable on the loan amounting to ₦859,212illion has been included as part of the outstanding balance as at year end.

18 Deposit for Share Capital

	2025 ₦'000	2024 ₦'000
Deposit for Share Capital	0	0

Share deposits have been reclassified under Note 17 – Due from Related Company, to ensure proper disclosure and alignment with the current year's presentation

19 Other payables

	2025 ₦'000	2024 ₦'000
Other payables	3,84,847	3,72,479

The details of other payables are stated below:

a) **Other payables**		
Claim payable	6,698	6,698
Healthline Limited	65,141	65,141
Rajendra Shete	2,184	2,184
Audit fee payable	3,225	3,225
PAYE Payable - LSBIR	556	599
Industrial Training Fund Payable	375	371
Leave Allowance Payable	1	6,518
Pension Fund Payable-Employee	301	330
Motor Reserve Payable	744	744
Pension Fund Payable-Employer	621	657
Accrued Expenses	20,867	2,835
Sundry Service Provider	2,67,250	2,67,250
Other Payables	16,886	15,928
	3,84,847	**3,72,479**

20 Customers Deposits

	2025 ₦'000	2024 ₦'000
Customers deposits	1,327	1,327

21 Financial Instruments

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivable from customer.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was

	Note	2025 ₦'000	2024 ₦'000
Trade and other receivables	13	2,52,919	2,19,289
		2,52,919	**2,19,289**

ii) Impairment losses

	2025		2024	
	Book Value	Impairment	Book Value	Impairment
	₦'000	₦'000	₦'000	₦'000
0 - 30 days	-	-	-	-
31 - 60 days	-	-	-	-
61 - 180 days	-	-	-	-
More than 180 days	21,754	21,754	21,754	21,754
	21,754	**21,754**	**21,754**	**21,754**

Certain comparative balances has been reclassified for comparison purposes

The Company operates a robust credit system under which a new customer is analyzed individually for credit worthiness before credit sales are offered to such a customer. Major features of this system include the use of external ratings, bank references (where available) and strict purchase limits for each customer. This system has resulted in a zero impairment loss on trade receivables in the past three years.

The Company believes that the trade receivables due for more than 180 days are not unimpaired based on the historical payment behavior and extensive analysis of the underlying customers' credit ratings.

(b) Fair values versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amount shown in the statement of financial position, are as follows:

		2025		2024	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Asset carried at amortised cost		₦'000	₦'000	N'000	N'000
Trade and other receivables	13	2,52,919	2,52,919	2,19,289	2,19,289
		2,52,919	**2,52,919**	**2,19,289**	**2,19,289**
Liabilities carried at amortised cost					
Due to related company (unsecured loans)	17c	20,52,242	20,52,242	17,45,514	17,45,514
Trade and other payables	19	3,84,847	3,84,847	3,72,479	3,72,479
Customers' deposits	20	1,327	1,327	1,327	1,327
		24,38,416	**24,38,416**	**21,19,320**	**21,19,320**

22 Contigent liabilities

There were no contigent liabilities at 31 March, 2025 (2024 - Nil)

23 Events after financial year end

The Board of Directors of Emcure Nigeria Limited, having thoroughly reviewed the company's operational and financial position, has resolved to voluntarily wind up the affairs of the company.

24 Reclassification of balances

Certain comparative balances have been reclassified to ensure proper disclosure and uniformity with current year's presentation.

25 Capital Commitments

There were no commitments to capital expenditure at the year end. (March 2024 Nil)

26 Capital Managements

The Company manages its capital to ensure that the entity will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of its capital structure.

The capital structure of the Company is made up of equity comprising issued capital and retained earnings. The Company is not subject to any externally imposed capital requirement.

At the reporting date, the Company does not have any interest bearing liabilities as its overall strategy is to minimize cost of funds to the barest minimum.

Gearing ratio

The gearing ratio at year end is as stated below:

	2025 ₦'000	2024 ₦'000
Borrowing	20,52,242	17,45,514
Cash and cash equivalent	(9,147)	(7,506)
Net debt	20,43,095	17,38,008
Equity Fund	(21,78,146)	(18,94,321)
Net debt to equity ratio	**(0.94)**	**(1.17)**

EMCURE NIGERIA LIMITED
VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 MARCH, 2025

	2025 N'000	%	2024 N'000	%
Revenue	-		-	
Other operating income	23,056		69,874	
	23,056		69,874	
Bought in materials and services	2,61,211		10,72,448	
Value added	2,84,267	100	11,42,322	100
% of value added to total income	**1233%**		**1633%**	
Applied as follows:				
To employees				
Salaries, wages and other benefits	405	0	5,561	0
To providers of finance				
Financial charges	37	0	28,293	2
To Government				
Taxation	-	-	728	0
Retained in the business				
PPE replacement (depreciation)	-	-	-	-
Loss for the year	2,83,826	100	11,07,740	97
	2,84,267	**100**	**11,42,322**	**100**

Note:

Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth among employees, capital providers, government and that retained for future creation of wealth.

EMCURE NIGERIA LIMITED
FIVE YEAR FINANCIAL SUMMARY
31 MARCH, 2025

	IFRS 2025 ₦'000	IFRS 2024 ₦'000	IFRS 2023 ₦'000	IFRS 2022 ₦'000	IFRS 2021 ₦'000
Property, plant and equipment	-	-	-	5	28
Current Assets	2,62,066	2,26,795	1,28,513	1,11,542	98,019
Total Assets	**2,62,066**	**2,26,795**	**1,28,513**	**1,11,547**	**98,047**
Current liabilities	(3,86,921)	(3,74,553)	(3,16,039)	(3,03,571)	(2,92,951)
Non- current liabilities	(20,53,290)	(17,46,563)	(5,99,056)	(5,21,876)	(4,59,476)
Total liabilities	**(24,40,212)**	**(21,21,116)**	**(9,15,094)**	**(8,25,447)**	**(7,52,427)**
Net Assets	**(21,78,146)**	**(18,94,321)**	**(7,86,581)**	**(7,13,901)**	**(6,54,380)**
Share Capital	5,837	5,837	5,837	5,837	5,837
Revenue Reserve	(21,83,983)	(19,00,158)	(7,92,418)	(7,19,738)	(6,60,216)
Shareholders fund	**(21,78,146)**	**(18,94,321)**	**(7,86,581)**	**(7,13,901)**	**(6,54,380)**

	IFRS 2025 ₦'000	IFRS 2024 ₦'000	IFRS 2023 ₦'000	IFRS 2022 ₦'000	IFRS 2021 ₦'000
Revenue	-	-	-	-	-
Profit/(loss) before taxation	(2,83,826)	(11,07,011)	(72,660)	(59,522)	(37,200)
Taxation	-	(728)	(19)	-	-
Retained in the business	**(2,83,826)**	**(11,07,740)**	**(72,679)**	**(59,522)**	**(37,200)**
Basic Earnings Per Share (kobo)	(49)	(190)	(12)	(10)	(6)
Diluted Earnings Per Share (kob	(49)	(190)	(12)	(10)	(6)
Net Assets Per Share (kobo)	(373)	(325)	(135)	(122)	(112)

Certificates and Other Documents Accompanying Annual Returns

In accordance to section 422 of the Companies and Allied Matters Act 2020, we certify that:

(i) the Company has not since the date of the incorporation of the company and or as at the date of the last annual return, issued any invitation to the public to subscribe for any shares or debentures in the company

(ii) the balance sheet, statement of profit and loss account and other informations required by law contained in this annual return are the true copies of the balance sheet, profit and loss account, and other information laid before the company in the general meeting in the year to which this returns relate to.

(iii) the directors report and auditors report contained in this annual return are the true copy of directors report and auditors report laid before the company in the general meeting in the year to which this returns relate to.

Signed

Francis Nwobodo
Director

DILIGENT NOMINEES LIMITED
SIGN
DATE 14/05/2025

Dilligent Nominees
Company Secretary

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EMCURE PHARMACEUTICALS MENA FZ-LLC
DUBAI, UNITED ARAB EMIRATES

INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

Docusign Envelope ID: 21610824-B701-494D-A3B7-95F41F7D868D

EMCURE PHARMACEUTICALS MENA FZ-LLC
DUBAI, UNITED ARAB EMIRATES

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

The Shareholder
Emcure Pharmaceuticals Mena FZ-LLC
Dubai
United Arab Emirates

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Emcure Pharmaceuticals Mena FZ-LLC (the "Company"), which comprise the statement of financial position as at March 31, 2025, and the statement of profit or loss and other comprehensive income, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and in compliance with applicable provisions of the Articles of Association of the Company and the rules and regulations of the Dubai Health care City Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Manager is responsible for overseeing the Company's financial reporting process.

Other matters

The financial statements for the year ended March 31, 2024 were prepared and audited by another audit firm which has issued an unmodified report.

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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 ISAs 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 ISAs, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

· Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements of the Company have been properly prepared, in all material respects, in accordance with the applicable provisions of the rules and regulations of the Dubai Health care City Authority and, based on the information that has been made available to us during our audit of the financial statements of the Company for the year ended March 31, 2025, nothing has come to our attention that causes us to believe that the activities undertaken by the Company and as disclosed in note 1 to these financial statements, are not significantly different from the activities mentioned in the license issued to the Company by Dubai Health Care City Authority.

M & M Al Menhali Auditing,

DocuSigned by:
M&M Al Menhali Auditing
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P.O. Box: 43711
Dubai - U.A.E.
M & M AL MENHALI AUDITING

Mr. Mabkhoot Al Menhali
Auditors' Registration No: 262
Dubai, United Arab Emirates.

May 05, 2025

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Emcure Pharmaceuticals Mena FZ-LLC

Dubai, UAE

Statement of financial position

As at March 31, 2025

(In Arab Emirates Dirhams)

	Notes	March 31, 2025	2024
Assets			
Non-current assets			
Property, plant and equipment	*8*	**167,792**	214,055
Total non current assets		**167,792**	214,055
Current assets			
Trade and other receivables	*9*	**29,661,022**	30,041,444
Cash and cash equivalents	*10*	**5,965,022**	10,806,336
Amount due from related party	*11*	**5,537,843**	10,155,467
Total current assets		**41,163,887**	51,003,247
Total assets		**41,331,679**	51,217,302
Equity and liabilities			
Shareholder's funds			
Share capital		**16,100,000**	16,100,000
Accumulated losses		**(1,879,686)**	(4,663,742)
Total shareholder's funds		**14,220,314**	11,436,258
Non-current liabilities			
Long term borrowings	*12*	**-**	3,854,550
Provision for end of service benefits	*13*	**1,202,810**	1,081,185
Total non current liabilities		**1,202,810**	4,935,735
Current liabilities			
Short term borrowings	*12*	**713,354**	566,837
Trade and other payables	*14*	**25,195,201**	34,278,472
Total current liabilities		**25,908,555**	34,845,309
Total liabilities		**27,111,365**	39,781,044
Total equity and liabilities		**41,331,679**	51,217,302

The accompanying notes form an integral part of these financial statements.

Auditor's Report dated May 05, 2025 is set out on page 1 to 3.

The financial statements and notes on were approved by the Board on May 05, 2025 and signed on its behalf by:

Abhijeet Shah

Director

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Emcure Pharmaceuticals Mena FZ-LLC
Dubai, UAE

Statement of profit or loss and other comprehensive income
For the year ended March 31, 2025
(In Arab Emirates Dirhams)

	Notes	March 31, 2025	2024
Revenue	*15*	**43,267,528**	57,457,443
Marketing support income		**1,809,231**	11,624,058
Cost of revenue	*16*	**(22,851,415)**	(40,687,907)
Gross profit		**22,225,344**	28,393,594
General and administrative expenses	*17*	**(19,360,513)**	(21,950,491)
Depreciation	*6*	**(59,695)**	(52,212)
Total operating expenses		**(19,420,208)**	(22,002,703)
Profit from operating activities		**2,805,136**	6,390,891
Finance charges	*18*	**(357,396)**	(558,892)
Other income	*19*	**640,707**	-
Profit before tax for the year		**3,088,447**	5,831,999
Tax expenses	*20*	**(304,391)**	-
Profit after tax for the year		**2,784,056**	5,831,999
Other comprehensive income		**-**	-
Total comprehensive income for the year		**2,784,056**	5,831,999

The accompanying notes form an integral part of these financial statements.

Auditor's Report dated May 05, 2025 is set out on page 1 to 3.

The financial statements and notes on were approved by the Board on May 05, 2025 and signed on its behalf by:

Abhijeet Shah
Director

P.O. Box: 43711
Dubai - U.A.E.

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Emcure Pharmaceuticals Mena FZ-LLC

Dubai, UAE

Statement of changes in equity

For the year ended March 31, 2025

(In Arab Emirates Dirhams)

	Share capital	Accumulated losses	Total
Balance at April 01, 2023	16,100,000	(10,495,741)	**5,604,259**
Total comprehensive income for the year	-	5,831,999	**5,831,999**
Balance at March 31, 2024	16,100,000	(4,663,742)	**11,436,258**
Total comprehensive income for the year	-	2,784,056	**2,784,056**
Balance at March 31, 2025	**16,100,000**	**(1,879,686)**	**14,220,314**

The accompanying notes form an integral part of these financial statements.
Auditor's Report dated May 05, 2025 is set out on page 1 to 3.

The financial statements and notes on were approved by the Board on May 05, 2025 and signed on its behalf by:

Abhijeet Shah
Director

P.O. Box: 43711
Dubai - U.A.E.
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Emcure Pharmaceuticals Mena FZ-LLC

Dubai, UAE

Statement of cash flows

For the year ended March 31, 2025

(In Arab Emirates Dirhams)

	March 31, 2025	2024
Cash flows from/(used in) operating activities:		
Profit before tax for the year	**3,088,447**	5,831,999
Adjustment for:		
Employees' service end benefits	**311,230**	-
Depreciation	**59,695**	52,212
Finance costs	**357,396**	558,892
Operating profit before changes in working capital	**3,816,768**	6,443,103
Changes in working capital:		
Decrease/(increase) in trade and other receivables	**380,422**	(540,771)
(Increase)/decrease in trade and other payables	**(9,387,662)**	10,850,772
Payment of employees end of service benefits	**(189,605)**	(396,678)
Decrease in due from related parties	**4,617,624**	-
Net Cash flows (used in) operating activities	**(762,453)**	16,356,426
Cash flows from/(used in) investing activities:		
Purchase of plant, property and equipment	**(13,432)**	(70,041)
Net Cash flows (used in) investing activities	**(13,432)**	(70,041)
Cash flows from/(used in) financing activities:		
Repayment of secured loans	**(316,540)**	-
Receipt from trust receipts	**713,354**	918,254
Repayment of bank borrowings	**(4,104,847)**	(6,721,496)
Finance cost paid	**(357,396)**	(558,892)
Net cash flows from financing activities	**(4,065,429)**	(6,362,134)
Net (Decrease) in cash and cash equivalents	**(4,841,314)**	9,924,251
Cash and cash equivalents, beginning of the year	**10,806,336**	882,085
Cash and cash equivalents, end of the year	**5,965,022**	10,806,336
Represented by:		
Cash	**15,676**	12,071
Bank Balances	**5,949,346**	10,794,265
Fixed Deposit	**-**	-
	5,965,022	10,806,336

The accompanying notes form an integral part of these financial statements.
Auditor's Report dated May 05, 2025 is set out on page 1 to 3.
The financial statements and notes on were approved by the Board on May 05, 2025 and signed on its behalf by:

P.O. Box: 43711
Dubai - U.A.E.

Abhijeet Shah
Director

Docusign Envelope ID: 21610824-B701-494D-A3B7-95F41F7D868D

Notes to the financial statements
For the year ended March 31, 2025

1. LEGAL STATUS & ACTIVITIES:

a) **Emcure Pharmaceuticals Mena FZ-LLC,** ("the Company") is registered with Dubai Healthcare City Authority, Dubai as a Free Zone Limited Liability Company and operates under the License No. 405 issued on June 16, 2010.

b) The Company is engaged in the business of marketing, distribution, sale and supply of pharmaceutical product and formulation in domestic and international market.

c) The management of the Company is vested with Mr Amr Mohamed Gamal Eldin Abdel-Salam, the manager.

d) The reporting date of Emcure Pharmaceuticals Mena FZ-LLC is March 31, 2025.

e) The registered office is in P.O Box No. 505212, Dubai, U.A.E.

f) Authorised, issued and paid-up capital of the Company is AED 16,100,000 divided in to 16,100 shares of AED 1000 each fully paid and held by the shareholder,

Name of the Shareholder	Nominal Value	No of shares	Value in AED	%
Emcure Pharmaceuticals Limited	1000	16,100	16,100,1000	100%

2. BASIS OF PREPARATION

2.1 Basis of accounting

The financial statements of the entity are prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and comply, the requirements of rules and regulations of Dubai Health Care City Authority.

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments that have been measured at fair value.

2.2 Authorization date

Authorization date is that on which the financial statements are authorized and approved by the management. The authorization date of Emcure Pharmaceuticals Mena FZ-LLC is May 5, 2025.

2.3 Currency

The financial statements are presented in Arab Emirates Dirham ("AED"), which is the functional and presentation currency of the Company.

2.4 Application of new and revised International Financial Reporting Standards (IFRS)

The following new and revised IFRS, which became effective for annual periods beginning on or after January 01, 2024, have been adopted in these financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after 1 January 2024)

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (effective from January 1, 2024)

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Amendments to IAS 1: Non-current Liabilities with Covenants (effective from January 1, 2024)

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance Arrangements (effective from January 1, 2024)

The application of these revised IFRSs has no material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

New and amended IFRS standards in issue but not yet effective and not early adopted

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability (effective from January 1, 2025).

Amendments to Presentation and disclosures in financial statements (IFRS 18) (effective from January 1, 2027).

Management anticipates that these new standards and amendments will be adopted in Company's financial statements as and when they are applicable and adoption of these new standards and amendments, may have no material impact on the financial statements of the Company in the period of initial application.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Revenue from contracts with customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is in the business of marketing, distribution, sale and supply of pharmaceutical product and formulation in domestic and international market as described in note 1 of the financial statements. The products are generally sold on their own in separately identified contracts with customers.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amounts of replaced parts are derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method and the cost or revalued amount is allocated to its residual value using its estimated useful life as follows:

Furniture, fixtures	10 Years
Office equipment	3 - 5 Years
Motor vehicles	5 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss.

3.3 Provision for employees' end of service benefit

The Company provides end-of service benefits to its employees on the basis prescribed under the United Arab Emirates (UAE) labour laws.

The end of service entitlement is usually depended on the employees' final basic salary and the length of service subject to the completion of the minimum service period. The expected costs of these benefits are accrued over the period of employment and the benefits are paid to employees on termination or completion of their term of employment.

In practice, IAS 19 Employee Benefits is not applied to certain end-of-service benefits because of the costs and lack of actuarial data and resources. While this practice is not consistent with IAS 19, the treatment is accepted in practice because the effect is not material.

Provision is also made for the estimated liability for employees' unused entitlements to annual leave as a result of services rendered by eligible employees up to the reporting date.

The provision relating to annual leave is disclosed as a current liability, while that relating to end of service benefits is disclosed as a non-current liability.

The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are unlikely to have significant impacts.

3.4 Borrowings

Borrowings are initial recognized at fair value net of directly attributable transaction costs, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference in the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of borrowing using the effective interest method.

Borrowing costs are the interest and other costs incurred by an entity in connection with borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of assets that take a substantial period of time to get ready for its intended use or sale, are added to the cost of the asset. All other borrowing costs are recognised in the statement of profit or loss in the period in which their incurred.

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Short term borrowings are those debt incurred by the Company that is due within a year.

Long term borrowings are those owed for a period exceeding 12 months from the date of balance sheet.

3.5 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

3.6 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.7 Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

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A. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, cash and bank balances, due from a related party and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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(ii) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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B. Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.8 Value-added Tax (VAT)

Expenses, and assets are recognized net of the amount of VAT, except:

• When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or

• When receivables and payables, amounts are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant impact on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

4.1 Critical accounting judgments

Revenue from contracts with customers
The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

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**Identifying performance obligation*

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. The Company has concluded that its performance obligations are limited to the business of marketing, distribution, sale and supply of pharmaceutical product and formulation in domestic and international market for which each of the performance obligation is separately identified in each contract with the respective agreed prices.

**Determining the timing of satisfaction of sale of goods*

Revenue from deliveries of goods to customers is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of products.

**Determining the timing of service income*

The Company recognises revenue from the service income at the time of completion of the performance of such services and acceptance by the customer.

**Allocation of transaction to separate performance obligations*

The Company allocates the transaction price to separate performance obligations as per the input costs of each performance obligation as at the date of the contract to the overall costs of provisioning the goods and services to the customer. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, i.e. the impact of price and volume based discounts to be provided to the customers.

**Consideration of significant financing component in a contract*

The Company has concluded that there is no element of financing deemed to be present in its contract with the customers as the goods are sold on credit terms of 60 days, which is consistent with the market practice. All the performance obligations are satisfied within the normal operating cycle of the Company.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

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Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Useful life of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

Impairment of property, plant and equipment

The Company reviews its property, plant and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recorded in the statement of profit or loss and other comprehensive income the Company makes judgment as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant and equipment. Accordingly, provision for impairment is made when there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment.

5. FINANCIAL STATEMENTS – RISK MANAGEMENT

Generally, the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Foreign currency risk management
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Manager has overall responsibility and oversight of the Company's risk management framework. The Company's risk management framework is a combination of formally documented policies in certain areas and informal approach to risk management in others.

The Company's approach to risk management is established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and its activities:

a. Credit risk management

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations; it arises principally from the Company's receivables from customers, other receivables and balances with bank. The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counter-parties, and continually assessing the creditworthiness of such non-related counter-parties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Central Bank of the U.A.E.

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Concentration of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. At March 31, 2025, the four largest customers accounted for 72% (March 31, 2024: 66%) of outstanding trade receivables. All the balances with banks represent balances deposited at local commercial banks.

The amount that best represents its maximum credit risk exposure at the end of their reporting period, in the event counter parties fail to perform their obligations under financial instruments generally approximates their carrying value. Trade and other receivables and balances with banks are not secured by any collateral.

b. Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. In respect of the Company's transactions and balances denominated in US Dollars, the Company is not exposed to the currency risk as the UAE Dirham are currently pegged to the US Dollar.

The table below summarises the sensitivity of the Company's monetary assets and liabilities to changes in foreign exchange movements at year end. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by +/-10% with all other variables held constant:

2025	Assets	Liabilities	Net exposure	Effect on net equity for +/- 10%
EUR	13,164,262	(770,490)	12,393,772	1,239,377
GBP	-	(1,015,789)	(1,015,789)	(101,578)
KWD	-	(1,250)	(1,250)	(125)
Total	**13,164,262**	**(1,787,529)**	**11,376,733**	**1,137,673**

2024	Assets	Liabilities	Net exposure	Effect on net equity for +/- 10%
EUR	15,050,333	(9,565,673)	5,484,660	548,466
GBP	-	(2,569,614)	(2,569,614)	(256,961)
KWD	-	(597)	(597)	(60)
Total	**15,050,333**	**(12,135,884)**	**2,914,449**	**291,445**

c. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk mainly relates to payables to suppliers.

The Company approaches to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risks through, banking facilities and borrowing facilities, by continuously forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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The Company currently has sufficient asset to meet expected operational expenses, including the servicing of financial obligations.

As at the reporting period, the contract maturity of financial liabilities are as follows:

2024-25

Financial Liabilities	Less than 180 days	More than 180 days
Trade payables	13,207,419	-
Accruals	459,433	-
Borrowings	713,354	-
Total Financial Liabilities	**14,380,206**	**-**

2023-24

Financial Liabilities	Less than 180 days	More than 180 days
Trade payables	20,873,075	-
Accruals	10,963,018	-
Borrowings	566,837	3,854,550
Total Financial Liabilities	**32,402,930**	**3,854,550**

6. CAPITAL MANAGEMENT POLICIES

The primary objective of capital management is to ensure that the Company maintains a healthy capital ratio in order to support its business and maximise shareholder's value.

The Company manages its capital structure and makes adjustments to it, in light of changes in business conditions. No changes were made to the objectives, policies or processes during the years ended March 31, 2025 and March 31, 2024. Capital comprises share capital and retained earnings and total equity is measured at AED 14,220,314 as at March 31, 2025 (2023-24: AED 11,436,258).

7. IMPLEMENTATION OF UAE CORPORATION TAX AND APPLICATION OF IAS 12 INCOME TAXES

On December 09, 2022, the UAE Ministry of Finance ("MOF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023.

As the Company's accounting year ends on March 31, the first tax period will be April 1, 2024 to March 31, 2025, with the first return to be filed on or before December 31, 2025.

The taxable income of the Company in scope for UAE CT purposes will be subject to the rate of 9% corporate tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date where the Company generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be settled with the tax authorities.

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognised for the full tax consequences of all temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Recognition of deferred tax assets are, however, restricted to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period in which the asset is expected to be realised or the liability is expected to be settled.

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As per the Company's assessment, there is no deferred tax impact on account of the CT Law in the financial statements for the year ended March 31, 2025. However, the Company will continue to monitor the publication of subsequent decisions and related guidelines, as well as continuing its more detailed review of its financial matters, to consider any changes to this position at subsequent reporting dates.

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8 Property, plant and equipment

	Furniture and Fixtures	Office Equipments	Motor Vehicles	Total
Cost:				
At April 1, 2023	208,100	295,202	110,175.00	613,477
Additions	70,041			70,041
At March 31, 2024	**278,141**	**295,202**	**110,175**	**683,518**
Additions	-	13,432	-	**13,432**
At March 31, 2025	**278,141**	**308,634**	**110,175**	**696,950**
Accumulated Depreciation:				
At April 1, 2023	89,457	217,619	110,175.00	417,251
Depreciation for the year	19,732	32,480	-	52,212
At March 31, 2024	**109,189**	**250,099**	**110,175**	**469,463**
Depreciation for the year	18,090	41,605	-	**59,695**
At March 31, 2025	**127,279**	**291,704**	**110,175**	**529,158**
Net book value:				
At March 31, 2025	**150,862**	**16,930**	-	**167,792**
At March 31, 2024	168,952	45,103	-	214,055

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9 Trade and other receivables

	March 31, 2025	2024
Trade receivables	**28,778,479**	30,730,372
Less: Provision for expected credit losses	**(1,122,380)**	(1,122,194)
	27,656,099	29,608,178
Deposits	**28,305**	28,305
Deposits with bank	**36,944**	35,319
Advance to vendors	**1,632,365**	-
Prepayments	**243,723**	229,018
Staff advances and loans	**31,136**	55,418
Loans and advances	**28,665**	75,268
Other receivables	**3,785**	9,938
	29,661,022	30,041,444

Ageing analysis

	March 31, 2025	2024
Due for less than 6 months	**17,156,408**	4,553,286
6 months - 1 year	**7,958,382**	24,898,795
Above 1 year	**3,663,689**	1,278,291
Less: Provision for expected credit losses	**(1,122,380)**	(1,122,194)
	27,656,099	29,608,178

Movement in provision for expected credit losses

	March 31, 2025	2024
Beginning of the year	**1,122,194**	167,666
Adjustment of account of foreign exchange gain	**186**	(322)
Additions during the year	**-**	954,850
Balance at the year end	**1,122,380**	1,122,194

10 Cash and cash equivalents

	March 31, 2025	2024
Cash	**15,676**	12,071
Cash at banks	**5,949,346**	10,794,265
	5,965,022	10,806,336

Docusign Envelope ID: 21610824-B701-494D-A3B7-95F41F7D868D

11 Transactions with related parties

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Financial Reporting Standards (IFRS). Related parties comprise companies and entities under common ownership and/or common management and control; their partners and key management personnel.

The Company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

The Company provides/receives funds to/from related parties as and when required as working capital facilities.

At the end of the reporting period, due from/to related parties were as follows:

Transaction during the year	**March 31,**	
	2025	2024
Emcure Pharmaceuticals Limited		
Purchases	**8,832,396**	30,766,188
Marketing support income	**1,809,231**	11,624,469
Corporate guarantee expenses	**185,000**	186,795
Gennova Biopharmaceuticals Limited		
Purchases	**4,369,360**	3,703,360
Reimbursement of expenses	**89,167**	-
Tillomed Laboratories Limited		
Other expenses	**92,111**	293,200
Emcure Pharmaceuticals South Africa Pty Ltd.		
Other borrowing costs	**42,470**	250,317
Marcan Pharmaceuticals Inc.		
Purchases	**211,389**	224,250
Recharge of expenses	**39,900**	6,590
Reimbursement of expenses	**37,888**	168,000
Tillomed Spain		
Purchases	-	103,638

Amount due from related party	**March 31,**	
	2025	2024
Emcure Pharmaceuticals Limited	**5,537,843**	10,155,467
	5,537,843	10,155,467
Included in advance to vendors		
Gennova Biopharmaceuticals Limited	**1,632,365**	-
	1,632,365	-

Amount due to related parties	**March 31,**	
	2025	2024
Included in trade payables		
Emcure Pharmaceuticals Limited	**5,536,085**	14,536,946
Gennova Biopharmaceuticals Limited	-	499,316
Tillomed Laboratories Limited	**17,255**	167,455
Marcan Pharmaceuticals Inc.	-	192,027
	5,553,340	15,395,744

Docusign Envelope ID: 21610824-B701-494D-A3B7-95F41F7D868D

12 Borrowings

	March 31, 2025	2024
Long term borrowings		
Total long term loan	-	4,104,847
Less: Current portion	-	(250,297)
Non-current portion of the loan	-	3,854,550
Short term borrowings		
Current portion of long term loan	-	250,297
Bank overdraft	**713,354**	316,540
	713,354	566,837

13 Provision for end of service benefits

	March 31, 2025	2024
Balance at beginning of the year	**1,081,185**	1,477,863
Paid during the year	**(189,605)**	(702,414)
Add: Provision for the year	**311,230**	305,736
	1,202,810	1,081,185

14 Trade and other payables

	March 31, 2025	2024
Trade payables	**14,839,784**	20,873,075
Staff payables	**459,433**	1,118,131
Accruals	**9,531,688**	10,963,018
Advance from customers	**59,905**	1,324,248
Provision for taxes	**304,391**	-
	25,195,201	34,278,472

15 Revenue

	For the year ended March 31, 2025	2024
Type of goods/services:		
Sale of pharmaceutical products	**43,267,528**	57,457,443
	43,267,528	57,457,443
Primary geographical markets:		
Africa	**10,885,086**	21,907,104
Asia	**32,382,441**	35,550,339
	43,267,527	57,457,443

Docusign Envelope ID: 21610824-B701-494D-A3B7-95F41F7D868D

Recognition of revenue:	For the year ended March 31,	
	2025	2024
At a point in time	**43,267,528**	57,457,443
	43,267,528	57,457,443

16 Cost of revenue

	For the year ended March 31,	
	2025	2024
Purchases and direct expenses during the year	**22,851,415**	40,687,907
	22,851,415	40,687,907

17 General and administrative expenses

	For the year ended March 31,	
	2025	2024
Salaries and other benefits	**7,588,814**	7,400,583
Product registration and promotion	**5,400,161**	5,905,065
Commission on sales	**4,305,336**	4,317,710
Conveyance and travelling expense	**867,421**	836,057
Legal and professional charges	**352,551**	1,380,911
Rent	**316,547**	310,983
Selling and distribution expense	**185,331**	14,064
Office expense	**178,581**	201,346
Communication expense	**102,200**	-
Insurance	**39,761**	64,950
Repairs & maintenance	**18,900**	12,746
Utilities	**4,677**	-
Vehicle Expense	**233**	5,206
Povision for expected credit losses	**-**	954,850
Forex loss	**-**	546,020
	19,360,513	21,950,491

Docusign Envelope ID: 21610824-B701-494D-A3B7-95F41F7D868D

18 Finance charges

	For the year ended March 31,	
	2025	2024
Interest on unsecured loans	**42,471**	250,317
Interest on short term borrrowing	**38,579**	39,217
Other borrowing costs	**276,346**	269,358
	357,396	558,892

19 Other Income

	For the year ended March 31,	
	2025	2024
Forex gain	**583,994**	-
Bank interest	**1,625**	-
Licensing income	**55,088**	-
	640,707	-

20 Tax expenses

The Company calculates the year income tax expense using the tax rate that would be applicable to the expected total earnings. The major components of income tax expenses in the statement of profit or loss are:

	For the year ended March 31,	
	2025	2024
Income taxes:		
Current income tax expense	**304,391**	-
Deferred income tax expense	**-**	-
Income tax expense	**304,391**	-

Reconciliation of the Company's tax on profit based on accounting and profit as per tax law is as follows:

	For the year ended March 31,	
	2025	2024
Profit before tax for the year	**3,088,447**	5,831,999
Effect of CIT @ 9%	**277,960**	-
Tax effect of:		
Expenses not deductible for tax purpose	**60,181**	-
Effect of standard exemption	**(33,750)**	-
Income tax expense	**304,391**	-

Docusign Envelope ID: 21610824-B701-494D-A3B7-95F41F7D868D

21 Previous year figures have been regrouped as under to confirm current year presentation:

Particulars	Current year reclassification	Previous year classification
Trade and other receivables - deposits	**28,305**	-
Cash and cash equivalents - deposits	-	35,319
Trade and other receivables - deposits with bank	**35,319**	
Non-current deposits	-	28,305
Other operating income - Marketing support income	**11,624,058**	-
Other income - Marketing support income	-	11,624,058

a. Deposits of AED 28,305 is reclassified from non-current deposits to current deposits.
b. Deposits with bank of AED 35,319 is reclassified from cash and cash equivalents to deposits with bank
c. Marketing support income of AED 11,624,058 is reclassified from other income to other operating income.

The accompanying notes form an integral part of these financial statements.
Auditor's Report dated May 05, 2025 is set out on page 1 to 3.

The financial statements and notes on were approved by the Board on May 05, 2025 and signed on its behalf by:

Abhijeet Shah
Director

Emcure Pharmaceuticals South Africa (Proprietary) Limited

(Registration number 2010/015167/07)

Annual Financial Statements

for the year ended 31 March 2025

Emcure Pharmaceuticals South Africa (Proprietary) Limited

(Registration number 2010/015167/07)
Annual Financial Statements for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Pharmaceuticals and related services
Directors	
	DEVBALAJI UTHARADHI BHARAT CHOTOO
Registered office and business address	1st Floor, Arizona House, South Wing 1 Madison Avenue Aspen Lakes Ext 13 Gauteng 2190
Postal address	P.O. Box 2099 Mondeor Gauteng 2110
Holding company	Emcure Pharmaceuticals Limited incorporated in India
Bankers	State Bank of India, SA
Auditors	A.S. Auditors Incorporated Registered Auditors Per : Steven Sender CA (SA)

Emcure Pharmaceuticals South Africa (Proprietary) Limited

(Registration number 2010/015167/07)
Annual Financial Statements for the year ended 31 March 2025

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

	Page
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Statement of Financial Position as at 31 March 2025	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement Of Cash Flows	9
Accounting Policies	10 - 11
Notes to the Annual Financial Statements	12 - 15

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	16 - 17
Taxation Computation	18

A report of the directors has not been prepared as the company is a wholly owned subsidiary of Emcure Pharmaceuticals Limited which is incorporated in India.

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 and 5.

The annual financial statements set out on pages 6 to 18, which have been prepared on the going concern basis, were approved by the directors on 05 May 2025 and were signed on its behalf by:

DEVBALAJI UTHARADHI

BHARAT CHOTOO

Johannesburg
Monday, 05 May 2025

A.S. Auditors Inc.

3rd Floor, Framework House
4 Boundary Road
Rouxville
Johannesburg, 2192
Tel: 011 483 2341

Independent Auditor's Report

To the shareholder of Emcure Pharmaceuticals South Africa (Proprietary) Limited

We have audited the accompanying annual financial statements of Emcure Pharmaceuticals South Africa (Proprietary) Limited, which comprise the statement of financial position as at 31 March 2025, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 15.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa, Act 71 of 2008. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A.S. Auditors Inc.

3rd Floor, Framework House
4 Boundary Road
Rouxville
Johannesburg, 2192
Tel: 011 483 2341

Independent Auditor's Report

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities , and in the manner required by the Companies Act of South Africa, Act 71 of 2008.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on pages 16 to 18 do not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

A.S. Auditors Incorporated
Registered Auditors

SSender

Per: Steven Sender
CA(SA)

07 May 2025

3rd Floor, Framework House
4 Boundary Road
Rouxville
Johannesburg
2192

Statement of Financial Position as at 31 March 2025

Figures in Rand	Note(s)	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	2	92 634	116 176
Loan to group company	3	-	21 338 960
		92 634	**21 455 136**
Current Assets			
Inventories	4	18 522 896	14 410 228
Trade and other receivables	5	260 824 086	48 655 899
Cash and cash equivalents	6	50 924 053	14 783 300
		330 271 035	**77 849 427**
Total Assets		**330 363 669**	**99 304 563**
Equity and Liabilities			
Equity			
Share capital	7	36 100 100	36 100 100
Retained income		33 181 204	6 543 063
		69 281 304	**42 643 163**
Liabilities			
Current Liabilities			
Current tax payable		1 832 934	306 197
Trade and other payables	8	259 249 431	56 355 203
		261 082 365	**56 661 400**
Total Equity and Liabilities		**330 363 669**	**99 304 563**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2025	2024
Revenue		676 656 818	106 440 244
Cost of sales		(610 641 102)	(88 483 300)
Gross profit		**66 015 716**	**17 956 944**
Other income		-	779 524
Operating expenses		(28 870 947)	(12 049 036)
Operating profit	9	**37 144 769**	**6 687 432**
Investment revenue	10	219 230	1 306 640
Profit before taxation		**37 363 999**	**7 994 072**
Taxation	11	(10 725 858)	(1 902 285)
Profit for the year		**26 638 141**	**6 091 787**
Other comprehensive income		-	-
Total comprehensive income for the year		**26 638 141**	**6 091 787**
Total comprehensive income attributable to:			
Owners of the parent		26 638 141	6 091 787

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 April 2023	**36 100 100**	**451 276**	**36 551 376**
Changes in equity			
Total comprehensive loss for the year		6 091 787	6 091 787
Total changes		6 091 787	6 091 787
Balance at 01 April 2024	**36 100 100**	**6 543 063**	**42 643 163**
Changes in equity			
Total comprehensive income for the year		26 638 141	26 638 141
Total changes		26 638 141	26 638 141
Balance at 31 March 2025	**36 100 100**	**33 181 204**	**69 281 304**

Statement Of Cash Flows

Figures in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Cash receipts from customers		461 605 834	66 968 835
Cash paid to suppliers and employees		(437 737 669)	(52 879 511)
Cash generated from operations	13	23 868 165	14 089 324
Interest income		219 230	1 306 640
Tax paid	14	(9 199 121)	(1 287 581)
Net cash from operating activities		**14 888 274**	**14 108 383**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(86 481)	(28 525)
Loan to group company repaid (advanced)		21 338 960	(5 754 822)
Net cash from investing activities		**21 252 479**	**(5 783 347)**
Total cash movement for the year		**36 140 753**	**8 325 036**
Cash at the beginning of the year		14 783 300	6 458 264
Total cash at end of the year	6	**50 924 053**	**14 783 300**

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa, Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous year.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	6 years
Office equipment	6 years
Computer equipment	3 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

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

1.2 Financial instruments

Financial instruments at fair value

Financial instruments are initially and subsequently measured at cost.

1.3 Taxation

Deferred taxation assets

A deferred taxation asset is recognised for all deductible temporary differences.

Deferred taxation assets are measured at the taxation rates that are expected to apply to the year when the asset is realised based on taxation rates and taxation laws that have been enacted or substantively enacted by the reporting period date.

Accounting Policies

1.4 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in, first-out (FIFO) basis.

1.5 Impairment of assets

The company assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

1.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.8 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business.

1.9 Turnover

Turnover comprises sales of pharmaceutical and related goods. Turnover is stated at the invoice amount and is exclusive of value added taxation.

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

2. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	677 438	(677 438)	-	677 438	(597 636)	79 802
Office equipment	126 328	(106 274)	20 054	126 328	(89 954)	36 374
Computer equipment	296 369	(223 789)	72 580	209 889	(209 889)	-
Total	**1 100 135**	**(1 007 501)**	**92 634**	**1 013 655**	**(897 479)**	**116 176**

Reconciliation of property, plant and equipment - 2025

	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
Furniture and fittings	79 802		(79 802)	-
Office equipment	36 374	-	(16 320)	20 054
Computer equipment	-	86 481	(13 901)	72 580
	116 176	**86 481**	**(110 023)**	**92 634**

Reconciliation of property, plant and equipment - 2024

	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
Furniture and fittings	192 711	-	(112 909)	79 802
Office equipment	27 860	28 525	(20 011)	36 374
	220 571	**28 525**	**(132 920)**	**116 176**

3. Loans to (from) group companies

Fellow subsidiary

Emcure Pharmaceuticals Mena FZ LLC The loan was unsecured, interest was charged at 6.5% per annum and there were no fixed terms of repayment.	-	21 338 960

4. Inventories

Goods in transit	14 055 230	10 329 961
Finished goods	4 467 666	4 080 267
	18 522 896	**14 410 228**

Notes to the Annual Financial Statements

Figures in Rand	2025	2024

5. Trade and other receivables

Trade receivables	259 357 628	44 308 622
Deposits	64 469	56 793
VAT	902 555	4 215 441
Other receivables	499 434	75 043
	260 824 086	**48 655 899**

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	50 924 053	14 783 300

7. Share capital

Authorised		
36,100,100 Ordinary shares of R1 each	36 100 100	36 100 100
Issued		
36,100,100 Ordinary shares of R1 each	36 100 100	36 100 100

8. Trade and other payables

Trade payables	253 494 586	54 331 457
Other payables	2 733 834	1 229 075
Accrued expense	2 958 699	730 909
Payroll accruals	62 312	63 762
	259 249 431	**56 355 203**

9. Operating profit

Operating profit for the year is stated after accounting for the following:

Operating lease charges		
Premises		
- Contractual amounts	606 001	631 583
(Profit) and loss on foreign exchange fluctuations	421 797	(777 621)
Depreciation on property, plant and equipment	110 023	132 920
Employee costs	8 147 192	5 028 859
Consulting and professional fees	3 024 672	1 215 077
Distribution cost	8 621 500	2 334 292
Marketing expenses	1 685 944	778 003
Product registration	3 605 029	964 246
Corporate social responsibility	1 607 850	480 917

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
10. Investment revenue		
Interest revenue		
Interest charged on trade and other receivables	-	16 638
Fellow subsidiary	219 230	1 290 002
	219 230	**1 306 640**
11. Taxation		
Major components of the taxation income		
Current		
Local income taxation - current year	10 725 858	1 928 733
Local income tax - recognised in current tax for prior periods	-	(26 448)
	10 725 858	**1 902 285**
12. Auditor's remuneration		
Fees	170 000	130 000
13. Cash generated from operations		
Profit before taxation	37 363 999	7 994 072
Adjustments for:		
Depreciation	110 023	132 920
Interest received	(219 230)	(1 306 640)
Changes in working capital:		
Inventories	(4 112 668)	(9 180 859)
Trade and other receivables	(212 168 187)	(37 706 069)
Trade and other payables	202 894 228	54 155 900
	23 868 165	**14 089 324**
14. Tax paid		
Balance at beginning of the year	(306 197)	308 507
Current tax for the year recognised in profit or loss	(10 725 858)	(1 902 285)
Balance at end of the year	1 832 934	306 197
	(9 199 121)	**(1 287 581)**

15. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Notes to the Annual Financial Statements

Figures in Rand		2025	2024

16. Related parties

Relationships	
Holding company	Emcure Pharmaceuticals Limited
Fellow subsidiary	Emcure Pharmaceuticals Mena FZ LLC
Members of key management	Berry Patel
	Nicholas Bruce Flear

Related party balances

Loan accounts - Owing (to) by related parties		
Emcure Pharmaceuticals Mena FZ LLC	-	21 338 960
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Emcure Pharmaceuticals Limited	60 936	62 913
Emcure Pharmaceuticals Limited	(253 494 586)	(54 331 457)

Related party transactions

Interest paid to (received from) related parties		
Emcure Pharmaceuticals Mena FZ LLC	(219 230)	(1 290 002)
Purchases from (sales to) related parties		
Emcure Pharmaceuticals Limited	415 992 369	93 670 478
Emcure Pharmaceuticals Limited	-	(62 913)

17. Directors' and prescribed officer's remuneration

Berry Patel	2 309 800	2 221 457
Nicholas Bruce Flear	1 873 394	1 784 894
Maleke Paene	2 721 009	-
	6 904 203	**4 006 351**

Detailed Income Statement

Figures in Rand	Notes	2025	2024
Revenue			
Sale of goods		676 656 818	106 440 244
Cost of sales			
Inventories at beginning of year		(14 410 229)	(5 229 369)
Purchases		(600 698 539)	(97 664 160)
Inventories at end of year		4 467 666	14 410 229
		(610 641 102)	**(88 483 300)**
Gross profit		**66 015 716**	**17 956 944**
Other income			
Interest received	10	219 230	1 306 640
Net gain on foreign exchange fluctuations		-	777 621
Other income		-	1 903
		219 230	**2 086 164**
Expenses (Refer to page 17)		**(28 870 947)**	**(12 049 036)**
Profit before taxation		**37 363 999**	**7 994 072**
Taxation	11	10 725 858	1 902 285
Profit for the year		**26 638 141**	**6 091 787**

The supplementary information presented does not form part of the annual financial statements and is unaudited

Detailed Income Statement

Figures in Rand	Notes	2025	2024
Operating expenses			
Auditor's remuneration	12	(170 000)	(130 000)
Bank charges		(347 874)	(110 456)
Computer expenses		(19 467)	(13 677)
Consulting and professional fees		(3 024 672)	(1 215 077)
Corporate social responsibility		(1 607 850)	(480 917)
Depreciation		(110 023)	(132 920)
Distribution cost		(8 621 500)	(2 334 292)
Employee costs		(8 147 192)	(5 028 859)
Insurance		(162 480)	(16 000)
Marketing expenses		(1 685 944)	(778 003)
Motor and travelling expenses		(152 718)	(51 290)
Net loss on foreign exchange fluctuations		(421 797)	-
Office expenses		(70 301)	(99 752)
Postage, printing and stationery		(23 292)	(16 504)
Product registration		(3 605 029)	(964 246)
Rent paid		(606 001)	(631 583)
Repairs and maintenance		(1 036)	(3 241)
Staff welfare		(8 756)	(3 513)
Subscriptions		(30 374)	(2 071)
Telephone and facsimile		(44 841)	(31 035)
Training		(9 800)	(5 600)
		(28 870 947)	**(12 049 036)**

The supplementary information presented does not form part of the annual financial statements and is unaudited

Taxation Computation

	R
Net income per income statement	37 363 999
Permanent differences	
Net unrealised loss on foreign exchange fluctuations	2 361 401
Taxable income for 2025	39 725 400
Taxation thereon @ 27c in the Rand	10 725 858
Taxation liability	
Taxation owing (overpaid) at the beginning of year	306 197
Prior year adjustment	(306 197)
Taxation owing (overpaid) in respect of prior year	-
Taxation owing (overpaid) for the current year	
Normal taxation	1 832 934
Per calculation	10 725 858
1st provisional payment	(4 446 462)
2nd provisional payment	(4 446 462)
Taxation owing (overpaid) at the end of year	1 832 934

A.S. Auditors Inc.

3rd Floor, Framework House
4 Boundary Road
Rouxville
Johannesburg, 2192
Tel: 011 483 2341

Independent Auditors' Report on Component Financial Information for Group Audit Purposes

To: B S R & Co. LLP – Pune (India)
Emcure Pharmaceuticals Limited's group auditor

Introduction

As requested in your Group Audit Instructions dated 13 December 2024, we have audited, for purposes of your audit of the consolidated financial statements of Emcure Pharmaceuticals Limited., the account balances or disclosures specified in section 1.2 of the Group Audit Instructions (the "financial information subject to audit") of Emcure Pharmaceuticals South Africa (Proprietary) Limited as at 31 March 2025 and for the year ended 31 March 2025, included in the financial information in the accompanying reporting package. The financial information has been prepared solely to enable Emcure Pharmaceuticals Limited to prepare its consolidated financial statements.

Component management's responsibility for the financial information

Component management is responsible for the preparation and presentation of the financial information in accordance with the accounting policies disclosed in the Emcure Pharmaceuticals Limited's consolidated financial statements, which are purported to be based on Indian Accounting Standards (Ind AS) and for such internal control as component management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

Component auditor's responsibility

Our responsibility is to express an opinion on the financial information subject to audit based on the scope of our audit performed in accordance with your instructions, using International Standards on Auditing relevant to that scope. As requested by you, we have planned and performed our audit using the component performance materiality amounts specified in your instructions and have also performed the additional audit procedures specified in your instructions.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The conclusions reached in forming our opinion are based on the component performance materiality amounts specified by you in the context of the audit of the consolidated financial statements of the group.

We have complied with the relevant ethical, including independence, requirements requested in the Group Audit Instructions, as described in our independence confirmation.

Opinion

In our opinion, based on the scope of our audit performed in accordance with your instructions, the financial information subject to audit for Emcure Pharmaceuticals South Africa (Proprietary) Limited as at 31 March 2025 and for the year ended 31 March 2025 has been prepared, in all material respects, in accordance with the accounting policies disclosed in the Emcure Pharmaceuticals Limited's consolidated financial statements.

Restriction on use and distribution

This report is intended solely for the information and use of B S R & Co. LLP – Pune (India) Emcure Pharmaceuticals Limited's group auditor and is not intended to be and should not be used by or distributed to any other parties.

SSender

AS AUDITORS INCORPORATED

REGISTERED AUDITORS

IRBA No 932 307

07 APRIL 2025

3RD FLOOR, FRAMEWORK HOUSE

4 BOUNDARY ROAD

ROUXVILLE

JOHANNESBURG

2192

Registered number: 08283131

EMCURE PHARMA UK LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

COMPANY INFORMATION

Directors	S Mehta T Shaikh H Jain A Srimal (appointed 27 January 2025)
Registered number	08283131
Registered office	220 Butterfield Great Marlings Luton, LU2 8DL
Independent auditors	MHA Chartered Accountants & Statutory Auditor 2 London Wall Place London EC2Y 5AU

EMCURE PHARMA UK LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Introduction

The Directors have pleasure in presenting their report of the financial statement of the Company for the year ended 31 March 2025.

Business review

The results of the Company show a loss on ordinary activities after taxation of £40,737 (2024: £13,822,421 profit) on turnover of £Nil (2024: £404,335). The Company had net cash of £69,191 at 31 March 2025 (2024: £128,564). Following the transfer of the majority of the trading activities to Tillomed Laboratories Limited during the year ended 31 March 2019, Emcure Pharma UK Limited will not have any significant future business operations and will continue as a parent company for all European subsidiaries.

Principal risks and uncertainties

Trading in pharmaceuticals has inherent risks because of the nature of the product. The management of the business and the execution of the Company's strategy is subject to a number of risks. These include the Company's ability to respond to competitive forces and product availability. The Company has implemented a system of internal control commensurate with the principal risks that it faces.

Financial key performance indicators

The key financial performance indicators used by management to monitor the business are turnover, profit on ordinary activities before taxation and net cash as disclosed above.

Other key performance indicators

The Company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk.

The Company is exposed to currency exchange fluctuations from some suppliers. The board of directors do not consider there to be a material risk from currency fluctuations.

Credit risk
The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk
The Company maintains a mixture of long-term and short-term debt finance that is designed to ensure the Company has sufficient available funds for operations and planned expansions. Where debt finance is utilised, this is subject to pre-approval by the board of directors.

Interest rate risk
The Company has interest-bearing liabilities comprising loan from parent company. The interest on the loans is fixed rate. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Directors' statement of compliance with duty to promote the success of the Company

The Directors have acted in a way that they considered, in good faith, would promote the success of the company for the benefit of its sole shareholder and, in doing so, have had regard (amongst other matters) to the matters listed in s.172(1)(a) to (f) of the Companies Act 2006 when performing their duties as follows:

The Directors are satisfied that the current business activities are in the long-term interests of the Company and its shareholder.

The Directors regularly review the company's performance inclding financial results and communicate it to the shareholder.

This report was approved by the board and signed on its behalf.

.....
T Shaikh
Director

Date: 16 May 2025

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The directors present their report and the financial statements for the year ended 31 March 2025.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £40,737 (2024 - profit £13,822,421).

No dividends were paid during the year (2024 - £1,998,665).

Directors

The directors who served during the year were:

S Mehta
T Shaikh
H Jain
R Baer (Resigned 14 January 2025)
A Srimal (Appointed 27 January 2025)

Future developments

Emcure Pharma UK Limited continues to operate as a parent company for all European subsidiaries.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



T Shaikh
Director

Date: 16 May 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMCURE PHARMA UK LIMITED

Opinion

We have audited the financial statements of Emcure Pharma UK Limited (the 'Company') for the year ended 31 March 2025, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMCURE PHARMA UK LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

• Enquiry of management and those charged with governance around actual and potential litigation and claims;

• Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;

• Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewng accounting estimates for bias;

• Reviewing minutes of meetings of those charged with governance; and,

• Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EMCURE PHARMA UK LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Rajeev Shaunak FCA

Rajeev Shaunak, FCA (Senior Statutory Auditor)
for and on behalf of MHA
Statutory Auditor

Chartered Accountants & Statutory Auditor

20 May 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Turnover	4	-	404,335
Cost of sales		-	(404,335)
Gross profit		-	-
Administrative expenses		**(62,200)**	(920,308)
Other operating income	5	-	570,970
Operating loss	6	**(62,200)**	(349,338)
Income from shares in group undertakings		-	14,504,197
Interest receivable and similar income	10	**300,861**	279,558
Interest payable and similar expenses	11	**(279,398)**	(611,996)
(Loss)/profit before tax		**(40,737)**	13,822,421
(Loss)/profit for the financial year		**(40,737)**	13,822,421

There were no recognised gains and losses for 2025 or 2024 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2025 (2024:£NIL).

The notes on pages 12 to 26 form part of these financial statements.

EMCURE PHARMA UK LIMITED
REGISTERED NUMBER: 08283131

BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	14		**1**		1
Investments	15		**42,435,869**		42,435,869
			42,435,870		42,435,870
Current assets					
Debtors: amounts falling due within one year	16	**11,360,492**		12,184,035	
Cash at bank and in hand	17	**85,747**		128,564	
		11,446,239		12,312,599	
Creditors: amounts falling due within one year	18	**(1,566,547)**		(2,392,170)	
Net current assets			**9,879,692**		9,920,429
Total assets less current liabilities			**52,315,562**		52,356,299
Creditors: amounts falling due after more than one year	19		**(3,849,823)**		(3,849,823)
Net assets			**48,465,739**		48,506,476
Capital and reserves					
Called up share capital	20		**32,765,000**		32,765,000
Profit and loss account	21		**15,700,739**		15,741,476
			48,465,739		48,506,476

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 May 2025.

.....
T Shaikh
Director

The notes on pages 12 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2023	**32,765,000**	**3,917,720**	**36,682,720**
Profit for the year	-	**13,822,421**	**13,822,421**
Contributions by and distributions to owners			
Dividends: Equity capital	-	**(1,998,665)**	**(1,998,665)**
At 1 April 2024	**32,765,000**	**15,741,476**	**48,506,476**
Loss for the year	-	**(40,737)**	**(40,737)**
At 31 March 2025	**32,765,000**	**15,700,739**	**48,465,739**

The notes on pages 12 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. General information

Emcure Pharma UK Limited is a limited liability company incorporated in England and Wales. It is a 100% owned subsidiary undertaking of Emcure Pharmaceuticals Limited, a company registered in India.

The Company's functional and presentational currency is British pound sterling and the financial statements are presented in amounts rounded to the nearest £1.

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

The financial statements cover a period of twelve months ending 31 March 2025.

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 judgement 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 2025 which are filed along with this entity's financial statements each year, and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of any subsequent events in making their assessment.

The Company's turnover decreased to £Nil due to the factors set out in the strategic report, and has incurred loss after tax of £40,737. The Company also has net assets of £48,449,183 which mainly comprise of investments from which it can receive dividends to provide working capital as and when required.

Based on these assessments and having regard to the resources available to the Company, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the financial statements.

2.5 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. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 Interest income

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

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.10 Taxation

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 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:

Computer equipment, Fixtures and fittings	- 10-33% per annum

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. Accounting policies (continued)

2.12 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.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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.

2.15 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.

2.16 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. Accounting policies (continued)

2.17 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate

2. Accounting policies (continued)

2.17 Financial instruments (continued)

method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements 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:

Impairment of investment
The Company has made investments by way of share capital in its 100% wholly owned subsidiaries. Management annually reviews the sales forecasts and profitability of all the subsidiaries so as to assess whether any impairment needs to be recognised in respect of any of the subsidiaries.

4. Turnover

An analysis of turnover by geographical location is as follows:

	2025 £	2024 £
Europe	-	404,335

5. Other operating income

	2025 £	2024 £
Intercompany recharges	-	570,970

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2025 £	2024 £
Bad debts	-	317,200
Exchange differences	**166,075**	348,162
Other operating lease rentals	**16,343**	16,224

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2025 £	2024 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	**20,900**	11,600

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the ultimate parent Company.

8. Employees

The employees are remunerated through the subsidiary undertakings.

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

	2025 No.	2024 No.
Administration	**4**	4

9. Income from investments

	2025 £	2024 £
Income from investments in group companies	**-**	14,504,197

10. Interest receivable

	2025 £	2024 £
Non-bank loan interest receivable	**300,861**	279,558

11. Interest payable and similar expenses

	2025 £	2024 £
Interest payable on intercompany loans	**279,398**	611,996

12. Taxation

	2025 £	2024 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax on (loss)/profit	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2024 - lower than) the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	2025 £	2024 £
(Loss)/profit on ordinary activities before tax	**(40,737)**	13,822,421
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	**(10,184)**	3,455,605
Effects of:		
Dividends from UK companies	-	(3,626,049)
Group relief	**10,184**	170,444
Total tax charge for the year	-	-

13. Dividends

	2025 £	2024 £
Dividends paid	-	1,998,665

14. Tangible fixed assets

	Computer equipment, Fixtures and fittings £
Cost	
At 1 April 2024	**32,816**
At 31 March 2025	**32,816**
Depreciation	
At 1 April 2024	**32,815**
At 31 March 2025	**32,815**
Net book value	
At 31 March 2025	**1**
At 31 March 2024	1

15. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2024	**42,558,023**
At 31 March 2025	**42,558,023**
Impairment	
At 1 April 2024	**122,154**
At 31 March 2025	**122,154**
Net book value	
At 31 March 2025	**42,435,869**
At 31 March 2024	42,435,869

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Tillomed Laboratories Limited	220 Butterfield, Great Marlings, Luton, England, LU2 8DL	£1 "A" ordinary £1 "B" ordinary	100%
Tillomed Pharma GmbH	Mittelstraße 5/5a, 12529, Schönefeld, Germany	€1 ordinary	100%
Laboratorios Tillomed Spain SLU	Calle de Cardenal Marcelo Spínola 8, planta 1, puerta F, 28016 Madrid, Spain	€1 ordinary	100%
Tillomed Italia S.R.L	Viale Giulio Richard, 1 – Torre A, 20143 Milan, Italy	€1 ordinary	100%
Tillomed France SAS	34 rue Jean Mermoz 78600 Maisons Laffitte, France	€1 ordinary	100%
Emcure Pharma Peru SAC	AV. Circunvalacion del club golf los incas 170 1803, Edificio torre more urb club golg los incasl - 033, Santiago de surco Lima Peru 0362	€1 ordinary	100%
Tillomed Malta Ltd	Tower Business Centre 2nd floor, Tower Street, Swatar, Birkirkara, Malta, BKR4013	€1 ordinary	100%

The principal business activity of all the subsidiaries is trading in pharmaceutical products.

16. Debtors

	2025 £	2024 £
Trade debtors	**12,816**	134,889
Amounts owed by group undertakings	**11,340,155**	11,997,993
Other debtors	**6,735**	8,062
Prepayments and accrued income	**786**	43,091
	11,360,492	12,184,035

16. Debtors (continued)

Certain amounts owed by group undertakings equating to £11,076,810 (2024: £11,840,901) are unsecured, bear average interest of 2.6% per annum (2024: 2.6%), and are repayable on demand. The amount also includes accrued interest of £263,345 (2024: £122,242).

Remaining amounts owed by group undertakings are unsecured, have no fixed rate of repayment and are repayable on demand.

17. Cash at bank and in hand

	2025 £	2024 £
Cash at bank and in hand	**85,747**	128,564

18. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	**75,212**	279,620
Amounts owed to group undertakings	**1,472,242**	2,097,050
Accruals	**19,093**	15,500
	1,566,547	2,392,170

Amounts owed to group undertakings that are trade-related are unsecured, interest-free and repayable on demand. This amount also includes accrued interest in relation to a loan from Tillomed Laboratories Limited.

19. Creditors: Amounts falling due after more than one year

	2025 £	2024 £
Amounts owed to group undertakings	**3,849,823**	3,849,823

Amounts owed to group undertakings represents a loan from Tillomed Laboratories Limited and the average interest rate for the year is 7.16% (2024: 7.16%). The maturity date of the loan is 11 September 2026.

20. Share capital

	2025 £	2024 £
Allotted, called up and fully paid		
32,765,000 (2024 - 32,765,000) Ordinary shares of £1.00 each	**32,765,000**	32,765,000

21. Reserves

Profit and loss account

This includes all current and previous periods' retained profits and losses, net of dividends.

22. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

23. Related party transactions

The Company has taken advantage of the exemption from disclosing transactions with other members of the group.

24. Post balance sheet events

There have been no significant events affecting the Company since the year end.

25. Controlling party

The immediate and 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 at 31 March 2025. 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
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Turnover	-	404,335
Cost of sales	-	(404,335)
Gross profit	-	-
Other operating income	-	570,970
Less: overheads		
Administration expenses	**(62,200)**	(920,308)
Operating loss	**(62,200)**	(349,338)
Interest receivable	**300,861**	279,558
Interest payable	**(279,398)**	(611,996)
Income from investments in group companies	-	14,504,197
(Loss)/Profit for the year	**(40,737)**	13,822,421

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Turnover		
Sales	-	404,335

	2025 £	2024 £
Cost of sales		
Purchases	-	404,335

	2025 £	2024 £
Other operating income		
Intercompany recharges	-	570,970

	2025 £	2024 £
Administration expenses		
Consultancy	**6,764**	5,278
Auditors' remuneration	**22,780**	9,573
Bank charges	**315**	19,006
Bad debts	**-**	317,200
Difference on foreign exchange	**166,075**	348,162
Rent	**16,343**	16,224
Rates	**-**	2,795
Insurances	**(150,590)**	196,253
Product registration fees	**-**	5,817
License fees	**513**	-
	62,200	920,308

	2025 £	2024 £
Interest receivable		
Non-bank loan interest receivable	**300,861**	279,558

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Interest payable		
Non-bank loan interest payable	**279,398**	611,996

	2025 £	2024 £
Investment income		
Income from investments in group companies	-	14,504,197

Registered number: 02544103

TILLOMED LABORATORIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

COMPANY INFORMATION

Directors	S Mehta T Shaikh AC Srimal (appointed 27 January 2025)
Registered number	02544103
Registered office	220 Butterfield Great Marlings Luton LU2 8DL
Independent auditors	MHA Chartered Accountants & Statutory Auditor 2 London Wall Place London EC2Y 5AU

TILLOMED LABORATORIES LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Introduction

The Directors have pleasure in presenting their report of the financial statement of the Company for the year ended 31 March 2025.

Business review

Tillomed Laboratories Limited is a 100% subsidiary of Emcure Pharma UK Ltd. The Company is principally engaged in the marketing and distribution of pharmaceuticals products in UK & Europe through its affiliates and distribution partners.

The results of the Company show a profit on ordinary activities before taxation of £18,722,738 (2024: £25,222,826) on a turnover of £86,263,080 (2024: £99,222,519). The Company had net cash reserves of £3,658,248 (2024: £6,535,557).

The Company continues to invest in its product portfolio and strengthening its distribution channels to gain more market share across all therapeutic segments.

Principal risks and uncertainties

Trading in pharmaceuticals has inherent risks because of the nature of the product. The management of the business and the execution of the Company's strategy are subject to a number of risks. These include the Company's ability to respond to competitive forces, product availability, regulatory change and retention of employees. The Company has implemented a system of internal control commensurate with the principal risks that it faces.

Financial key performance indicators

The key financial performance indicators used by management to monitor the business are turnover, pre-tax profit and net cash as disclosed above.

Other key performance indicators

The Company's operations expose it to a variety of financial risks that include the effects of credit and liquidity risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company.

The Company is exposed to currency exchange fluctuations from some suppliers. The directors do not consider there to be a material risk from currency fluctuations.

Credit risk
The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk
The Company reviews its working capital and receivables to keep healthy balance funds in available to meet its supplier commitments and expenses. The system is designed to ensure the Company has sufficient available funds for operations and planned expansions. If debt financing is required, it is subject to pre-approval of the board.

Other key performance indicators (continued)

Interest rate risk
The Company does not have any interest-bearing liabilities from any financial institution. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Cash flow risk
The Company maintains a very tight credit control policy of end of month plus 30 days in order to meet supplier payments and minimise any cash flow risk.

Directors' statement of compliance with duty to promote the success of the Company

The directors have acted in a way that they considered, in good faith, would promote the success of the company for the benefit of its sole shareholder and, in doing so, have had regard (amongst other matters) to the matters listed in s.172(1)(a) to (f) of the Companies Act 2006 when performing their duties as follows:

1) The directors are satisfied that the current business activities are in the long-term interests of the Company and its shareholder.

2) The directors consider the Company's key stakeholders to be its employees, its customers and its suppliers.

Employees – the Company values its employees and keeps them informed about matters affecting them as employees and on the factors affecting the Company's performance. Importance is also attached to training. A well-informed and trained workforce is critical to the Company's success.

Customers – the directors receive information about the Company's customers from its sales managers and from its dedicated customer services team, which is used to inform business development.

Suppliers – the significant contribution of suppliers, particularly contract manufacturing organisations, to the Company's business is acknowledged. The directors engage directly with suppliers who are most critical to ensuring the Company can meets its commitments to customers.

3) As a supplier of generic pharmaceutical products, the Company aims to make a positive contribution to the lives of patients.

4) The Company's business is the licensing, sale and distribution of pharmaceutical products. Regulatory compliance is the foundation stone of the Company's processes from sourcing through to distribution of its products. The directors are satisfied that the Company has maintained a reputation for high standards of business conduct including in its dealings with employees, customers and suppliers and regulatory agencies.

5) The directors regularly review the Company's performance including financial results and communicate it to the shareholder.

This report was approved by the board and signed on its behalf.

T Shaikh
Director

Date: 16 May 2025

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Directors present their report and the financial statements for the year ended 31 March 2025.

Results and dividends

The profit for the year, after taxation, amounted to £14,056,377 (2024 - £19,009,241).

Dividends of £Nil were paid during the year (2024 - £14,504,197).

Directors

The Directors who served during the year were:

S Mehta
T Shaikh
R Baer (resigned 14 January 2025)
AC Srimal (appointed on 27 January 2025)

Future developments

The external commercial environment is expected to remain competitive for the foreseeable future as market forces continue to impact on margins, particularly for high volume products.

The Directors are confident that the Company will maintain at least its current level of business in the future and looks forward to launching new products in Europe.

Engagement with suppliers, customers and others

Engagement with suppliers, customers and others has been documented in the strategic report, specifically under the heading of the directors' statement of compliance with the duty to promote the success of the company.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company's greenhouse gas emissions (GHG) and energy consumption are as follows:

	2025	2024
Emissions resulting from activities for which the Company is responsible involving the combustion of gas (in tonnes of CO2 equivalent) - Scope 1	**4,136**	4,973
Emissions resulting from the purchase of the electricity by the Company for its own use (in tonnes of CO2 equivalent) - Scope 2	**-**	-
Energy consumed from activities for which the Company is responsible involving the combustion of gas and the annual quantity of energy consumed resulting from the purchase of electricity by the Company for its own use, in kWh	**73,384**	75,261

During the financial year, the Company's total electricity consumption was 38,961 kWh (2024: 35,237 kWh) and total gas usage was 34,424 kWh (2024: 40,024 kWh).

Using the official conversion factors provided on the GOV.UK website, total Greenhouse Gas (GHG) emissions pertaining to our electricity usage was 1,036 kg CO2e, and emissions pertaining to gas usage were 3,100 kg CO2e.

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Methodology:

For calculating the GHG emissions, the latest emission factors given in 'Greenhouse gas reporting: conversion factors 2024' on the GOV.UK website have been used:

GHG emissions from electricity have been calculated assuming that fuels used by electricity companies are in the ratio set out on the website below.

https://www.eonnext.com/fuel-mix and https://www.coronaenergy.co.uk/policies/fuel-mix-disclosure/

Using this ratio, the total kWh of electricity has been divided using these percentages, and the GHG emission factors for each type of fuel given on the GOV.UK website have been applied to arrive at the total CO2e emissions from electricity. Same method has been taken into use for calculations of GHG emissions from Gas usage.

Intensity Ratio:

Due to the nature of the business, the most applicable normalisation parameter relating to carbon emissions is turnover. Therefore, the intensity ratio for the Company is CO2e per million pounds of turnover. Hence, CO2e emissions per million pounds of revenue for the financial year 2025 were 47.94 Kg. During the previous financial year, the intensity ratio was 50.12 Kg.

Energy efficiency action plans:

The Directors have identified the following specific actions to improve energy efficiency, which will continue the work from the current period:

1. Implement a process to periodically search and upgrade energy contracts to energy efficient suppliers who are primarily using renewable energy as input.

2. Develop and implement an engagement programme aimed at enhancing staff energy awareness to improve carbon emissions in a cost-effective way.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

• so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and

• the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 3 April 2025, the company acquired all marketing authorisations, dossiers, contracts, intellectual property and stock for £19.7 million from Manx Healthcare Limited.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Auditors

The auditors, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



T Shaikh
Director

Date: 16 May 2025

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TILLOMED LABORATORIES LIMITED

Opinion

We have audited the financial statements of Tillomed Laboratories Limited (the 'Company') for the year ended 31 March 2025, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TILLOMED LABORATORIES LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TILLOMED LABORATORIES LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

• Enquiry of management and those charged with governance around actual and potential litigation and claims;

• Enquiry of entity staff in finance and compliance functions to identify any instances of non-compliance with laws and regulations;

• Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and revieing accounting estimates for bias;

• Reviewing minutes of meetings of those charged with governance; and,

• Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TILLOMED LABORATORIES LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Rajeev Shaunak FCA

Rajeev Shaunak, FCA (Senior Statutory Auditor)
for and on behalf of MHA
Statutory Auditor

London, United Kingdon

20 May 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Turnover	4	**86,263,080**	99,222,519
Cost of sales		**(46,227,957)**	(50,126,092)
Gross profit		**40,035,123**	49,096,427
Distribution costs		**(2,924,298)**	(2,952,772)
Administrative expenses		**(19,023,348)**	(22,226,538)
Exceptional administrative expenses	14	**(621,221)**	-
Other operating income	5	**645,654**	817,133
Operating profit	6	**18,111,910**	24,734,250
Interest receivable and similar income	10	**610,828**	632,441
Interest payable and similar expenses	11	**-**	(143,865)
Profit before tax		**18,722,738**	25,222,826
Tax on profit	12	**(4,666,361)**	(6,213,585)
Profit for the financial year		**14,056,377**	19,009,241

There were no recognised gains and losses for 2025 or 2024 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2025 (2024:£NIL).

The notes on pages 14 to 31 form part of these financial statements.

TILLOMED LABORATORIES LIMITED
REGISTERED NUMBER: 02544103

BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £		2024 £
Fixed assets					
Intangible assets	15		**1,110,099**		961,933
Tangible assets	16		**497,797**		561,723
			1,607,896		1,523,656
Current assets					
Stocks	17	**29,459,527**		18,324,087	
Debtors: amounts falling due after more than one year	18	**12,551,587**		8,130,135	
Debtors: amounts falling due within one year	18	**43,663,646**		43,828,151	
Cash at bank and in hand	19	**3,658,248**		6,535,557	
		89,333,008		76,817,930	
Creditors: amounts falling due within one year	20	**(15,131,500)**		(16,570,286)	
Net current assets			**74,201,508**		60,247,644
Provisions	21	**(110,429)**		(128,702)	
			(110,429)		(128,702)
Net assets			**75,698,975**		61,642,598
Capital and reserves					
Called up share capital	22		**20,801,000**		20,801,000
Profit and loss account	23		**54,897,975**		40,841,598
			75,698,975		61,642,598

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 May 2025.

T Shaikh
Director

The notes on pages 14 to 31 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2023	**20,801,000**	**36,336,554**	**57,137,554**
Profit for the year	-	**19,009,241**	**19,009,241**
Contributions by and distributions to owners			
Dividends: Equity capital	-	**(14,504,197)**	**(14,504,197)**
At 1 April 2024	**20,801,000**	**40,841,598**	**61,642,598**
Profit for the year	-	**14,056,377**	**14,056,377**
At 31 March 2025	**20,801,000**	**54,897,975**	**75,698,975**

The notes on pages 14 to 31 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. General information

Tillomed Laboratories Limited is a private company limited by shares, incorporated and domiciled in England and Wales under company number 02544103. The Company is a 100% owned subsidiary undertaking of Emcure Pharma UK Ltd, registered in England and Wales.

The Company's financial and presentational currency is British pound sterling and the financial statements are presented in amounts rounded to the nearest £1.

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 judgement 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 2025 which are filed along with this entity's financial statements each year, and these financial statements may be obtained from Companies House online.

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of any subsequent events in making their assessment.

The Company's turnover is £86.3 million and has generated profit before tax of £18.7 million in the current year. The Company also has net assets of £75.7 million, including healthy cash reserves.

Based on these assessments and having regard to the resources available to the Company, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the financial statements.

2.4 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. Accounting policies (continued)

2.5 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.

2.6 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.

2.7 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.

2.8 Interest income

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

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.13 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 computer software is 3 years.

2. Accounting policies (continued)

2.14 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:

Leasehold improvements	- over 10 years (or lease term, whichever is the shorter)
Plant and machinery	- over 10 years
Fixtures and fittings	- over 10 years
Office equipment	- over 5 years
Computer hardware	- over 3 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.

2.15 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. Accounting policies (continued)

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price. Cost is based on the cost of purchase on a first in, first out basis.

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

2.17 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.

2.18 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.

2.19 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.

2.20 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2. Accounting policies (continued)

2.21 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

2. Accounting policies (continued)

2.21 Financial instruments (continued)

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements 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.

iii) Provision for doubtful accounts
The Company considers a provision based on the recoverable value of the trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the ageing profile of debtors and the use of knowledge and experience from previous years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

4. Turnover

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

Analysis of turnover by country of destination:

	2025 £	2024 £
United Kingdom	**75,525,682**	84,332,579
Rest of Europe	**3,129,908**	14,165,122
Rest of the world	**7,607,490**	724,818
	86,263,080	99,222,519

5. Other operating income

	2025 £	2024 £
Intercompany recharges	**611,146**	817,133
Sale of licenses	**34,508**	-
	645,654	817,133

6. Operating profit

The operating profit is stated after charging:

	2025 £	2024 £
Bad debts	**1,852**	178,689
Exchange differences	**631,797**	329,064
Other operating lease rentals	**164,497**	149,340
Depreciation and amortisation of fixed assets	**233,580**	253,210

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2025 £	2024 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	**46,000**	46,000

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the ultimate parent Company.

8. Employees

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

	2025 £	2024 £
Wages and salaries	**6,770,604**	8,539,684
Social security costs	**771,207**	771,310
Pension costs	**294,201**	236,591
	7,836,012	9,547,585

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

	2025 No.	2024 No.
Marketing and technical	**44**	42
Administration	**7**	9
	51	51

9. Directors' remuneration

	2025 £	2024 £
Directors' emoluments	**1,222,337**	2,268,761

The highest paid Director received remuneration of £1,222,337 (2024 - £2,268,761).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2024 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

10. Interest receivable

	2025 £	2024 £
Interest receivable from group companies	**490,668**	624,972
Bank interest receivable	**120,160**	7,469
	610,828	632,441

11. Interest payable and similar expenses

	2025 £	2024 £
Bank loan interest payable	-	129,072
Other interest payable	-	14,793
	-	143,865

12. Taxation

	2025 £	2024 £
Corporation tax		
Current tax on profits for the year	**4,684,634**	6,060,889
Deferred tax		
Origination and reversal of timing differences	**(18,273)**	152,696
Tax on profit	**4,666,361**	6,213,585

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2024 - lower than) the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	2025 £	2024 £
Profit on ordinary activities before tax	**18,722,738**	25,222,826
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	**4,680,685**	6,305,707
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**-**	3,182
Capital allowances for year in excess of depreciation	**18,721**	(70,201)
Movements in deferred tax	**(18,273)**	152,696
Non-taxable credits	**(449)**	(7,355)
Group relief	**(14,323)**	(170,444)
Total tax charge for the year	**4,666,361**	6,213,585

13. Dividends

	2025 £	2024 £
Interim dividends paid	**-**	14,504,197

14. Exceptional items

	2025 £	2024 £
Exceptional items	**621,221**	-
	621,221	-

The company had entered into a licence and supply agreement with Deva Holding AS on 20 April 2019. However, for commercial reasons, the company decided it was not viable to continue with this agreement and agreed on 5 March 2025 to pay €750,000 to Deva Holding AS in full and final settlement for the termination of the agreement.

15. Intangible assets

	Licenses £	Computer software £	Total £
Cost			
At 1 April 2024	**2,470,825**	**163,133**	**2,633,958**
Additions	**296,210**	**-**	**296,210**
At 31 March 2025	**2,767,035**	**163,133**	**2,930,168**
Amortisation			
At 1 April 2024	**1,518,425**	**153,600**	**1,672,025**
Charge for the year on owned assets	**144,443**	**3,601**	**148,044**
At 31 March 2025	**1,662,868**	**157,201**	**1,820,069**
Net book value			
At 31 March 2025	**1,104,167**	**5,932**	**1,110,099**
At 31 March 2024	952,400	9,533	961,933

16. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 April 2024	**468,467**	**20,110**	**225,526**	**244,503**	**958,606**
Additions	**12,332**	**-**	**4,695**	**4,583**	**21,610**
At 31 March 2025	**480,799**	**20,110**	**230,221**	**249,086**	**980,216**
Depreciation					
At 1 April 2024	**23,423**	**20,110**	**131,424**	**221,926**	**396,883**
Charge for the year on owned assets	**52,248**	**-**	**18,781**	**14,507**	**85,536**
At 31 March 2025	**75,671**	**20,110**	**150,205**	**236,433**	**482,419**
Net book value					
At 31 March 2025	**405,128**	**-**	**80,016**	**12,653**	**497,797**
At 31 March 2024	445,044	-	94,102	22,577	561,723

17. Stocks

	2025 £	2024 £
Materials and consumables	**486,124**	539,235
Goods for resale	**28,973,403**	17,784,852
	29,459,527	18,324,087

Inventories are stated after provision of £1,587,017 (2024: £1,918,438) for slow-moving and obsolete stock, reflecting a reduction in the provision balance during the year.

18. Debtors

	2025 £	2024 £
Due after more than one year		
Amounts owed by group undertakings	**12,551,587**	8,130,135

	2025 £	2024 £
Due within one year		
Trade debtors	**20,672,484**	23,520,523
Amounts owed by group undertakings	**21,200,950**	19,046,518
Other debtors	**837,557**	1,107,204
Prepayments	**337,289**	153,906
Tax recoverable	**615,366**	-
	43,663,646	43,828,151

Amounts owed by group undertakings that are due after more than one year are unsecured, interest-bearing and repayable in 2026. During the year, average interest rate was 4.88% (2024: 4.88%).

Amounts owed by group undertakings include accrued interest on the above amounts, as well as trade balances that are due within one year are unsecured, interest free and repayable on demand.

19. Cash and cash equivalents

	2025 £	2024 £
Cash at bank and in hand	**3,658,248**	6,535,557

20. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	**4,522,688**	4,294,759
Amounts owed to group undertakings	**2,578,395**	63,203
Corporation tax	**-**	375,682
Other taxation and social security	**2,318,786**	2,782,984
Other creditors	**395,484**	274,380
Accruals	**5,316,147**	8,779,278
	15,131,500	16,570,286

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

21. Deferred taxation

	2025 £	2024 £
At 1 April	**128,702**	(23,994)
(Credited)/charged to profit or loss	**(18,273)**	152,696
At 31 March	**110,429**	128,702

The deferred tax liability/(asset) balance is made up as follows:

	2025 £	2024 £
Accelerated capital allowances	**110,429**	128,702

22. Share capital

	2025 £	2024 £
Allotted, called up and fully paid		
20,800,740 (2024 - 20,800,740) Ordinary A shares of £1.00 each	**20,800,740**	20,800,740
260 (2024 - 260) Ordinary B shares of £1.00 each	**260**	260
	20,801,000	20,801,000

23. Reserves

Profit and loss account

This comprises of all current and previous periods' retained profits and losses, less any dividends declared and paid.

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension cost charge represents contributions payable by the Company to the fund and amounted to £294,201 (2024: £236,591). Contributions totaling £7,600 (2024: £23,426) were payable to the fund at the balance sheet date and are included in creditors.

25. Commitments under operating leases

At 31 March 2025 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2025 £	2024 £
Not later than 1 year	**69,155**	71,843
Later than 1 year and not later than 5 years	**276,620**	276,620
Later than 5 years	**622,963**	622,963
	968,738	971,426

26. Other financial commitments

As of March 31, 2025, Tillomed Limited is a party to guarantee facilities provided on behalf of related group entities. These facilities were established to support the borrowing arrangements and financial commitments of the group companies.

Management has assessed the creditworthiness and financial position of the guaranteed parties and considers the likelihood of a default to be remote. Accordingly, no liability has been recognised in the financial statements in respect of these guarantees.

27. Related party transactions

The Company has taken advantage of the exemption from disclosing transactions with other members of the group.

During the year, the Company has recharged certain expenses amounting to £244.0k (2024: £275.8k) to affiliates that are under common control and ownership of the ultimate parent undertaking. At balance sheet date, the outstanding debtor balances amounted to £244.0k (2024: £225.9k).

28. 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 at 31 March 2025. 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.

29. Post balance sheet events

On 3 April 2025, the company acquired all marketing authorisations, dossiers, contracts, intellectual property and stock for £19.7 million from Manx Healthcare Limited.

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Turnover	**86,263,080**	99,222,519
Cost of sales	**(46,227,957)**	(50,126,092)
Gross profit	**40,035,123**	49,096,427
Other operating income	**645,654**	817,133
Less: overheads		
Selling and distribution expenses	**(2,924,298)**	(2,952,772)
Administration expenses	**(19,644,569)**	(22,226,538)
Operating profit	**18,111,910**	24,734,250
Interest receivable	**610,828**	632,441
Interest payable	**-**	(143,865)
Tax on profit on ordinary activities	**(4,666,361)**	(6,213,585)
Profit for the year	**14,056,377**	19,009,241

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Turnover		
Sales - United Kingdom	**75,525,682**	84,332,579
Sales - Europe	**3,129,908**	14,165,122
Sales - Rest of world	**7,607,490**	724,818
	86,263,080	99,222,519

	2025 £	2024 £
Cost of sales		
Opening stocks	**18,324,087**	19,317,528
Purchases	**57,363,397**	49,132,651
Closing stocks	**(29,459,527)**	(18,324,087)
	46,227,957	50,126,092

	2025 £	2024 £
Other operating income		
Intercompany recharges	**611,146**	817,133
Sale of licenses	**34,508**	-
	645,654	817,133

	2025 £	2024 £
Selling and distribution expenses		
Carriage	**617,783**	796,426
Commissions	**1,117,867**	1,140,799
Promotional expenses	**40,393**	43,367
Warehousing charges	**1,148,255**	972,180
	2,924,298	2,952,772

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Administration expenses		
Directors salaries	**1,222,337**	2,268,761
Staff salaries	**5,548,267**	6,270,923
Employer's national insurance	**771,207**	771,310
Staff pension costs	**294,201**	236,591
Staff training	**38,753**	37,060
Staff welfare	**9,684**	28,280
Motor running costs	**13,673**	16,265
Entertainment	**14,997**	12,726
Hotels, travel and subsistence	**304,972**	339,500
Printing and stationery	**9,023**	9,413
Postage	**16,094**	29,359
Telephone and fax	**94,194**	125,850
Computer costs	**61,604**	114,321
General office expenses	**87,604**	85,488
Trade subscriptions	**447,630**	398,096
Legal and professional	**2,323,897**	3,468,692
Auditors' remuneration	**101,563**	74,613
Bank charges	**118,709**	199,750
Bad debts	**1,852**	178,689
Difference on foreign exchange	**631,797**	329,064
Rent	**164,497**	149,340
Rates	**109,866**	227,515
Water	**2,339**	277
Insurances	**540,978**	63,823
Repairs and maintenance	**14,110**	20,600
Sundry establishment expenses	**675**	16,090
Depreciation - office equipment	**14,507**	15,742
Depreciation - leasehold improvements	**52,248**	23,423
Depreciation - fixtures and fittings	**18,781**	20,048
Amortisation - intangible fixed assets	**148,044**	193,997
Product development and related charges	**3,463,744**	4,200,128
Intercompany recharges	**2,248,481**	2,065,287
License fees	**133,020**	235,517
Administration exceptional (on face of P&L a/c)	**621,221**	-
	19,644,569	22,226,538

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Interest receivable		
Bank interest receivable	**120,160**	7,469
Interest receivable from group companies	**490,668**	624,972
	610,828	632,441

	2025 £	2024 £
Interest payable		
Bank loan interest payable	**-**	129,072
Other interest - on overdue tax	**-**	14,793
	-	143,865

Marcan Pharmaceuticals Inc.

Consolidated Financial Statements

March 31, 2025, and March 31, 2024

KNAV Professional Corporation

Chartered Professional Accountants

55 York Street, Suite 401, Toronto Ontario M5J 1R7

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Independent Auditor's Report

To the Shareholder of Marcan Pharmaceuticals Inc.

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Marcan Pharmaceuticals Inc. and its subsidiary ("Marcan" or "the Group"), which comprise the consolidated balance sheets as of March 31, 2025, and March 31, 2024, and the related consolidated statements of income, accumulated surplus (deficit) and cash flows, for the years then ended, including a summary of significant accounting policies and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and March 31, 2024, and the consolidated results of its operations and its cash flows for the years then ended, in accordance with Canadian accounting standards for private enterprises ("ASPE").

Basis for opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian ASPE and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

1) Identify and assess the risks of material misstatement of the consolidated 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.

2) Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.

5) Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KNAV Professional Corporation

KNAV Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by the Chartered Professional Accountant of Ontario
55 York Street, Suite 401,
Toronto, Ontario M5J 1R7
Date: May 06, 2025

Marcan Pharmaceuticals Inc.
Consolidated Financial Statements
March 31, 2025, and March 31, 2024

Consolidated balance sheets

(All amounts in Canadian dollars unless otherwise stated)

	Notes	As at March 31, 2025	March 31, 2024
ASSETS			
Current assets			
Cash & cash equivalents		140,246	273,997
Accounts and other receivables, net	3	52,411,519	45,282,785
Inventories	4	47,869,901	44,347,884
Prepaid expenses and other current assets	5	3,978,511	4,117,121
		104,400,177	**94,021,787**
Non current assets			
Future income taxes	6	6,385,679	5,271,446
Property and equipment	7	2,010,116	1,591,425
Intangible assets	8	60,859,773	70,345,088
Intangible assets under development	9	6,415,210	3,338,713
Goodwill		57,334,620	57,334,620
Other non-current assets	5	17,885	17,885
Total assets		**237,423,460**	**231,920,964**
LIABILITIES			
Current liabilities			
Bank indebtedness	2	28,012,586	16,313,415
Accounts payable and accrued liabilities	10	49,641,007	52,172,220
Income tax payable		1,852,396	1,516,308
Current portion of long-term debt	11	8,549,760	13,091,659
		88,055,749	**83,093,602**
Non current liabilties			
Long-term debt	11	31,178,278	50,362,705
Contingent consideration payable	16	40,887,916	38,406,101
Future income taxes	6	14,910,303	16,276,242
Deferred rental income		150,662	188,406
		175,182,908	**188,327,056**
SHAREHOLDER'S EQUITY			
Share capital	14	43,785,001	43,785,001
Contributed surplus	13	722,164	666,627
Accumulated surplus (deficit)		17,733,387	(857,720)
Total shareholder's equity		**62,240,552**	**43,593,908**
Total liabilities and shareholder's equity		**237,423,460**	**231,920,964**

(The accompanying notes are an integral part of consolidated financial statements)

On behalf of the Board:



Director signature

Sudheer Paladugu

Director name

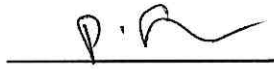
Consolidated statements of income

(All amounts in Canadian dollars unless otherwise stated)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Sales	15	202,455,787	144,312,373
Cost of sales		116,038,326	93,228,216
Gross margin		**86,417,461**	**51,084,157**
Expenses			
Salaries and benefits		21,753,241	11,788,396
Testing and post approval costs		1,369,975	995,756
Head office corporate charges		1,433,880	1,597,132
Research and development		1,138,671	1,528,629
Professional fees		4,113,084	2,163,474
Licensing and fees		1,843,466	1,197,728
Bank charges and interest		2,865,750	2,465,011
Advertising and promotions		2,289,029	1,122,512
Rent		998,408	509,649
Office		967,562	503,528
Insurance		258,708	318,238
Depreciation of property and equipment		512,159	286,297
Amortization of intangible assets		10,189,106	6,006,209
Data report fees		65,831	52,238
Travel		1,325,193	605,055
Phone		110,406	56,344
Allowance for doubtful accounts		45,958	15,157
Other		624,375	614,636
		51,904,802	**31,825,989**
Income before the undernoted items and income taxes		**34,512,659**	**19,258,168**
Other income (expenses)			
Foreign exchange loss		(1,037,620)	(205,094)
Other income		508,364	316,426
Amortization on deferred financing fees		(891,921)	(385,459)
Interest on long-term debt		(4,211,082)	(3,708,448)
Litigation expenses		(323,015)	(267,883)
Acquistion related cost		(20,522)	(1,617,827)
Unwinding of discount on contingent consideration payable		(2,481,815)	(950,101)
Income before income taxes		**26,055,048**	**12,439,782**
Income taxes:			
Current		9,944,113	6,632,612
Future benefit		(2,480,172)	(2,197,260)
Net income		**18,591,107**	**8,004,430**

(The accompanying notes are an integral part of consolidated financial statements)

On behalf of the Board:



Director signature

Sudheer Paladugu

Director name

Consolidated statements of accumulated surplus (deficit)

(All amounts in Canadian dollars unless otherwise stated)

	For the year ended	
Particulars	**March 31, 2025**	**March 31, 2024**
Contributed surplus, beginning of the year	666,627	572,398
Stock-based compensation expense during the year	55,537	94,229
Contributed surplus, end of the year	**722,164**	**666,627**

	For the year ended	
Particulars	**March 31, 2025**	**March 31, 2024**
Accumulated deficit, beginning of the year	(857,720)	(8,862,150)
Net income	18,591,107	8,004,430
Accumulated surplus (deficit), end of the year	**17,733,387**	**(857,720)**

(The accompanying notes are an integral part of consolidated financial statements)

Consolidated statements of cash flows

(All amounts in Canadian dollars unless otherwise stated)

	For the year ended	
	March 31, 2025	**March 31, 2024**
Cash flows from operating activities:		
Net income	18,591,107	8,004,430
Items not involving cash:		
Unwinding of discount on contingent consideration payable	2,481,815	950,101
Amortization of deferred financing fees	891,921	385,459
Amortization of intangible assets	10,189,106	6,006,209
Depreciation of property and equipment	512,159	286,297
Future income taxes	(2,480,172)	(2,197,260)
Deferred rental income	(37,744)	(15,202)
Employee stock compensation expense	55,537	94,229
Property and equipment written off	8,427	-
Intangible assets under development written off	111,178	-
Loss on sale of assets	2,814	-
Provision for inventory obsolescence	1,462,489	466,487
Unrealised gain	(148,073)	(179,588)
Provision for doubtful debts	35,353	8,031
Changes in assets and liabilities:		
Accounts and other receivables	(7,150,302)	7,680,550
Inventories	(4,984,506)	1,759,639
Prepaid expenses and other current assets	149,135	468,508
Accounts payable and accrued liabilities	(2,540,442)	(4,002,650)
Income taxes payable	336,089	1,363,462
Net cash flows provided by operating activities - A	**17,485,891**	**21,078,702**
Cash flow from investing activities:		
Acquisition of Mantra Pharma Inc. *(net of cash & cash equivalents acquired)*	-	(56,712,709)
Purchase of property and equipment	(944,591)	(180,304)
Sale of property and equipment	2,499	-
Addition on intangible assets under development	(3,891,466)	(2,365,509)
Net cash flows used in investing activities - B	**(4,833,558)**	**(59,258,522)**
Cash flows from financing activities:		
Net movement of bank indebtedness*	11,699,171	(829,081)
Repayment of long-term debt	(24,618,247)	(8,091,069)
Proceed from long-term debt	-	46,000,000
Repayment of related party loan	-	(395,000)
Net cash flows (used in) generated from financing activities - C	**(12,919,076)**	**36,684,850**
Net decrease in cash and cash equivalents-(A+B+C)	**(266,743)**	**(1,494,970)**
Net foreign exchange difference on cash and cash equivalents	132,992	177,553
Cash and cash equivalents, beginning of year	273,997	1,591,414
Cash and cash equivalents, end of year	**140,246**	**273,997**

* The Group obtained a revolving credit facility and revolving credit facility swingline commitment from CIBC during the year ended March 31, 2024 for the acquisition, totaling to $12,810,656 and the total amount repaid during the year ended March 31, 2024 amounted to $13,639,737.

(The accompanying notes are an integral part of these consolidated financial statements)

Notes to consolidated financial statements

Marcan Pharmaceuticals Inc. ("Marcan") is a private company incorporated on August 18, 2015, and subsequently amalgamated with a related entity by articles of amalgamation on November 9, 2015, under the laws of Ontario. Marcan is primarily engaged in the development, marketing, sales and distribution of both brand and generic pharmaceutical products. Marcan amalgamated with three entities under common control on August 13, 2021. Mantra Pharma Inc. ("Mantra") is a private entity and a wholly owned subsidiary of Marcan which is primarily involved in marketing and distribution of prescription drugs, natural health products and markets professional training programs to healthcare professionals. Mantra, in its current form, was created pursuant to an amalgamation under the laws of Quebec on November 6, 2023. On that date, 9501-2969 Québec Inc., a wholly owned subsidiary of Marcan, acquired Mantra Pharma Inc. and its related entities. Immediately following the acquisition, Québec Inc. and the acquired group were amalgamated to form the present Mantra Pharma Inc., as further described in Note 20.

These consolidated financial statements comprise the financial statements of the Marcan and the following subsidiary (together referred to as "Group").

Name of subsidiary	Percentage of Holding (%)	Country of incorporation
Mantra Pharma Inc. (acquired on November 06, 2023)	100%	Canada

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements is as follows:

1. Basis of preparation

a. The consolidated financial statements of the Group have been prepared by the management in accordance with Canadian Accounting Standards for Private Enterprises ("ASPE" or "GAAP").

b. The consolidated financial statements are presented for the years ended March 31, 2025, and March 31, 2024. All amounts are in Canadian dollars, unless otherwise stated.

c. Certain reclassifications and regroupings have been made in the consolidated financial statements of the prior year to confirm to the classifications used in the current year. These changes had no impact on the previously reported consolidated net income or consolidated accumulated surplus (deficit).

2. *Basis of measurement*

The consolidated financial statements have been prepared on a historical cost basis.

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3. *Use of estimates*

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Estimates include the allowance for doubtful trade receivable, the allowance for inventory obsolescence, the useful lives of intangible assets and property and equipment, accrual for professional allowances and program fees, allowance for sales returns and sales discounts, and valuation of future income tax assets. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

4. *Accounting policies:*

These consolidated financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The Group's significant accounting policies are as follows:

(a) Inventories:

Inventories are measured at the lower of cost and net realizable value. Cost includes purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. The costs are assigned using the weighted average cost formula.

Inventories are written down to net realizable value when the cost of inventories is estimated to be greater than the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A provision for obsolescence is calculated based on historical experience, unless new information indicates historical experience is not relevant for a product. Management reviews the provision annually to assess whether it is adequate.

(b) Property and equipment:

Property and equipment ("PE") are stated at cost, less accumulated depreciation. Depreciation is provided on a pro-rata basis on the straight-line method ('SLM') over the estimated useful lives of the assets as determined by the management. Useful life of PE is as follows:

	Useful life
Machinery and equipment	3-15 years
Furniture and fixtures	5-10 years
Computer hardware	3 - 6 years
Computer software	3 years
Leasehold improvements	5-20 years

(c) Goodwill:

Goodwill is recognized on the acquisition of a business and represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired. Goodwill is not amortized; it is tested for impairment if events or changes in circumstances indicate that the asset may be impaired. The impairment test is carried out by comparing the carrying amount of a reporting unit with its fair value. When the carrying amount exceeds the fair value, an impairment loss is recorded in an amount equal to the excess, up to the carrying amount of the goodwill and is presented as a separate line item in the consolidated statements of income. Goodwill impairments are not reversed.

(d) Intangible assets:

Intangible assets resulting from a business acquisition are initially recorded at fair value. Separately acquired intangible assets are measured at cost.

For intangible assets with definite lives amortization is provided on a straight-line basis over their respective estimated useful lives.

	Useful life
Brands	10 years
Customer relationships	5-10 years
Product development	10 years
Product rights	10 years
Product pipeline	10 years

The Group capitalizes payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated intangible assets are expensed as incurred.

Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life along with all other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

(e) Impairment of long-lived assets:

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset (or asset group) exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposal. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. Impairments of long-lived assets are not reversed.

(f) Income taxes:

The Group uses the future income taxes method of accounting for income taxes. Under the future income taxes method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment. Refundable taxes that will be recovered on the payment of qualifying dividends are recognized as a future income tax asset.

A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized. Income tax expense or benefit is the sum of the Group's provision for the current income taxes and the difference between the opening and ending balances of the future income tax assets and liabilities.

(g) Revenue recognition:

Sale of goods

Revenue is recognized when persuasive evidence of an arrangement exists, control and significant risks of ownership have transferred to the customer, the price is fixed or determinable, and collection is reasonably assured.

Transfer of control and significant risk of ownership to the customer, generally occurs upon shipment, delivery, or sell-through, depending on the specific contractual terms. Revenue is measured at the transaction price, net of estimated returns, discounts, and allowances, which are determined based on historical experience and applicable agreements. In arrangements that include multiple performance obligations, the total transaction price is allocated to each obligation based on their relative standalone selling prices. Where rights of return or consignment terms apply, revenue is deferred until such conditions are resolved and control has definitively transferred to the customer. Revenue is presented net of sales taxes collected on behalf of third parties.

Commission income

The Group is an exclusive dealer involved in marketing of products for which it earns commission income. Revenue from commission income is recognized at the time of sale to customer based on the agreed commission percentage.

Rendering of services

The Group is involved in rendering services related to its products to its customers. Revenue from services are recognized at the time they are rendered at an agreed price which is fixed or determinable.

(h) Related party transactions:

Monetary and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held-for-sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

(i) Foreign currency translation:

Foreign currency transactions and balances are translated using the temporal method. Under this method, monetary assets and liabilities are translated at year-end exchange rates and non-monetary assets and liabilities are translated at the exchange rates prevailing at the transaction date. Revenues and expenses are translated at the exchange rates prevailing at the transaction date. Any gains or losses arising from the translation of foreign currency are recognized in consolidated statements of income.

(j) Leases

Leases in which the Group obtains substantially all the risks and rewards of ownership are classified as capital leases. The Group records its capital leases as an acquisition of an asset and an assumption of an obligation. The asset value and the amount of the obligation, recorded at the inception of the lease, are the present value of the minimum lease payments. Each lease payment is allocated between the liability and interest expense so as to achieve a constant rate of interest on the recorded capital lease obligations. Equipment acquired under a capital lease is amortized over the term of the lease, or the expected useful life of the asset when the lease contains a purchase option. All other leases are accounted for as operating leases wherein rental payments are recognized in the consolidated statement of income on a straight-line basis over the terms of the leases. Lease inducements are accounted for as reductions of the lease expense over the term of the lease. The Group does not have any leases that are classified as capital leases.

(k) Stock-based compensation

The Group accounts for stock-based compensation in accordance with ASPE Section 3870 – Stock-based Compensation and Other Stock-based Payments.

Employees of the Group are granted equity-settled stock options of Emcure Pharmaceuticals Limited ("Parent Company" or "Emcure") under the Emcure Employee Stock Option Scheme 2013. These options are classified as equity-settled awards and are measured at fair value on the grant date, using the Black-Scholes-Merton option pricing model with assumptions for expected term, volatility, risk-free interest rate, and dividend yield.

The fair value of the awards is determined by the Parent Company and recognized by the Group over the vesting period, representing the service period during which the employees earn the awards. The related expense is recorded as salaries and benefits, with a corresponding credit to contributed surplus, representing a capital contribution from the Parent Company.

The Group recognizes forfeitures as they occur. No expense is recognized for awards that do not vest due to unmet service conditions. Upon exercise, any proceeds received by the parent do not impact the Group's consolidated financial statements.

(l) Financial instruments:

Initial measurement

Financial assets and liabilities are initially measured at fair value, which is typically the transaction price. Related party transactions (excluding those solely with management in their capacity as such) - If the instrument has repayment terms, it is measured at the present value of undiscounted cash flows (excluding interest and dividends), less any previously recognized impairment by the transferor. If the instrument has no repayment terms, it is measured at the consideration exchanged between the parties. Transaction costs on financial assets and liabilities are expensed immediately for instruments subsequently measured at fair value and for those in related party transactions. They are capitalized for instruments measured at cost or amortized cost and amortized over the life of the instrument using the straight-line method where applicable.

Subsequent measurement

The Group subsequently measures its financial instruments as follows: Financial assets measured at amortized cost include cash and cash equivalents and accounts and other receivable. Financial liabilities measured at amortized cost include accounts payables and accrued liabilities, bank indebtedness, and long term debt. The Group does not hold equity instruments quoted in an active market and, therefore, does not apply fair value measurement post-initial recognition.

Impairment

For financial assets measured at cost or amortized cost, the Group assesses at each reporting date whether there is any indication of impairment. If there is a significant adverse change in the expected timing or amount of future cash flows, an impairment loss is recognized in income. If impairment indicators decrease or no longer exist, a previously recognized loss may be reversed to the extent of the improvement but not exceeding the carrying amount that would have been determined had no impairment been recognized. The Group maintains an allowance for doubtful accounts to reflect impairment losses on accounts receivable. Specific accounts are written off when deemed uncollectible.

2. BANK INDEBTEDNESS

On October 22, 2021, Marcan entered into a revolving credit facility with Canadian Imperial Bank of Commerce ("CIBC"), providing a borrowing capacity of $12,500,000. This facility was due on demand and bore interest at prime plus prevailing margin. On January 13, 2022, the available limit under the facility was increased to $20,000,000.

On November 6, 2023, Marcan, along with its subsidiary, Mantra refinanced its existing banking arrangements by entering into a new joint loan agreement with CIBC. Under the terms of that agreement, the Group obtained the following credit facilities:

Facility limit ($)	**Amount**
Swingline Credit Facility	10,000,000
Revolving Credit Facility	30,000,000

Both facilities bear interest at prime plus a prevailing margin and an option to elect the Canada Overnight Repo Rate Average ("CORRA") as the benchmark interest rate for the revolving credit facility.

	As at	
Facility Utilization ($)	**March 31, 2025**	**March 31, 2024**
Revolving Credit Facility	20,000,000	15,000,000
Swingline Credit Facility	8,012,586	1,313,415
Total	**28,012,586**	**16,313,415**

The above credit facilities are secured by a corporate guarantee from the Parent Company.

The range of interest rate for the year ended March 31, 2025, was as follows:
i. Swingline credit facility - 5.58% to 8.35%
ii. Revolving credit facility - 5.50% to 8.35%

Total interest expense recognized in "bank charges and interest" in the consolidated statements of income was as follows:

	For the year ended	
	March 31, 2025	**March 31, 2024**
Interest expenses	1,292,127	1,434,591
	1,292,127	**1,434,591**

The interest accrued as at March 31, 2025, and March 31, 2024, classified under "accounts payable and accrued liabilities" was as follows:

	As at	
	March 31, 2025	**March 31, 2024**
Interest accrued	-	107,613
	-	**107,613**

3. ACCOUNTS AND OTHER RECEIVABLES, NET

	As at	
	March 31, 2025	**March 31, 2024**
Trade receivables	52,368,675	44,578,580
Trade and other receivables - Parent Company	44,013	34,362
Trade and other receivables - Affiliate companies	230	681,847
	52,412,918	**45,294,789**
Allowance for doubtful accounts	(1,399)	(12,004)
Total	**52,411,519**	**45,282,785**

	As at	
	March 31, 2025	**March 31, 2024**
Balance at the beginning of the year	**12,004**	**4,533**
Provision made during the year	45,958	15,157
Provision reversed during the year	(10,605)	(7,126)
Write-off during the period	(45,958)	(560)
Balance at the end of the year	**1,399**	**12,004**

4. INVENTORIES

	As at	
	March 31, 2025	**March 31, 2024**
Stock in trade	52,997,631	48,013,125
Allowance for inventory obsolescence	(5,127,730)	(3,665,241)
Total	**47,869,901**	**44,347,884**

The amount of inventory included in cost of sales for the year ended March 31, 2025 was $ 89,333,188 (March 31, 2024 – $ 74,507,614).

5. OTHER NON-CURRENT ASSETS, PREPAID EXPENSES AND OTHER CURRENT ASSETS

Other non-current assets comprise of:

	As at	
	March 31, 2025	**March 31, 2024**
Security deposit	17,885	17,885
	17,885	**17,885**

Prepaid expenses and other current assets comprise of:

	As at	
	March 31, 2025	**March 31, 2024**
Prepaid expenses	861,188	506,511
Advance to Parent Company	-	1,400,000
Advance to suppliers	2,415,408	1,890,681
GST/HST receivable	495,405	319,929
Others	206,510	-
Total	**3,978,511**	**4,117,121**

6. FUTURE INCOME TAXES

Significant components of the Group's net future income tax asset are as follows:

A. Future income taxes assets

	As at	
	March 31, 2025	**March 31, 2024**
Property and equipment	2,583	(5,336)
Intangible assets	4,387,128	4,181,229
Deferred financing fees	16,700	(34,424)
Accounting reserves	329,544	241,860
Acquisition related costs	255,093	213,037
Unrealised loss	453,658	275,858
Unrealised profit on stock	940,973	399,222
Total	**6,385,679**	**5,271,446**

B. Future income taxes liability

	As at	
	March 31, 2025	**March 31, 2024**
Property and equipment	(261,052)	(449,642)
Intangible assets	15,433,616	17,228,222
Accounting reserves	(262,261)	(502,338)
Total	**14,910,303**	**16,276,242**

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7. PROPERTY AND EQUIPMENT

Particulars	Cost	Accumulated depreciation	Net book value as of March 31, 2025	Net book value as of March 31, 2024
Machinery and equipment	182,716	165,931	16,785	58,299
Furniture and fixtures	875,829	269,791	606,038	653,003
Computer hardware	404,996	235,061	169,935	167,469
Computer software	1,102,442	556,951	545,491	296,063
Leasehold improvements	529,423	197,826	331,597	400,192
Capital work-in-progress	340,270	-	340,270	16,399
	3,435,676	**1,425,560**	**2,010,116**	**1,591,425**

During the year ended March 31, 2025, the Group purchased computer software and hardware amounting to $43,580 and $105,980 respectively (March 31, 2024 – $84,000 and $50,085). Additions to furniture and fixtures amounted to $76,220 (March 31, 2024 – $37,790), and additions to leasehold improvements were $2,600 (March 31, 2024 – $Nil). Additions to capital work-in-progress totalled $716,211 for the year ended March 31, 2025 (March 31, 2024 – $8,428). The additions to computer software transferred from capital work-in-progress amounted to $ 383,913 during the year ended March 31, 2025 (March 31, 2024 – $Nil). During the year ended March 31, 2025, deletions to furniture and fixtures amounted to $2,499, resulting in a loss on disposal of $2,814 (March 31, 2024 – $Nil). During the year ended March 31, 2025, the Group has written off capital work-in-progress amounting to $8,427 (March 31, 2024 - $Nil).

Depreciation expense for the year ended March 31, 2025, is $ 512,159 (March 31, 2024 - $286,297).

8. INTANGIBLE ASSETS

Particulars	Cost	Accumulated amortisation	Net book value as of March 31, 2025	Net book value as of March 31, 2024
Customer relationships	90,333,000	39,478,620	50,854,380	56,767,680
Product rights	31,180,180	24,574,347	6,605,833	9,069,318
Brands	7,442,000	4,254,960	3,187,040	3,931,240
Product pipeline	3,340,000	3,145,170	194,830	528,830
Product development	303,300	285,610	17,690	48,020
	132,598,480	**71,738,707**	**60,859,773**	**70,345,088**

The additions to product rights transferred from intangible assets under development amounted to $ 703,791 during the year ended March 31, 2025, (March 31, 2024 - $ Nil).

Amortization expense for the year ended March 31, 2025, was $ 10,189,106 (March 31, 2024 - 6,006,209).

9. INTANGIBLE ASSETS UNDER DEVELOPMENT

For intangible assets under development, ageing schedule as on March 31, 2025 and March 31, 2024:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2025
Product Development	3,782,248	1,684,875	948,087	-	6,415,210
Total	**3,782,248**	**1,684,875**	**948,087**	**-**	**6,415,210**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
Product Development	2,365,509	973,204	-	-	3,338,713
Total	**2,365,509**	**973,204**	**-**	**-**	**3,338,713**

The additions to the intangible assets under development amounted to $ 3,891,466 for the year ended March 31, 2025 (March 31, 2024 - $ 2,365,509). The Group has written off intangible assets under development amounting to $ 111,178 during the year ended March 31, 2025 (March 31, 2024 - $ Nil).

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10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at	
	March 31, 2025	March 31, 2024
Accounts payable and accrued liabilities	40,708,542	40,076,156
Accounts payable - Parent Company	8,932,465	12,096,064
Total	**49,641,007**	**52,172,220**

11. LONG-TERM DEBT:

A) Axis loan -

On August 07, 2021, the Group entered into a term loan agreement with Axis Bank for a principal amount of USD 25,475,000. Interest was charged on this loan at a rate of 3.15% per annum plus LIBOR, with repayment scheduled over 12 equal semi-annual instalments of USD 2,122,917, commencing six months from the date of first utilization under the facility. The loan was due to mature in August 2027.

The Group voluntarily repaid the full outstanding balance including the accrued interest amounting to USD 10,626,176 under the facility on February 10, 2025, ahead of its original maturity.

The range of interest rate for the year ended March 31, 2025, was 7.86% to 8.75%.

Total interest expense in the consolidated statements of income was as follows:

	For the year ended	
	March 31, 2025	March 31, 2024
Interest expenses	1,125,299	1,941,703
	1,125,299	**1,941,703**

The interest accrued as at March 31, 2025, and March 31, 2024, classified under "accounts payable and accrued liabilities" was as follows:

	As at	
	March 31, 2025	March 31, 2024
Interest accrued	-	221,928
	-	**221,928**

B) CIBC loan -

On October 22, 2021, the Group entered into a term loan agreement with Canadian Imperial Bank of Commerce (CIBC) for a principal amount of $13,800,000, bearing interest at the prime rate plus a prevailing margin. The loan was originally repayable in 15 quarterly instalments. On January 13, 2022, the loan agreement was amended to reduce the principal balance to $3,712,500, extend the maturity date to January 2026, and revise the repayment terms to 13 quarterly instalments of $285,577. On November 6, 2023, the CIBC loan was refinanced through a new joint loan agreement entered into by the Group, for a total of $48,855,769. The new joint loan bears interest at the prime rate plus a prevailing margin and is repayable in 17 quarterly instalments. The loan matures in December 2027. The Group has the option to elect the Canadian Overnight Repo Rate Average (CORRA) as the reference rate for borrowings under this loan in lieu of the prime rate.

The range of interest rate for the year ended March 31, 2025, was 5.58% to 8.23%

Total interest expense in the consolidated statements of income was as follows:

	For the year ended	
	March 31, 2025	March 31, 2024
Interest expenses	3,085,783	1,766,745
	3,085,783	**1,766,745**

The interest accrued as at March 31, 2025, and March 31, 2024, classified under "accounts payable and accrued liabilities" was as follows:

	As at	
	March 31, 2025	March 31, 2024
Interest accrued	26,504	342,949
	26,504	**342,949**

CIBC Loan is secured by a corporate guarantee from the Parent Company and a charge over all current and non-current assets of the Group. Deferred financing fees expensed in connection with the refinancing were $ Nil for the year ended March 31, 2025 (March 31, 2024 – $95,722).

	As at	
	March 31, 2025	March 31, 2024
Axis loan	-	17,289,882
CIBC Loan	40,306,010	47,634,375
	40,306,010	**64,924,257**
Deferred financing fees	(577,972)	(1,469,893)
	39,728,038	**63,454,364**
Less: cash repayments required within 12 months	(8,549,760)	(13,091,659)
	31,178,278	**50,362,705**

As of March 31, 2025, the future maturities of the long term debt is as follows:

Financial Year	**Amount**
2025-26	8,549,760
2026-27	9,771,154
2027-28	21,985,096
	40,306,010

12. RELATED PARTY TRANSACTIONS

(a) Related parties

Name of the related party	Nature of relationship
Emcure Pharmaceuticals Limited	Parent Company
Avet Pharmaceuticals Inc.	Affiliate company
Avet Pharmaceuticals Labs Inc. (Erstwhile "Heritage Pharma Labs Inc.")	Affiliate company
Emcure Pharmaceuticals Mena Fz Llc.	Affiliate company
9406-3401 Québec Inc.	Affiliate company
Financière JFL Inc.	Affiliate company
Gestion SBT Inc.	Affiliate company
Financière Picadco Inc.	Affiliate company
Placements Maxime Deslauriers Inc.	Affiliate company
Placements Olivier Paquet Inc.	Affiliate company
Gestion Extensio Inc.	Affiliate company

i. Accounts receivable *(included in accounts and other receivables, net)*

	As at	
	March 31, 2025	**March 31, 2024**
Emcure Pharmaceuticals Limited	44,013	34,362
9406-3401 Québec Inc.	230	-
Financière JFL Inc.	-	17,145
Gestion SBT Inc.	-	17,145
Financière Picadco Inc.	-	16,800
Placements Maxime Deslauriers Inc.	-	4,200
Placements Olivier Paquet Inc.	-	4,200
Gestion Extensio Inc.	-	172
Emcure Pharmaceuticals Mena Fz Llc.	-	60,000
Balance receivable from erst-while shareholders	-	562,185
	44,243	**716,209**

ii. Accounts payable *(included in accounts payable and accrued liabilities)*

	As at	
	March 31, 2025	**March 31, 2024**
Emcure Pharmaceuticals Limited	8,932,465	12,096,064
	8,932,465	**12,096,064**

iv. Advances given *(included in prepaid expenses and other current assets)*

	As at	
	March 31, 2025	**March 31, 2024**
Emcure Pharmaceuticals Limited	-	1,400,000
	-	**1,400,000**

(b) Related party transactions:

The following table summarizes the Group's significant related party transactions:

	For the year ended	
	March 31, 2025	**March 31, 2024**
Purchases		
Emcure Pharmaceuticals Limited	46,883,171	35,737,994
Avet Pharmaceuticals Inc.	-	794,116
Sale		
Emcure Pharmaceuticals Mena Fz Llc.	57,560	54,520
Reimbursement of expenses received		
Emcure Pharmaceuticals Limited	280,373	164,453
Emcure Pharmaceuticals Mena Fz Llc.	29,244	62,329
9406-3401 Québec Inc.	-	50,657
Financière JFL Inc.	600	14,762
Gestion SBT Inc.	600	14,762
Financière Picadco Inc.	3,100	14,762
Placements Maxime Deslauriers Inc.	-	3,653
Placements Olivier Paquet Inc.	-	3,653
Gestion Extensio Inc.	500	150
Reimbursement of expenses paid		
Emcure Pharmaceuticals Limited	3,081,676	1,898,091
Avet Pharmaceuticals Labs Inc	3,765	56,473
9406-3401 Québec Inc.	159,203	50,657
Rent expense		
9406-3401 Québec Inc.	479,806	159,935
License fees paid		
Avet Pharmaceuticals Labs Inc	-	66,095
Interest expenses paid		
Emcure Pharmaceuticals Limited	-	11,750
Corporate guarantee fees paid *(for the corporate guarantee given on loans) - refer note 11 & 2*		
Emcure Pharmaceuticals Limited	1,015,559	704,283

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of considerations established and agreed to by the related parties.

13. EMPLOYEE STOCK OPTIONS

On June 14, 2013, the shareholders of Emcure, in their meeting pursuant to the scheme Emcure-Employee stock option scheme 2013 ("ESOP"), agreed that eligible employees of Emcure group would be granted share options convertible into not more than 2,260,651 shares in one or more tranches. Broadly, the options granted under the Scheme would vest within a period of not less than one year and not more than five years. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the letter of grant given to the option grantees. Certain employees of the Group were granted share options per the following tranches:

Grant date	No of options	Exercise price	Vesting
March 14, 2016	60,000	8.96	Equally, over a period of 5 years
May 27, 2021	130,000	14.34	Equally, over a period of 5 years

The following table summarizes the ESOP stock option activity for the years ended March 31, 2025 and March 31, 2024:

Description	No of options	Weighted average exercise price
Options outstanding as of March 31, 2023	**190,000**	**12.64**
Options granted	-	-
Options exercised	-	-
Options cancelled, forfeited or expired.	-	-
Options outstanding as of March 31, 2024	**190,000**	**12.64**
Vested and exercisable as of March 31, 2024	**112,000**	-
Unvested as of March 31, 2024	**78,000**	-
Options outstanding as of March 31, 2024	**190,000**	**12.64**
Options granted	-	-
Options exercised	-	-
Options cancelled, forfeited or expired	-	-
Options outstanding as of March 31, 2025	**190,000**	**12.64**
Vested and exercisable as of March 31, 2025	**138,000**	-
Unvested as of March 31, 2025	**52,000**	-

The following table summarizes information about the equity settled share option grants outstanding as of March 31, 2025 and March 31, 2024 by exercise price:

Exercise price	March 31, 2025		March 31, 2024	
	Remaining contractual term	No. of shares arising out of options	Remaining contractual term	No. of shares arising out of options
8.96	-	60,000	-	60,000
14.34	2	130,000	3	130,000

Emcure uses the Black Scholes Merton Option Pricing Model to determine the grant-date fair value of stock options. The determination of the fair value of stock options on the grant date is affected by the estimated underlying common stock price, as well as assumptions regarding a number of complex and subjective variables. These variables include expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behaviors, risk-free interest rates, and expected dividends. The grant date fair value of Emcure's stock options granted to employees of the Group was estimated using the Black-Scholes option-pricing model with the following assumptions:

	2016 Grants	2021 Grants
Expected term	4.2 years	3 years
Expected volatility	29.90%	34.50%
Risk free interest rate	7.61%	5.38%
Annual dividend yield	1.00%	1.00%

During the years ended March 31, 2025, and March 31, 2024, the Group recorded a stock-based compensation expense of $55,537, and $94,229, respectively, within "Salaries and benefits" in the consolidated statements of income.

During the years ended March 31, 2025, and March 31, 2024, the unvested compensation expense amounted to $30,138 and $84,867, respectively.

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14. SHARE CAPITAL:

	As at	
	March 31, 2025	March 31, 2024
Authorized :		
Unlimited common shares, voting, participating		
Issued : common shares	43,785,001	43,785,001

Emcure Canada Inc. was incorporated in July 2021 with an initial investment of $ 100,000 from the Parent Company. In exchange, the Parent Company received 100,000 common shares of Emcure Canada Inc. These shares were converted to common shares of the amalgamated company upon amalgamation on August 13, 2021. The 24,380,001 common shares previously held by the Parent Company in the capital of Marcan before the amalgamation were also converted to common shares of the amalgamated company upon amalgamation.

The Group had an outstanding note payable to its Parent Company in the amount of $ 17,000,000, bearing interest at rate of 5.004% per annum. On June 28, 2022, the Group raised equity funding of $ 19,305,000 from the Parent Company. As part of this equity transaction, $ 16,605,000 of the outstanding note payable was converted into 16,605,000 equity shares of $ 1 each. The remaining balance of $ 395,000 was repaid during the year ended March 31, 2024.

15. SALES

	For the years ended	
	March 31, 2025	March 31, 2024
Sale of products	196,129,356	142,232,235
Commission income	5,091,892	1,434,847
Rendering of services	1,234,539	645,291
Total	**202,455,787**	**144,312,373**

16. CONTINGENT CONSIDERATION PAYABLE

As part of the purchase consideration for the acquisition completed on November 06, 2023 (refer to Note 20), Group issued 24,000,000 Class "E" preferred shares to the selling shareholders. These shares are non-voting, non-dividend bearing, and are redeemable for cash based on the achievement of future financial performance targets, primarily tied to EBITDA and synergy thresholds for the fiscal year ending March 31, 2027, as specified in the purchase agreement.

Due to the conditional and cash-settled nature of these instruments, the preferred shares have been classified as a financial liability and initially recognized at their fair value of $37,456,000. As at March 31, 2025, the liability is measured at $40,887,916, based on a discount rate of 5.40%, and will accrete to an expected redemption value of $44,215,135 over time.

The increase in carrying value reflects the passage of time and the evolving probability of meeting performance conditions. For the year ended March 31, 2025, the Group recognized an accretion expense of $2,481,815 (2024 – $950,101).

17. COMMITMENTS

The Group leases office space under an operating lease which will expire in January 2031. The minimum aggregate rent payable for the next six year are:

FY 2025-2026	738,337
FY 2026-2027	741,463
FY 2027-2028	744,656
FY 2028-2029	681,014
FY 2029-2030	582,996
FY 2030-2031	479,796

The lease expenses for office space for the years ended March 31, 2025 and March 31, 2024 amounted to $998,408 and $509,649, respectively. The rent expenses mentioned in the consolidated statements of income includes base rent, maintenance charges and property taxes.

18. CONTINGENT LIABILITIES:

The Group, along with certain other generic drug companies, has entered into a tolling agreement, as requested by a defendant of a class action that was filed in 2015. The Group was originally not listed as a defendant in the class action claim. During the year ended March 31, 2021, the Group was named as a defendant, along with other companies in the class action claim. No provision has been made for the years ended March 31, 2025, and March 31, 2024 consolidated financial statements as the likelihood that the Group will incur a loss is remote at this time.

During the year ended March 31, 2024, a claim was made against the Group by a supplier (the plaintiff) in the amount of $187,817, representing unpaid invoices for products sold to the Group. In response, the Group made a partial payment of $81,226 during the period from November 6, 2023, to March 31, 2024, reflecting its assessment of the amount owed. Subsequently, the plaintiff issued a notice of intent to pursue legal action for the remaining balance of $106,591. On February 20, 2025, the Group entered into a settlement agreement with the plaintiff under which the matter was settled through a final payment of $42,500. As of March 31, 2025, there are no ongoing or new legal proceedings involving the Group.

19. FINANCIAL RISKS:

(a) Currency risk:

Approximately 10.74% (2023 - 17.2%) of the Group's sales are in foreign currency. Consequently, some assets, liabilities, revenue, and expenses are exposed to foreign exchange fluctuations. The following amounts represent balances at year-end denominated in USD and EURO, which have been translated into Canadian dollars in the consolidated financial statements:

	As at	
In USD	**March 31, 2025**	**March 31, 2024**
Cash & cash equivalents	97,190	36,581
Accounts and other receivables	3,911,546	2,674,740
Accounts payable and accrued liabilities	2,216,462	2,091,165
Long-term debt	-	12,737,500
Prepaid expenses and other current assets	-	162,774
In EURO		
Accounts payable and accrued liabilities	-	40,763

(b) Credit risk:

The Group is exposed to credit risk in the event of non-performance by customers but does not anticipate such non-performance. The Group monitors credit risk and credit reporting of customers as a regular basis. The maximum credit exposure is the fair value of accounts receivable.

(c) Liquidity risk:

Liquidity risk is the risk that the Group will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Group manages its liquidity risk by monitoring its operating requirements. The Group prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(d) Interest rate risk:

The Group has debts with variable interest rates based on LIBOR, Prime plus a margin and CORRA. As a result, the Group is exposed to interest rate risk due to fluctuations in the LIBOR, Prime rates and CORRA rates. There have been no significant changes to the Group's exposure to financial risks and concentration of risks from March 31, 2024.

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20. BUSINESS COMBINATION:

Marcan Pharmaceutical Inc. incorporated Québec Inc. by investing $100 on October 16, 2023.

On November 06, 2023, Québec Inc. acquired entities namely (i) Holding JFL Inc., Gestion Nirdac Inc., Gestion Stéphane Turcotte Inc., Gestion Beflan Inc., Gestion Éléoraph Inc. (collectively 'Mantra Holdcos') (ii) Mantra Pharma Inc. ('Mantra') (iii) Mantra Distribution Inc. (Subsidiary of Mantra Pharma Inc.) and (iv) Myriad Pharma Inc. ('Myriad') (hereinafter referred to as "Acquired entities") pursuant to share purchase agreement dated November 06, 2023.

On November 06, 2023, Quebec Inc. amalgamated with the above-mentioned Acquired entities such that the such that the newly incorporated company Mantra Pharma Inc. became the resulting amalgamated entity. As a result of the above-mentioned transaction the Mantra became a wholly-owned subsidiary of the Parent Company on November 06, 2023.

This acquisition included the purchase of 100% of issued and outstanding shares of the Acquired entities for upfront cash consideration plus additional contingent consideration payable to the erst-while shareholders of Mantra in the form of preference shares, based on achievement of specific EBITDA levels of Mantra for the year ended March 31, 2026, or at the option of erst-while shareholders for the year ended March 31, 2027, pursuant to the share purchase agreement dated November 06, 2023.

Details of the purchase consideration, the net assets acquired, assets and liabilities recognised as a result of the acquisition are as follows:

Net assets acquired (at fair value)	**As at November 06, 2023**
Property and equipment	1,419,380
Customer relationships	59,133,000
Brand name	3,434,000
Licenses	5,154,000
Cash and cash equivalents	367,177
Accounts and other receivables	10,273,333
Inventories	18,951,605
Prepaid expenses and other current assets	1,389,590
Accounts payable and accrued liabilities	(13,834,273)
Deferred tax liabilities (net)	(17,292,935)
Total net identifiable assets acquired (A)	**68,994,876**
Cash consideration paid	57,079,886
Contingent consideration payable	37,456,000
Total consideration (B)	**94,535,886**
Goodwill C = (B-A)	**25,541,010**

The goodwill is attributable to the workforce and the high profitability of the acquired business. In the event that certain pre-determined EBITDA levels are achieved by the Mantra, additional contingent consideration of $44,215,135 is estimated as the redemption amount for the 24,000,000 Class "E" preferred stock in 2026-27. The estimates are based on a calculation of the assumed probability-adjusted EBITDA of the acquired entities. The contingent consideration of $44,215,135 is further discounted at 5.40% amounting to $37,456,000.

Pursuant to the above transaction, the Parent Company guarantees the erstwhile shareholders of the Acquired entities in respect of the Parent company's obligations due in the fiscal year 2026-2027 for the Mantra's earn out payment obligations.

21. SUBSEQUENT EVENTS

The Group evaluated all events and transactions that occurred after March 31, 2025, up to the date the consolidated financial statements were available to be issued. Based on the evaluation the Group is not aware of any events or transactions that require recognition or disclosure in the consolidated financial statements.

G. C. C. Business & Assurance Pty Ltd

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Suite 807, 109 Pitt Street, Sydney

EMCURE PHARMACEUTICALS PTY LTD
(A.B.N 47 606 490 797)
INDEPENDENT AUDITOR'S REPORT

To the Members of Emcure Pharmaceuticals Pty Ltd

Opinion

We have audited the financial report of Emcure Pharmaceuticals Pty Ltd ("the Company ") which comprises the statement of financial position as at 31 March 2025, the income statement and statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors .

In our opinion:

The accompanying financial report of the Company is in accordance with the Corporations Act, 2001 including:

i. giving a true and fair view of the Company's financial position as at 31 March, 2025 and of its financial performance for the year then ended;
ii. complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act, 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act, 2001 which has been given to the Directors of Emcure Pharmaceuticals Pty Ltd would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information included in the financial statements, being the Directors' Declaration (page 14).

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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Auditor's Responsibilities for the Audit of the Financial Report (cont)

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 report 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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



GCC Business & Assurance Pty Ltd
Directors : Graeme Matthew Green
Registered Audit Company
No. 307963

Signed in Sydney

Dated 02 May 2025

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Emcure Pharmaceuticals Pty Ltd
ABN 47 606 490 797

Financial Statements
for the year ended 31st Mar 2025

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Income Statement and Statement of Comprehensive Income for the year ended 31st Mar 2025

	Notes	2025 $	2024 $
Revenue			
Market and product registration support service income (cost plus mark-up)		270,583	182,322
Total Revenue		270,583	182,322
Expenses			
Director's salary & remuneration		38,400	23,430
Legal and professional fees		96,775	49,271
Rent		1,800	1,800
Product registration		100,570	84,827
Interest and bank charges		178	236
Superannuation		4,368	2,550
Audit fees		3,000	3,250
Filing fees		406	383
Subscription		487	-
Expenses		**245,984**	**165,747**
Net operating profit/(loss) before income tax		**24,599**	**16,575**
Income tax expense	2	7,588	11,626
Net profit/(loss) for the year		**17,011**	**4,949**
Accumulated losses at the beginning of the financial year		**(651,071)**	**(656,020)**
Accumulated losses at the end of the financial year		**(634,060)**	**(651,071)**

The above Income Statement and Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position for the year ended 31st Mar 2025

	Notes	2025	2024
		$	$
Current assets			
Cash and cash equivalents	3	83,729	31,283
Receivables (from parent entity)		266,623	354,426
Other assets	4	28,241	430
Total current assets		**378,593**	**386,139**
Non-current assets			
Total non-current assets		-	-
Total assets		**378,593**	**386,139**
Current liabilities			
Income tax payable	6	5,588	10,126
Payables		3,750	25,086
WHT payable (PAYG W)		2,211	1,338
Superannuation payable		1,104	660
Total current liabilities	5	**12,653**	**37,210**
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		**12,653**	**37,210**
Net assets		**365,940**	**348,929**
Represented by:			
Equity			
Contributed equity	7	1,000,000	1,000,000
Accumulated losses		(634,060)	(651,071)
Total equity		**365,940**	**348,929**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the year ended 31st Mar 2025

	Notes	2025	2024
		$	$
Cash flows from operating activities			
Receipts from operating activities		270,583	182,322
Payments in the course of operations		(245,984)	(165,747)
Advance income tax paid		(7,588)	(1500)
Income tax refund received		-	4,543
Increase or (Decrease) in accruals		(25,874)	-
(Increase) or Decrease in current assets		59,992	(122,670)
(Increase) or Decrease in current liabilities		1,317	22,285
Net cash flows from operating activities	8	**52,446**	**(80,767)**
Cash flow from investing activities			
		-	-
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Borrowings from / (repayments to) parent entity		-	-
Net cash flows from financing activities		-	-
Net increase in cash and cash equivalents		**52,446**	**(80,767)**
Cash and cash equivalents at the beginning of the year		31,283	112,050
Cash and cash equivalents at the end of the year	8	**83,729**	**31,283**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 31st Mar 2025

	Contributed Equity $	Accumulated deficits $	Total $
Balance at 31 March 2023	1,000,000	(656,020)	(343,980)
Net profit for the year FY24	-	4,949	4,949
Total comprehensive income	-	4,949	4,949
Balance at 31 March 2024	**1,000,000**	**(651,071)**	**348,929**
Net profit for the year FY25	-	17,011	17,011
Total comprehensive income	-	17,011	17,011
Balance at 31 Mar 2025	**1,000,000**	**(634,060)**	**365,940**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Financial statements for the year ended 31st Mar 2025

Notes to the financial statements

1. Significant accounting policies

Emcure Pharmaceuticals Pty Ltd (the Company) is a for-profit company limited by shares, incorporated in Australia. Its ultimate parent holding company is based in India. The Company was incorporated on 17 June 2015.

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Statement of compliance

These general-purpose financial statements have been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act* 2001 (Cth).

The financial statements were authorized for issue on the date of the Directors' Declaration.

(c) Currency of presentation

All amounts are expressed in Australian dollars unless otherwise stated.

(d) Rounding of amounts

The Company is a company of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016 and in accordance with the Corporations Instruments, amounts in the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

(e) Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are normally recognized in the Income Statement. Non-monetary items are translated using the exchange rate at the date of the initial recognition of the asset or liability.

Financial statements for the year ended 31st Mar 2025

Notes to the financial statements

Significant accounting policies (continued)

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Market and product registration support service income

Market support and product registration service income (cost plus mark-up) is recognized on a "cost plus" basis recoverable from the parent entity. The "cost plus" basis includes all current year ordinary operating costs incurred by the company plus a mark-up. Interest expense and investment impairment is not included.

Interest income

Revenue from interest is recognized using the effective interest rate method

(g) Income tax

Current income tax

Income tax expense (or benefit) is the tax payable (or receivable) on the current period's taxable income based on the applicable tax rate in each jurisdiction adjusted by changes in deferred tax assets and liabilities. Income tax expense is recognized in the Income Statement. The tax associated with these transactions will be recognized in the Income Statement at the same time as the underlying transaction.

Current tax liability is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Goods and services tax

Revenues, expenses and assets are recognized net of the amount of goods and services tax (GST), except where the GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognized as part of the expense or the cost of acquisition of the asset.

Receivables (where it includes GST) and payables (where it includes GST) are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a receivable or payable in the Statement of Financial Position.

(h) Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash within three months and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

(i) Payables

Payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the reporting period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Given the short-term nature of most payables, the carrying amount approximates fair value.

Significant accounting policies (continued)

(j) Contributed equity

Ordinary *shares*

In accordance with the *Corporations Act* 2001 (Cth), the Company does not have authorized capital and all ordinary shares have $1 face value. Ordinary shares are classified as equity.

Holders of ordinary shares are entitled to receive dividends as declared from time to time. In the event of a winding-up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

(k) Critical accounting assumptions and estimates

The application of the Company's accounting policies requires the use of judgements, estimates and assumptions. If different assumptions or estimates were applied, the resulting values would change, impacting the net assets and income of the Company.

Assumptions made at each reporting date are based on best estimates at that date. Although the Company has internal control systems in place to ensure that estimates are reliably measured, actual amounts may differ from those estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Financial statements for the year ended 31st Mar 2025

Notes to the financial statements

2. Income tax

Income tax expense is made up of:	2025 $	2024 $
Current income tax charge	7,588	11,626
Total income tax charge to income	7,588	11,626

(a) **Reconciliation of income tax expense shown in the Statement of Comprehensive Income with prima facie tax payable on the pre-tax accounting profit**

(Loss)/Profit before income tax	24,599	16,575
Prima facie income tax expense(benefit) at 30%	7,380	4,973
Adjustments for:		
- Under / (over) provision in prior years	-	-
- Non-allowable expenses	1,306	6,653
- Capital losses	-	-
- Brought forward losses	-	-
- Other deductible items	1,098	-
Total income tax expense	7,588	11,626

3. Cash and cash equivalents

Cash at bank: Commonwealth Bank	83,729	31,283
	83,729	31,283

4. Other assets

GST Receivable	735	430
Other receivables	27,506	-
	28,241	430

Financial statements for the year ended 31st Mar 2025

Notes to the financial statements

5. Current Liabilities

	2025 $	2024 $
Product registration expenses payable	-	22,088
Audit fees FY 2025 accrual	3,250	3,000
WHT payable (PAYG W)	2,211	1,338
Superannuation payable	1,104	660
PAYG Withholding	500	-
	7,065	27,086

6. Taxes Payable

Income tax	5,588	10,126
	5,588	10,126

Income tax payable reconciliation

Income tax payable (opening balance)	10,126	(4,543)
Income tax paid	10,126	4,543
	-	-
Current year provision for tax	7,588	11,626
PAYG-I raised	(2,000)	(1,500)
Tax payable	5,588	10,126

7. Contributed equity

Paid up capital

Ordinary shares	100,000	100,000
Class A	700,000	700,000
Class B	200,000	200,000
	1,000,000	1,000,000

	Number of shares	2025 $	Number of shares	2024 $
Balance at start of year	1,000,000	1,000,000	1,000,000	1,000,000
Movements during the year:				
- Share issue	-	-	-	-
Total contributed equity at end of year	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**

Financial statements for the year ended 31st Mar 2025
Notes to the financial statements

8. Notes to the Cash flow statement

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents as at the end of the reporting period as shown in the Cash flow statement are reconciled to the related items in the Statement of Financial Position as follows:

	2025	2024
	$	$
Cash & cash equivalents	83,729	31,283
	83,729	**31,283**

(b) Reconciliation of profit/ (loss) after tax to net cash from operating activities

	2025	2024
	$	$
Cash flow from operating activities		
Net (loss)/profit after tax	17,011	4,949
Non-cash items		
Depreciation	-	-
Movement in working capital items		
(Increase) /decrease in receivables	87,803	(122,670)
(Increase) /decrease in other assets	(27,811)	-
Increase /(decrease) in tax liabilities	(4,538)	14,669
Increase /(decrease) in payables and accruals	(20,019)	22,285
Net cash flows used in operating activities	**52,446**	**(80,767)**

Financial statements for the year ended 31st Mar 2025

Notes to the financial statements

9. Related party dealings and economic dependence

The registered office of the ultimate holding company (Emcure Pharmaceuticals Limited) is located in Plot No. P-1 & P-2, IT-BT Park, Phase-II, M.I.D.C., Pune, India 411057. Emcure Pharmaceuticals Pty Ltd in Australia receives support service revenue (cost plus mark-up) from its holding company for assisting in the product registration in Australia.

All sales are contracted between the ultimate holding company and their customers in Australia and New Zealand. The company (Emcure Pharmaceuticals Pty Ltd) is not responsible for product quality nor is a party to or responsible for sales entered into by the ultimate holding company. To the best of the director's belief, no sales orders remained unfulfilled as at 31 March 2025. Further, the ultimate holding company has confirmed that there are no outstanding orders.

Emcure Pharmaceuticals Pty Ltd is dependent upon the ongoing financial and operational support from its Indian holding company to ensure continuance of its activities in Australia. In this regard, the holding company in India has pledged to continue this support in the coming years to ensure the company in Australia can pay all its debts and commitments as they become due and payable with all creditors including the regulatory body (TGA) concerning product registration.

10. Key Management Personnel

Any person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director is considered key management personnel.

	2025 $	2024 $
Key management personnel compensation (Australian resident director)	38,400	23,430

Transactions with related parties are on normal terms and conditions. Services provided by entities related to the director include provision of accounting and other services totaling $17,287.

11. Subsequent events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

12. Company details

The registered office address of the company is:

Suite 807, 109 Pitt Street,
Sydney, NSW 2000

Directors' declaration

The directors of the company declare that the attached financial statements and notes thereto have been prepared in accordance with the *Corporations Act* 2001 (Cth) requirements.

In the Directors' opinion:

(a) the financial statements and notes are in accordance with the *Corporations Act* 2001 (Cth), including:

i. complying with Accounting Standards and other mandatory professional reporting requirements as detailed above and the *Corporations Regulations* 2001 (Cth);

ii. giving a true and fair view of the financial position of the Company as at 31 March 2025 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Subhadeep Mitra

Director
Sydney
2 May 2025

Abhijeet Shah

Director
Pune, India
2 May 2025

R. B. Sharma & Co.
Chartered Accountants
B-2,NEEL SADAN, 1426, GROUND FLOOR,
SADASHIV PETH, PUNE -411 030.
TEL.: 020 -24477595/24472405
E-mail : rbsharmaandco@gmail.com

Report on Special Purpose Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of **LABORATORIOS TILLOMED SPAIN SLU.** (the "Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended March 31, 2025 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended March 31, 2025 are prepared, in all material respects, in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Basis for Opinion

We conducted our audit of the Special Purpose Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Ind AS 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 Act 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 audit opinion on the Special Purpose Ind AS Financial Statements.

Management's Responsibility for the Special Purpose Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Special Purpose Ind AS Financial Statements in accordance with Indian Accounting Standards (Ind AS) notified under

R. B. Sharma & Co. FRN 109971W Pune Chartered Accountants

Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Ind AS Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Ind AS Financial Statements, Board of Directors 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. Further, we would also like to draw attention to Note 1B of the Special Purpose Ind AS Financial Statements regarding management's going concern assessment.

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

Auditors' Responsibility for the Special Purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Ind AS 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 Special Purpose Ind AS 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 Special Purpose Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Other matters

This report on the Special Purpose Ind AS Financial Statements has been issued solely for the limited purpose of consolidation into the financial statements of the holding company, Emcure Pharmaceuticals Limited and is intended solely for the information and use by the managements of the Company and the Holding Company. It should not be used for any other purpose or provided to other parties.

For R.B. Sharma & Co
Chartered Accountants
Firm Registration No. 109971W
UDIN: 25044366BMKSZY1129

R. B. Sharma & Co. ★ FRN 109971W Pune ★ Chartered Accountants

Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

Laboratorios Tillomed Spain SLU
Balance Sheet as at March 31, 2025

Particulars	Note	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Assets					
Non-Current Assets					
Property, plant and equipment	2A	1	1,077	-	0.10
Intangible Assets	2B	24,473	64,550	2.26	5.81
Financial Assets					
Other non-current financial assets	3	61,221	62,105	5.66	5.59
Income tax assets (net)	22	74,242	1,04,603	6.86	9.41
Total Non-Current Assets		**1,59,937**	**2,32,335**	**14.78**	**20.91**
Current Assets					
Inventories	4	-	1,79,313	-	16.14
Financial Assets					
i) Trade receivables	5	12,20,504	18,24,217	112.79	164.16
ii) Cash and cash equivalents	6	2,94,937	2,00,928	27.26	18.08
iii) Other financial assets	7	-	1,28,423	-	11.56
Other current assets	8	2,28,561	83,832	21.12	7.54
Total Current Assets		**17,44,002**	**24,16,713**	**161.17**	**217.48**
Total Assets		**19,03,939**	**26,49,048**	**175.95**	**238.39**
Equity and Liabilities					
Equity					
Share capital	9	5,43,000	5,43,000	40.71	40.71
Other Equity					
Other equity	10	(2,29,492)	(93,402)	(11.73)	(0.25)
Total Equity		**3,13,508**	**4,49,598**	**28.98**	**40.46**
Non-Current Liabilities					
Other non current liabilities		-	-	-	-
Total Non-Current Liabilities		-	-	-	-
Current Liabilities					
Financial liabilities					
i) Trade payables	11	14,83,037	21,75,956	137.05	195.82
ii) Other current financial liabilities	12	19,842	19,828	1.83	1.78
Other current liabilities	13	87,552	3,666	8.09	0.33
Total Current Liabilities		**15,90,431**	**21,99,450**	**146.97**	**197.93**
Total Liabilities		**15,90,431**	**21,99,450**	**146.97**	**197.93**
Total Equity and Liabilities		**19,03,939**	**26,49,048**	**175.95**	**238.39**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For R.B. Sharma & Co.
Chartered Accountants
Firm Registration No. 109971W

Mr. Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

R. B. Sharma & Co. * FRN 109971W * Pune * Chartered Accountants

For and on behalf of the Board of Directors
Laboratorios Tillomed Spain SLU

Mr. Tajuddin Shaikh
Director

Place: Pune
Date: 16/05/2025

Laboratorios Tillomed Spain SLU
Statement of Profit and Loss for the year ended March 31, 2025

Particulars	Note	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Total Income:					
Revenue from operations	14	7,33,907	39,44,356	66.61	354.24
Other income	15	8,820	25,787	0.80	2.32
Total Income		**7,42,727**	**39,70,143**	**67.41**	**356.56**
Expenses:					
Purchases of stock-in-trade		(1,21,751)	24,41,703	(10.92)	219.68
Changes in inventories of stock in trade	16	1,79,313	4,11,930	16.14	36.60
Employee benefit expenses	17	94,977	2,08,630	8.62	18.74
Depreciation and amortisation expense	18	41,153	1,65,739	3.74	14.88
Other expenses	19	5,09,162	7,47,635	46.21	67.15
Finance costs	20	963	5,324	0.09	0.48
Net (gain) / loss on foreign currency transactions		-	-	-	-
Total Expenses		**7,03,817**	**39,80,961**	**63.88**	**357.53**
Profit before exceptional items and taxation		**38,910**	**(10,818)**	**3.53**	**(0.97)**
Exceptional items	21	1,75,000	-	15.88	-
Loss before taxation		**(1,36,090)**	**(10,818)**	**(12.35)**	**(0.97)**
Tax expenses	22				
Current tax		-	1,02,572	-	9.21
Deferred tax		-	-	-	-
Total tax expenses		**-**	**1,02,572**	**-**	**9.21**
Loss for the year		**(1,36,090)**	**(1,13,390)**	**(12.35)**	**(10.18)**
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences in translating financials statement of foreign operations				0.87	0.43
Total other comprehensive income for the year		**-**	**-**	**0.87**	**0.43**
Total comprehensive loss for the year		**(1,36,090)**	**(1,13,390)**	**(11.48)**	**(9.75)**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For R.B. Sharma & Co.
Chartered Accountants
Firm Registration No. 109971W

Mr. Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

R.B. Sharma & Co. FRN 109971W Pune Chartered Accountants

For and on behalf of the Board of Directors
Laboratorios Tillomed Spain SLU

Mr. Tajuddin Shaikh
Director

Place: Pune
Date: 16/05/2025

Laboratorios Tillomed Spain SLU
Statement of changes in equity for the year ended March 31, 2025

Equity share capital	Note	EUR	Rs. in millions
As at April 1, 2023		**5,43,000**	**40.71**
Changes in equity share capital	9	-	-
As at March 31, 2024		**5,43,000**	**40.71**
Changes in equity share capital		-	-
As at March 31, 2025		**5,43,000**	**40.71**

Other equity	Note	EUR Reserves and Surplus Retained earnings	EUR Other Comprehensive Income Foreign currency translation reserve	Rs. in millions Reserves and Surplus Retained earnings	Rs. in millions Other Comprehensive Income Foreign currency translation reserve
As at April 1, 2023		**19,988**	-	**3.02**	**6.48**
Loss for the year		(1,13,390)	-	(10.18)	-
Exchange differences in translating financials statement of foreign operations		-	-	-	0.43
As at March 31, 2024		**(93,402)**	-	**(7.16)**	**6.91**
Profit for the year		(1,36,090)	-	(12.35)	-
Exchange differences in translating financials statement of foreign operations		-	-	-	0.87
As at March 31, 2025		**(2,29,492)**	-	**(19.51)**	**7.78**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For R.B. Sharma & Co.
Chartered Accountants
Firm Registration No. 109971W

Mr. Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

R.B. Sharma & Co. FRN 109971W Pune Chartered Accountants

For and on behalf of the Board of Directors
Laboratorios Tillomed Spain SLU

Mr. Tajuddin Shaikh
Director

Place: Pune
Date: 16/05/2025

Laboratorios Tillomed Spain SLU
Cash flow statement for the year ended March 31, 2025

Particulars	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Cash flow from operating activities :-				
Loss before taxation	**(1,36,090)**	(10,818)	**(12.35)**	**(0.97)**
Depreciation and amortisation expense	41,153	1,65,739	3.74	14.88
Finance Cost	963	5,324	0.09	0.48
Effect of exchange rate changes			0.78	0.27
	(93,974)	**1,60,245**	**(7.74)**	**14.66**
Working capital adjustments:				
(Increase)/ decrease in inventory	1,79,313	4,11,930	16.14	36.60
(Increase)/ decrease in trade receivables	6,03,713	21,03,380	51.37	186.17
(Increase)/ decrease in other financial assets	1,29,307	1,89,351	11.49	16.74
(Increase)/ decrease in other assets	(1,44,729)	(83,832)	(13.58)	(7.54)
Increase/ (decrease) in trade payables	(6,92,919)	(27,53,976)	(58.77)	(243.92)
Increase/ (decrease) in other financial liabilities	14	(2,49,925)	0.05	(22.28)
Increase/ (decrease) in other liabilities	83,886	(33,544)	7.76	(2.99)
	1,58,585	**(4,16,616)**	**14.46**	**(37.22)**
Cash generated from operating activities	**64,611**	**(2,56,371)**	**6.72**	**(22.56)**
Income tax paid (net of refunds)	30,361	(73,835)	2.55	(6.73)
Net cash from operating activities (A)	**94,972**	**(3,30,206)**	**9.27**	**(29.29)**
Cash flow from investing activities :-				
Net cash (used in)/from investing activities (B)	-	-	-	-
Cash flow from financing activities :-				
Finance cost paid	(963)	(5,324)	(0.09)	(0.48)
Net cash used in financing activities (C)	**(963)**	**(5,324)**	**(0.09)**	**(0.48)**
Net (decrease)/increase in cash & cash equivalents (A+B+C)	**94,009**	**(3,35,530)**	**9.18**	**(29.77)**
Opening cash and cash equivalents	2,00,928	5,36,458	18.08	47.85
Closing cash and cash Equivalents	**2,94,937**	**2,00,928**	**27.26**	**18.08**
Closing cash and cash equivalents (Note 6)	**2,94,937**	**2,00,928**	**27.26**	**18.08**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For R.B. Sharma & Co.
Chartered Accountants
Firm Registration No. 109971W

Mr. Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

R. B. Sharma & Co. FRN 109971W Pune Chartered Accountants

For and on behalf of the Board of Directors
Laboratorios Tillomed Spain SLU

Mr. Tajuddin Shaikh
Director

Place: Pune
Date: 16/05/2025

1A. General information:

Laboratoris Tillomed Spian SLU (hereinafter referred to as "Company") is incorporated and domiciled in Spain. The Company is wholly owned subsidiary of Emcure Pharma UK Limited (company incorporated in UK) which in turn is subsidary of Emcure Pharmaceuticals Ltd (hereinafter referred to as "Ultimate Holding Company"). The Company has its registered office in Spain and is engaged in developing, manufacturing and marketing a broad range of pharmaceutical products within EU region.

1B. Basis of preparation

a) Statement of compliance
These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Functional and presentation currency
The financial statements are presented in Euro, which is the Company's functional currency and is also presented in Indian Rupees (INR), which is the functional currency of Ultimate Holding Company.

c) Basis of Measurement
The financial statements are prepared under the historical cost basis.

d) Use of estimates and judgements
In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

e) Current versus non current classification
All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

1C. Material accounting policies

a) Foreign Currency Translation

Transaction in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange difference are recognised in statement of profit and loss, except exchange differences arising from the translation of long term foreign currency monetary items pertaining to purchase of property, plant and equipment and intangible assets which are recognised directly in other equity.

Reporting in Indian Rupees
Assets and liabilities of entities have been translated to the Indian Rupees using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the other comprehensive income which is presented within equity.

b) Financial instruments

i. Recognition and initial measurement
Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

R. B. Sharma & Co. FRN 109971W Pune Chartered Accountants

1C. Material accounting policies (continued)

b) Financial instruments (continued)

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost; or
- Fair value [either through profit and loss (FVTPL) or through other comprehensive income (FVOCI)]

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- The asset is held within a business model whose objective is to hold assets 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.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Fair value changes are recognised in other comprehensive income. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. When such asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income / expenses.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

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

R. R. Sharma & Co. FRN 109971W Pune Chartered Accountants

1C. Material accounting policies (continued)

c) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimate costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013 except for vehicles and furnitures and fixtures at leasehold premises. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimated useful life	Useful life as per schedule II
Computers	3-6 years	3-6 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d) Intangible assets

i. Initial recognition:

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment loses, if any.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to Company.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value over their estimated useful lives using straight line method, as is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Intangible Asset	Management estimated useful life
Software, license rights	2 to 10 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

R. B. Sharma & Co. FRN 109971W Pune Chartered Accountants

1C. Material accounting policies (continued)

e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost on inventories is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

f) Impairment

Impairment of financial instruments
The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) is recognized in the statement of profit and loss.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitate and qualitative information and analysis based on Company's historical experience and informed credit assessment and including forward - looking information.

The Company assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due.

The Company considers financial asset to be in default when:
a. The borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to action such as realising security (if any is held); or
b. The financial asset is 360 days or more past due.

Presentation of allowance of expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write – off

The Gross carrying amount of financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when Company determines that the debtor does not have asset or source of income that could generate sufficient cash flows to repay the amount subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

g) Employee benefits

Employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.



1C. Material accounting policies (continued)

h) Provisions (other than for employee benefits), Contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

i. Contingencies
Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

ii. Contingent liabilities and contingent assets
A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

i) Revenue

Sale of goods
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The Company recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes significant financing component.

The Company recognises refund liability where the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price). The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The provision on account of the expected amount of returns is included in provisions and the right to recover returned goods is included in inventory.

Rendering of services
Revenue from rendering of services is recognised in statement of profit and loss by reference to percentage completion method. The Company is involved in rendering services related to its products to its customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

Market support income/ Profit sharing revenue
The Company has an agreement with Ultimate Holding Company which assures minimum operating margin at an agreed arm's length rate. At the end of each reporting period, the Company updates its transfer pricing working to represent faithfully the circumstances present at the end of the reporting period. The differential excess or shortfall in operation profits is either recovered from or passed on to the Ultimate Holding Company.

j) Income tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

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1C. Material accounting policies (continued)

j) Income tax (continued)
ii. Deferred tax (continued)
Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Leases

The Company as a lessee
The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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

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

l) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

m) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n) Exceptional item

In certain instances, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financials statements.

o) Cash flow statement

Cash flow from operations are reported using the indirect method, whereby profit before tax 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 item 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. For the purpose of cash flow statement bank overdraft that are repayable on demand are considered as cash and cash equivalent as it form an integral part of the company's cash management.

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Laboratorios Tillomed Spain SLU
Notes to the financial statements (continued)
For the year ended March 31, 2025

EUR

Note 2 Tangible & Intangible Assets	Gross Book Value					Depreciation/Amortisation					Net Book Value
	As at 01-Apr-24	Additions During the Year	Deletion During the Year	FCTR Adjustments	As at 31-Mar-25	As at 01-Apr-24	Charge for the year	Deletion During the Year	FCTR Adjustments	As at 31-Mar-25	As at 31-Mar-25
2A. Property, plant and equipment											
Furniture and Fixtures	7,669	-	-	-	7,669	7,669	-	-	-	7,669	-
Computers	12,342	-	-	-	12,342	11,265	1,076	-	-	12,341	1
Office equipments	17,171	-	-	-	17,171	17,171	-	-	-	17,171	-
TOTAL (A)	**37,182**	-	-	-	**37,182**	**36,105**	**1,076**	-	-	**37,181**	**1**
2B. Intangible Assets											
License rights	5,73,860	-	-	-	5,73,860	5,09,310	40,077	-	-	5,49,387	24,473
Softwares	2,806	-	-	-	2,806	2,806	-	-	-	2,806	-
TOTAL (B)	**5,76,666**	-	-	-	**5,76,666**	**5,12,116**	**40,077**	-	-	**5,52,193**	**24,473**
TOTAL ASSETS	**6,13,848**	-	-	-	**6,13,848**	**5,48,221**	**41,153**	-	-	**5,89,374**	**24,474**

Rs. in millions

Note 2 Tangible & Intangible Assets	Gross Book Value					Depreciation/Amortisation					Net Book Value
	As at 01-Apr-24	Additions During the Year	Deletion During the Year	FCTR Adjustments	As at 31-Mar-25	As at 01-Apr-24	Charge for the year	Deletion During the Year	FCTR Adjustments	As at 31-Mar-25	As at 31-Mar-25
2A. Property, plant and equipment											
Furniture and Fixtures	0.69	-	-	0.02	0.71	0.68	-	-	0.03	0.71	-
Computers	1.11	-	-	0.03	1.14	0.96	0.10	-	0.08	1.14	-
Office equipments	1.55	-	-	0.04	1.59	1.53	-	-	0.06	1.59	-
TOTAL (A)	**3.35**	-	-	**0.09**	**3.44**	**3.17**	**0.10**	-	**0.17**	**3.44**	-
2B. Intangible Assets											
License rights	51.64	-	-	1.39	53.03	30.69	3.64	-	16.44	50.77	2.26
Softwares	0.25	-	-	0.01	0.26	0.25	-	-	0.01	0.26	-
TOTAL (B)	**51.89**	-	-	**1.40**	**53.29**	**30.94**	**3.64**	-	**16.45**	**51.03**	**2.26**
TOTAL ASSETS	**55.24**	-	-	**1.49**	**56.73**	**34.11**	**3.74**	-	**16.62**	**54.47**	**2.26**

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Laboratorios Tillomed Spain SLU
Notes to the financial statements (continued)
For the year ended March 31, 2024

EUR

Note 2 Tangible & Intangible Assets	Gross Book Value					Depreciation/Amortisation					Net Book Value
	As at 01-Apr-23	Additions During the Year	Deletion During the Year	FCTR Adjustments	As at 31-Mar-24	As at 01-Apr-23	Charge for the year	Deletion During the Year	FCTR Adjustments	As at 31-Mar-24	As at 31-Mar-24
2A. Property, plant and equipment											
Furniture and Fixtures	7,669	-	-	-	7,669	7,669	-	-	-	7,669	-
Computers	11,764	578	-	-	12,342	10,812	453	-	-	11,265	1,077
Office equipments	17,171	-	-	-	17,171	17,171	-	-	-	17,171	-
TOTAL (A)	**36,604**	**578**	**-**	**-**	**37,182**	**35,652**	**453**	**-**	**-**	**36,105**	**1,077**
2B. Intangible Assets											
Intellectual property	5,74,440	-	(580)	-	5,73,860	3,44,024	1,65,286	-	-	5,09,310	64,550
Softwares	2,806	-	-	-	2,806	2,806	-	-	-	2,806	-
TOTAL (B)	**5,77,246**	**-**	**(580)**	**-**	**5,76,666**	**3,46,830**	**1,65,286**	**-**	**-**	**5,12,116**	**64,550**
TOTAL ASSETS	**6,13,850**	**578**	**(580)**	**-**	**6,13,848**	**3,82,482**	**1,65,739**	**-**	**-**	**5,48,221**	**65,627**

Rs. in millions

Tangible & Intangible Assets	Gross Book Value					Depreciation/Amortisation					Net Book Value
	As at 01-Apr-23	Additions During the Year	Deletion During the Year	FCTR Adjustments	As at 31-Mar-24	As at 01-Apr-23	Charge for the year	Deletion During the Year	FCTR Adjustments	As at 31-Mar-24	As at 31-Mar-24
2A. Property, plant and equipment											
Furniture and Fixtures	0.68	-	-	0.01	0.69	0.68	-	-	0.01	0.69	-
Computers	1.05	0.05	-	0.01	1.11	0.96	0.04	-	0.01	1.01	0.10
Office equipments	1.53	-	-	0.02	1.55	1.53	-	-	0.02	1.55	-
TOTAL (A)	**3.26**	**0.05**	**-**	**0.04**	**3.35**	**3.17**	**0.04**	**-**	**0.04**	**3.25**	**0.10**
2B. Intangible Assets											
Intellectual property	51.24	-	(0.05)	0.45	51.64	30.69	14.84	-	0.30	45.83	5.81
Softwares	0.25	-	-	-	0.25	0.25	-	-	-	0.25	-
TOTAL (B)	**51.49**	**-**	**(0.05)**	**0.45**	**51.89**	**30.94**	**14.84**	**-**	**0.30**	**46.08**	**5.81**
TOTAL ASSETS	**54.75**	**0.05**	**(0.05)**	**0.49**	**55.24**	**34.11**	**14.88**	**-**	**0.34**	**49.33**	**5.91**

Chartered Accountants * R. B. Sharma & Co. * FRN 100971W Pune

	EUR	EUR	Rs. in millions	Rs. in millions
Note 3 Other non-current financial assets	As at 31-Mar-25	As at 31-Mar-24	As at 31-Mar-25	As at 31-Mar-24
Unsecured considered good, unless otherwise specified: Security Deposit	61,221	62,105	5.66	5.59
Total	61,221	62,105	5.66	5.59

	EUR	EUR	Rs. in millions	Rs. in millions
Note 4 Inventories	As at 31-Mar-25	As at 31-Mar-24	As at 31-Mar-25	As at 31-Mar-24
Stock in trade	-	1,79,313	-	16.14
Total	-	1,79,313	-	16.14

Notes:

1. Inventories are valued at lower of cost or net realisable value.

2. Stock in transit as at year end is as below:

	EUR	EUR	Rs. in millions	Rs. in millions
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
In transit	-	-	-	-

3. Write-downs of inventories as at the year end is as below

	EUR	EUR	Rs. in millions	Rs. in millions
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Write-down of inventories	-	2,35,578	-	21.20

	EUR	EUR	Rs. in millions	Rs. in millions
Note 5 Trade receivables	As at 31-Mar-25	As at 31-Mar-24	As at 31-Mar-25	As at 31-Mar-24
Unsecured				
Trade receivables from related parties	-	-	-	-
Other trade receivables	13,78,316	19,46,187	127.37	175.14
Less: Allowance for doubtful debts	(1,57,812)	(1,21,970)	(14.58)	(10.98)
Total	12,20,504	18,24,217	112.79	164.16

Trade receivables ageing schedule;

As at March 31, 2025 (EUR)	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	9,33,255	55,834	12,705	34,181	97,138	2,45,203	13,78,316
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	9,33,255	55,834	12,705	34,181	97,138	2,45,203	13,78,316
Less: Allowance for doubtful debts							(1,57,812)
Total	9,33,255	55,834	12,705	34,181	97,138	2,45,203	12,20,504

As at March 31, 2025 (Rs. in millions)	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	86.24	5.16	1.17	3.16	8.98	22.66	127.37
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	86.24	5.16	1.17	3.16	8.98	22.66	127.37
Less: Allowance for doubtful debts							(14.58)
Total	86.24	5.16	1.17	3.16	8.98	22.66	112.79



As at March 31, 2024 (EUR)	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	10,97,106	98,753	42,257	4,31,979	2,76,092	-	19,46,187
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**10,97,106**	**98,753**	**42,257**	**4,31,979**	**2,76,092**	**-**	**19,46,187**
Less: Allowance for doubtful debts							(1,21,970)
Total	**10,97,106**	**98,753**	**42,257**	**4,31,979**	**2,76,092**	**-**	**18,24,217**

As at March 31, 2024 (Rs. in millions)	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	98.73	8.89	3.80	38.87	24.85	-	175.14
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**98.73**	**8.89**	**3.80**	**38.87**	**24.85**	**-**	**175.14**
Less: Allowance for doubtful debts							(10.98)
Total	**98.73**	**8.89**	**3.80**	**38.87**	**24.85**	**-**	**164.16**

Note 6 **Cash and cash equivalents**	**EUR** **As at 31-Mar-25**	**EUR** **As at 31-Mar-24**	**Rs. in millions** **As at 31-Mar-25**	**Rs. in millions** **As at 31-Mar-24**
Cash on hand	-	-	-	-
Bank balances				
In current accounts	2,94,937	2,00,928	27.26	18.08
Total	**2,94,937**	**2,00,928**	**27.26**	**18.08**

Note 7 **Other current financial assets**	**EUR** **As at 31-Mar-25**	**EUR** **As at 31-Mar-24**	**Rs. in millions** **As at 31-Mar-25**	**Rs. in millions** **As at 31-Mar-24**
Unsecured considered good, unless otherwise specified:				
Other receivable	-	1,28,423	-	11.56
Total	**-**	**1,28,423**	**-**	**11.56**

Note 8 **Other current assets**	**EUR** **As at 31-Mar-25**	**EUR** **As at 31-Mar-24**	**Rs. in millions** **As at 31-Mar-25**	**Rs. in millions** **As at 31-Mar-24**
Unsecured considered good, unless otherwise specified:				
Advance to employees	-	48	-	-
Balances with government authorities	2,28,561	83,784	21.12	7.54
Total	**2,28,561**	**83,832**	**21.12**	**7.54**



Note 9 Share capital	No. of shares	EUR As at 31-Mar-25	Rs. in millions As at 31-Mar-25
Shareholders			
Emcure Pharma UK Limited	5,43,000	5,43,000	40.71
Total	**5,43,000**	**5,43,000**	**40.71**

Note Share capital	No. of shares	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-24
Shareholders			
Emcure Pharma UK Limited	5,43,000	5,43,000	40.71
Total	**5,43,000**	**5,43,000**	**40.71**

Note 10 Reserves and surplus	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
i) Retained earnings				
Balance as at the beginning of the year	(93,402)	19,988	(7.16)	3.02
Loss for the year	(1,36,090)	(1,13,390)	(12.35)	(10.18)
Total	**(2,29,492)**	**(93,402)**	**(19.51)**	**(7.16)**
ii) Foreign currency translation reserve				
Opening Balance			6.91	6.48
Addition during the period			0.87	0.43
Deletion during the period			-	-
Closing Balance	-	-	**7.78**	**6.91**
Total	**(2,29,492)**	**(93,402)**	**(11.73)**	**(0.25)**

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Note 11 Trade payables	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Trade payable to related parties	13,43,397	1,41,972	124.15	12.78
Other trade payables	1,39,640	20,33,984	12.90	183.04
Total	**14,83,037**	**21,75,956**	**137.05**	**195.82**

Trade payables ageing schedule;

As at March 31, 2025 (EUR)	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Others	-	14,83,037	-	-	-	14,83,037
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**14,83,037**	**-**	**-**	**-**	**14,83,037**

As at March 31, 2025 (Rs. in millions)	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Others	-	137.05	-	-	-	137.05
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**137.05**	**-**	**-**	**-**	**137.05**

As at March 31, 2024 (EUR)	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Others	1,52,819	20,23,137	-	-	-	21,75,956
Disputed dues - Others	-	-	-	-	-	-
Total	**1,52,819**	**20,23,137**	**-**	**-**	**-**	**21,75,956**

As at March 31, 2024 (Rs. in millions)	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Others	13.75	182.07	-	-	-	195.82
Disputed dues - Others	-	-	-	-	-	-
Total	**13.75**	**182.07**	**-**	**-**	**-**	**195.82**

Note 12 Other current financial liabilities	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Employee benefits payable	14	-	-	-
Other liabilities	19,828	19,828	1.83	1.78
Total	**19,842**	**19,828**	**1.83**	**1.78**

Note 13 Other current liabilities	EUR As at March 31, 2025	EUR As at March 31, 2024	Rs. in millions As at March 31, 2025	Rs. in millions As at March 31, 2024
Statutory dues payable	87,552	3,666	8.09	0.33
Total	**87,552**	**3,666**	**8.09**	**0.33**



Note 14 Revenue from Operations	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Revenue from contracts with customers				
Sale of products	7,25,063	31,73,456	65.81	285.01
Sale of services	8,844	7,70,900	0.80	69.23
Total	**7,33,907**	**39,44,356**	**66.61**	**354.24**

Note 15 Other Income	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Other Income	8,820	25,787	0.80	2.32
Total	**8,820**	**25,787**	**0.80**	**2.32**

Note 16 Changes in inventories of stock in trade	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Opening inventory				
Stock in trade	1,79,313	5,91,243	16.14	52.74
Closing inventory				
Stock in trade	-	(1,79,313)	-	(16.14)
Total	**1,79,313**	**4,11,930**	**16.14**	**36.60**

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Note 17 Employee benefit expenses	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Salaries, wages and bonus	78,044	1,89,100	7.08	16.98
Contribution to provident and other funds	16,433	13,426	1.49	1.21
Staff welfare expenses	500	6,104	0.05	0.55
Total	**94,977**	**2,08,630**	**8.62**	**18.74**

Note 18 Depreciation and amortisation expense	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Depreciation on property, plant and equipment	1,076	453	0.10	0.04
Amortisation on intangible assets	40,077	1,65,286	3.64	14.84
Total	**41,153**	**1,65,739**	**3.74**	**14.88**

Note 19 Other expenses	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Insurance	455	414	0.04	0.04
Repairs and maintenance	872	944	0.08	0.08
Lease Rent	46,205	44,862	4.19	4.03
Legal and professional fees	3,23,121	2,55,084	29.33	22.91
Advertisement and promotional expenses	10,410	17,463	0.94	1.57
Travelling and conveyance	1	7,215	-	0.65
Printing and stationery	5,767	27,686	0.52	2.49
Loss allowance for doubtful debts	89,447	2,31,970	8.12	20.83
Warehouse & distribution	6,955	12,873	0.63	1.16
Freight	11,737	1,10,390	1.07	9.91
Miscellaneous expenses	14,192	38,734	1.29	3.48
Total	**5,09,162**	**7,47,635**	**46.21**	**67.15**

Note 20 Finance costs	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Bank charges	963	5,324	0.09	0.48
Total	**963**	**5,324**	**0.09**	**0.48**

Note 21 Exceptional items	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Legal settlement	1,75,000	-	15.88	-
Total	**1,75,000**	**-**	**15.88**	**-**

Note: The company had entered into a settlement agreement with Millenium Pharmaceuticals Inc on 5th March 2025 for its claim on sale of patented product. For commercial reasons, the company decided it was unviable to go into litigation and agreed for a compensation of €175,000 payable to Millenium Pharmaceuticals Inc as full and final settlement against their claim.

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Note 22 Tax expenses	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Current Tax				
Current tax on profits for the year	-	-	-	-
Tax related to prior years	-	1,02,572	-	9.21
Total current tax expense	-	**1,02,572**	-	**9.21**
Deferred tax				
Originating and reversal of temporary differences	-	-	-	-
Changes in recognised temporary differences of earlier years	-	-	-	-
Total deferred tax expense/(benefit)	-	-	-	-
Total	-	**1,02,572**	-	**9.21**

Reconciliation of tax expense and the accounting profit multiplied by local tax rate:	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Profit before tax	(1,36,090)	(10,818)	(12.35)	(0.97)
Local tax rate	25.00%	25.00%	25.00%	25.00%
Tax using the Company's domestic tax rate	(34,023)	(2,705)	(3.09)	(0.24)
Tax effect of amounts which are not (deductible) / taxable in calculating taxable income:				
Non taxable income	-	-	-	-
Non deductible expenses	-	-	-	-
Change in estimate related to prior years	-	1,02,572	-	9.21
Unrecognised deferred tax assets	34,023	2,705	3.09	0.24
Other items	-	-	-	-
Total tax expense	-	**1,02,572**	-	**9.21**
Effective tax rate	**0.00%**	**-948.16%**	**0.00%**	**-949.48%**

Note 22A Income tax assets/(liabilities) (net)	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Income Tax assets (net of provision)	74,242	1,04,603	6.86	9.41
Income Tax liabilities (net of advance tax)	-	-	-	-
Income tax assets/(liabilities) (net)	**74,242**	**1,04,603**	**6.86**	**9.41**

Note 22B Deferred tax assets/(liabilities) - net	EUR As at March 31, 2025	EUR As at March 31, 2024	Rs. in millions As at March 31, 2025	Rs. in millions As at March 31, 2024
Deferred tax assets/(liabilities) - net	-	-	-	-
Total	-	-	-	-

Unrecognised deferred tax assets

Deferred tax assets have not recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefit therefrom.

Particulars	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
Gross amount				
Deductible temporary differences	-	-	-	-
Tax losses	1,36,092	1,13,387	12.58	10.20
Total	**1,36,092**	**1,13,387**	**12.58**	**10.20**
Unrecognised tax effect				
Deductible temporary differences	-	-	-	-
Tax losses	34,023	28,347	3.14	2.55
Total	**34,023**	**28,347**	**3.14**	**2.55**

Tax losses for which no deferred tax asset was recognised expire as follows:

Particulars	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
Expire				
Expiry date : 2032-2033	1,36,092	1,13,387	12.58	10.20
Never Expire	-	-	-	-
Total	**1,36,092**	**1,13,387**	**12.58**	**10.20**

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Note 23
Foreign currency risk exposure

Particulars	Currency	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
Financial assets					
Receivables (including other receivables)	Others	-	-	-	-
Cash and cash equivalents	Others	-	-	-	-
Total		-	-	-	-
Financial liabilities					
Payables (including other payables)	Others	-	-	-	-
Total		-	-	-	-

Note 24
Contingent liabilities (to the extent not provided for)
There are no contingent liabilities as at year ended March 31, 2025 or as at year ended March 31, 2024.

Note 25
Capital commitment

Particulars	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-	-

Note 26
Related party disclosure

Related parties with whom there were transactions during the year and nature of relationship

Ultimate Holding Company	Emcure Pharmaceuticals Limited
Holding Company	Emcure Pharma UK Ltd.
Fellow subsidiaries	Tillomed Laboratories Limited Tillomed Malta Limited

Description of the nature of transaction / balance	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
(A) Transactions during the year				
(i) Purchase of goods & services (net)				
Tillomed Laboratories Limited	(1,49,328)	16,86,927	(13.39)	151.77
Tillomed Malta Limited	22,014	1,30,108	1.97	11.71
Emcure Pharmaceuticals Limited	-	81,089	-	7.30
	(1,27,314)	**18,98,124**	**(11.42)**	**170.78**
(ii) Reimbursement of expenses made				
Tillomed Laboratories Limited	4,679	88,519	0.42	7.95
Emcure Pharmaceuticals Limited	2,394	65,398	0.22	5.87
Tillomed Malta Limited	10,202	-	0.93	-
	17,275	**1,53,917**	**1.57**	**13.82**
(iii) Reimbursement of expenses received				
Tillomed Laboratories Limited	10,150	-	0.92	-
	10,150	**-**	**0.92**	**-**
(B) Outstanding balances				
(i) Trade receivables				
-	-	-	-	-
	-	**-**	**-**	**-**
(ii) Trade payables				
Tillomed Laboratories Limited	13,43,397	-	124.15	-
Emcure Pharmaceuticals Limited	-	11,864	-	1.07
Tillomed Malta Limited	-	1,30,108	-	11.71
	13,43,397	**1,41,972**	**124.15**	**12.78**

R. B. Sharma & Co. Chartered Accountants FRN 109971W Pune

Laboratorios Tillomed Spain SLU
Notes to the financial statements (continued)
For the year ended March 31, 2025

Note 27
Assets pledged as security
There are no assets pledged as at March 31, 2025 or as at March 31, 2024.

Note 28
Expenditure on research and development

	EUR	EUR	Rs. in millions	Rs. in millions
	Year Ended 31-Mar-25	**Year Ended 31-Mar-24**	**Year Ended 31-Mar-25**	**Year Ended 31-Mar-24**
Revenue	82,323	1,20,207	7.47	10.80
Capital	-	-	-	-
Total	**82,323**	**1,20,207**	**7.47**	**10.80**

Note 29
Disclosure of certain information
Since these are special purpose financial statements, disclosures have been tailored for limited purpose of consolidation into the financial statements of the Ultimate Holding Company. Hence certain information as required by respective applicable Indian Accounting Standards (Ind AS) may not be presented in full.

Note 30
Events occurring after the March 31, 2025
There are no significant events subsequent to year ended March 31, 2025.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For R.B. Sharma & Co.
Chartered Accountants
Firm Registration No. 109971W

Mr. Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

R.B. Sharma & Co. FRN 109971W Pune Chartered Accountants

For and on behalf of the Board of Directors
Laboratorios Tillomed Spain SLU

Mr. Tajuddin Shaikh
Director

Place: Pune
Date: 16/05/2025

Baker Tilly Revisa S.p.A.
Società di Revisione e
Organizzazione Contabile
10123 Torino - Italy
Via Carlo Alberto 32

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www.bakertilly.it

INDEPENDENT AUDITOR'S REPORT PURSUANT TO ART. 14 OF LEGISLATIVE DECREE N. 39 DATED JANUARY 27, 2010

(Translation from the original Italian text)

To the Sole Shareholder of
Tillomed Italia S.r.l.

Report on the audit of the yearly financial statements

Opinion

We have audited the financial statements of the Tillomed Italia S.r.l. (the Company) which comprise the balance sheet at March 31st, 2025, the income statement and the statement of cash flows for the year then ended and the related explanatory notes.

In our opinion, the financial statements give a true e fair view of the financial position of the Company as at March 31st, 2025 and of the economic result and cash flows for the year then ended in accordance with the Italian rules governing the drafting criteria.

Basis for opinion

We conducted our audit in accordance with international standards on auditing (ISA Italia). Our responsibilities under those standards are described in detail in the section of this report titled *Auditor's responsibilities for the audit of the Financial Statements*. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Baker Tilly Revisa S.p.A. - Cap. Soc. Euro 1.484.804,00 i.v. - Reg. Imp. TO, Cod. Fisc. e P.I. N. 01213510017 - R.E.A. TO N. 484662
Registro dei revisori legali N. 15585, Società di Revisione già iscritta al N. 3 dell'Albo Speciale Consob
Sede legale: Via Carlo Alberto, 32 10123 Torino - Consociate nei principali paesi del mondo
Uffici in: Bologna - Bolzano - Firenze - Genova - Milano - Pordenone - Roma - Torino - Verona

Baker Tilly Revisa S.p.A. trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd, the members of which are separate and independent legal entities.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian rules governing the drafting criteria and, in the terms prescribed by law, for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
The directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the application of the going concern assumption, and for appropriate disclosure thereof. The directors prepare financial statements on a going concern basis unless they either intend to liquidate the Company or to cease trading, or have no realistic alternative but to do so.

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 that, but is not a guarantee that an audit performed in accordance with international standards on auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on basis of these financial statements.

As part of the audit in accordance with international standards on auditing (ISA Italia), we exercised professional judgement and maintained professional skepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures in response to those risks; we obtained sufficient and appropriate audit evidence on which to base 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;
- We obtained an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

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- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Where 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 based on the audit evidence obtained up to the date of our auditor's report. However, subsequent events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated 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 such a manner as to give a true and fair view;

We communicated to those charged with governance, identified at an appropriate level as required by ISA Italia, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY PROVISIONS

Opinions and declarations pursuant to Article 14(2)(e), (e-bis) and (e-ter) of Legislative Decree No. 39/10

The directors of Tillomed Italia S.r.l. are responsible for the preparation of the management report of Tillomed Italia S.r.l. as of March 31st, 2025, including its consistency with the related financial statements and its compliance with legal requirements.

We have performed the procedures specified in Auditing Standard (SA Italy) No. 720B in order to express an opinion on the consistency of the management report with the financial statements of Tillomed Italia S.r.l. as of March 31st, 2025, and on its compliance with legal requirements, as well as to issue a statement on any significant errors.

In our opinion, the management report is consistent with the financial statements of Tillomed Italia S.r.l as of March 31st, 2025, and is prepared in accordance with legal requirements.

With reference to the statement referred to in Article 14(2)(e) of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the

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company and its context acquired in the course of the audit, we have nothing to report.

Turin, Italy

May 16th, 2025

Baker Tilly Revisa S.p.A.
Signed by: Bruno Piazza - Partner

This report has translated into the English language solely for the convenience of international readers.

Baker Tilly Revisa S.p.A. trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd. the members of which are separate and independent legal entities

FINANCIAL STATEMENTS AS OF MARCH 31, 2025

		ASSETS	31.03.25	31.03.24
A)		**Receivables from Shareholders**		
		Receivables from Shareholders for Share capital	-	-
		TOTAL Receivable from shareholders	**-**	**-**
B)		**FIXED ASSETS**		
	I	INTANGIBLE FIXED ASSETS		
	1)	start-up costs		
	2)	development cost		
	3)	industrial patents and similar intellectual property rights		
	4)	concessions, licenses, trademarks and similar rights	10,801	18,574
	5)	goodwill		
	6)	under construction and advances		
	7)	ther intangible assets	-	-
		TOTAL INTANGIBLE FIXED ASSETS	**10,801**	**18,574**
	II	IMMOBILIZZAZIONI IMMATERIALI		
	1)	land and buildings		
		- lightweight constructions		
		- buildings		
	2)	plant and machinery	-	80
	3)	industrial and commercial equipment		
	4)	other tangible assets		
		- vehicles		
		- internal means of transportation		
		- furniture and office equipment	1,010	2,033
		- telecommunications equipment	144	302
		- electrical and electronic office machines	8,192	13,075
		- alarm systems		
	5)	under construction and advances		
		TOTAL TANGIBLE FIXED ASSETS	**9,346**	**15,491**
	III	FINANCIAL FIXED ASSETS		
	1)	Investments in :		
	a)	subsidiary companies		
	b)	associated companies		
	c)	parent companies		
	d)	companies subject to the control by parent company		
	d-bis)	other companies		
	2)	Receivables:		
	a)	from subsidiary companies due within 12 months		
		from subsidiary companies due beyond 12 months		
	b)	from associated companies due within 12 months		
		from associated companies due beyond 12 months		
	c)	from parent companies due within 12 months		
		from parent companies due beyond 12 months		
	d)	from companies subject to control by the parent companies due within 12 months		
		from companies subject to control by the parent companies beyond 12 months		
	d-bis)	from other companies due within 12 months		
		from other companies due beyond 12 months	7,100	18,080
	3)	other securities		
	4)	derivative financial instruments – assets		
		TOTAL FINANCIAL FIXED ASSETS	**7,100**	**18,080**
		TOTAL FIXED ASSETS	**27,247**	**52,145**

		ASSETS	31.03.25	31.03.24
C)		**CURRENT ASSETS**		
	I	INVENTORY		
	1)	raw materials and consumables		
	2)	work in process		
	3)	work in process on long-term contracts		
	4)	finished goods and merchandise	1,16,36,109	97,94,770
	5)	advances	3,11,063	2,31,152
		TOTAL	**1,19,47,172**	**1,00,25,922**
	II	TRADE RECEIVABLES		
	1)	trade receivable due within one year	75,25,835	65,02,406
		trade receivable due beyond one year		
	2)	from subsidiaries due within 12 months		
		from subsidiaries due beyond 12 months		
	3)	from associated companies due within 12 months		
		from associated companies due beyond 12 months		
	4)	from parent companies due within 12 months		
		from parent companies due beyond 12 months		
	5)	from companies subject to control by the parent companies due within 12 months	30,004	49,088
		from companies subject to control by the parent companies due beyond 12 months		
	5-bis)	tax receivables	33,39,299	20,46,096
	5-ter)	deferred tax assets	10,68,310	14,22,687
	5-quater)	from others due within 12 months	3,84,348	1,62,361
		from others due beyond 12 months		
		TOTAL	**1,23,47,796**	**1,01,82,638**
	III	CURRENT FINANCIAL ASSETS		
	1)	investments in subsidiaries		
	2)	investments in associates		
	3)	investments in parents		
	3-bis)	investiments in companies subject to control by the parent companies		
	4)	other investments		
	5)	derivative financial instruments – assets		
	6)	other securities		
		TOTAL	**-**	**-**
	IV	Cash and cash equivalents		
	1)	deposit accounts	8,79,394	3,69,078
	2)	cheques		
	3)	cash on hand	1,485	3,303
		TOTAL	**8,80,879**	**3,72,381**
		TOTAL CURRENT ASSETS	**2,51,75,848**	**2,05,80,941**
D)		**PREPAYMENTS AND ACCRUED INCOME**		
		accrued income		-
		prepaid expenses	75,729	73,357
		TOTAL	**75,729**	**73,357**
		TOTAL ASSETS	**2,52,78,823**	**2,07,06,442**

		LIABILITIES	31.03.25	31.03.24
A)		**NET EQUITY**		
	I	Share capital	30,000	30,000
	II	Share premium reserve		
	III	Revaluation reserves		
	IV	Legal reserve	-	-

	V	Statutory reserves		
	VI	Other reserves, separately disclosed	7,25,692	11,89,151
	VII	Reserve for hedging operations of expected cash flows		
	VIII	Retained earnings (losses)		-
	IX	Net (loss) profit for the year	12,43,808	- 4,63,458
	X	Negative reserve for treasury shares		
		TOTAL	**19,99,500**	**7,55,693**
B)		**PROVISIONS FOR RISKS AND CHARGES**		
	1)	for retirement benefits and similar obligations		
	2)	for taxes, including deferred taxes		
	3)	derivative financial instruments – liabilities		
	4)	others		
		TOTAL	**-**	**-**
C)		**EMPLOYEES' TERMINATION BENEFITS PROVISION**	**39,552**	**34,046**
D)		**PAYABLES**		
	1)	bonds payable within 12 months		
		bonds payable beyond 12 months		
	2)	convertible bonds payable within 12 months		
		convertible bonds payable beyond 12 months		
	3)	loans from shareholders due within 12 months		
		loans from shareholders due beyond 12 months	94,05,000	94,05,000
	4)	bank borrowings due within 12 months		
		bank borrowings due beyond 12 months		
	5)	other loans payable within 12 months		
		other loans payable beyond 12 months		
	6)	advances payable within 12 months		
		advances payable beyond 12 months		
	7)	trade payables due within 12 months	37,17,878	35,08,309
		trade payables due beyond 12 months		
	8)	debt securities due within 12 months		
		debt securities after 12 months		
	9)	to subsidiaries due within 12 months		
		to subsidiaries due beyond 12 months		
	10)	to associated companies due within 12 months		
		to associated companies due beyond 12 months		
	11)	to parent companies due within 12 months	1,23,623	61,812
		to parent companies due beyond 12 months		
	11-bis)	to companies subject to control by the parent companies due within 12 months	95,41,298	66,42,359
		to companies subject to control by the parent companies due bayond 12 months		
	12)	tax payables due within 12 months	1,25,529	33,613
		tax payables due beyond 12 months		
	13)	social security payables due within 12 months	53,025	47,370
		social security payables due beyond 12 months		
	14)	other payables due within 12 months	2,73,418	2,18,242
		other payables due beyond 12 months		
		TOTAL	**2,32,39,771**	**1,99,16,704**
E)		**ACCRUALS AND DEFERRED INCOME**		
		accrued liabilities	-	-
		deferred income	-	-
		loan origination fee		
		TOTAL	**-**	**-**
		TOTAL LIABILITIES	**2,52,78,823**	**2,07,06,442**
			0	0

		INCOME STATEMENT	31.03.25	31.03.24
A)		**PRODUCTION REVENUES**		
	1)	Turnover from sales and services	3,16,27,273	2,47,59,689
	2)	Change in work in process		
		and finished goods	17,83,745	17,41,957
	3)	Change in work in process on long-term contracts		
	4)	Internally generated Fixed assets		
	5)	Other revenues and income	2,36,731	41,260
		TOTAL	**3,36,47,750**	**2,65,42,906**
B)		**PRODUCTION COSTS**		
	6)	Raw materials, consumables and goods	2,57,99,092	2,15,34,282
	7)	Services	28,33,926	22,93,678
	8)	Use of third party assets	1,09,682	1,09,118
	9)	Personnel expenses		
		a) salaries and wages	9,78,817	11,76,378
		b) social securities contributions	2,83,599	2,29,520
		c) employees' termination benefit	83,004	76,509
		d) directors' termination benefits		
		e) other personnel costs		
	10)	Amortisation, depreciation and write-downs		
		a) amortisation of intangible fixed assets	7,773	7,503
		b) amortisation of tangible fixed assets	4,833	5,341
		c) write-down of fixed assets		
		d) write-down of current receivables and of cash and cash equivalents	1,57,218	57,784
	11)	Change in raw materials, consumables		
		and merchandise		
	12)	Provisions for risks		
	13)	Other accruals		
	14)	Other operating costs	13,47,552	13,30,459
		TOTAL	**3,16,05,496**	**2,68,20,573**
		DIFFERENCE BETWEEN PRODUCTION VALUE AND PRODUCTION COST	20,42,253	-2,77,666
C)		**FINANCIAL INCOME AND CHARGES**		
	15)	Financial income from investments:	-	-
		in subsidiaries and associated companies		
		in parent companies and companies subject to control by parent companies		
	16)	Other financial income		
	a)	from receivables classified as non-current assets		
		from subsidiaries and associated companies		
		from parent companies and companies subject to control by parent companies		
	b)	from securities classified as non-current assets that do not constitute equity investments		
	c)	from securities classified as current assets that do not constitute equity investments		
	d)	income other than the above:		
		from subsidiaries and associates		
		from parent companies and companies subject to control by parent companies		
	17)	interest and other financial expenses:		
		from subsidiares and associated companies		
		from parent companies	- 2,47,926	- 2,16,870
		from companies subject to control by parents companies		-
		others	- 94,241	- 17,883
	17-bis)	Gains and losses on foreign currency exchange	- 2,533	- 0
		TOTAL	**- 3,44,700**	**- 2,34,753**
D)		**ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS AND LIABILITIES**		
	18)	Write-ups		
	19)	Write-downs		
		TOTAL	**-**	**-**

	PROFIT BEFORE TAXES	**16,97,554**	**- 5,12,419**
20)	Income taxes		
	a) current taxes	- 99,369	48,961
	b) deferred taxes	- 3,54,377	
	TOTAL	**- 4,53,746**	**48,961**
21)	**PROFIT (LOSS) FOR THE YEAR**	12,43,808	- 4,63,458

The Managing Director
(Roberto Monguzzi)

(Translation from the Italian original which remains the definitive version)

TILLOMED ITALIA S.R.L.
REGISTERED OFFICE in Milan (MI) - Viale Giulio Richard, 1 – Torre A
Fully paid-up share capital: Euro 30.000,00
Registered with the Milan Chamber of Commerce VAT no.: 09750710965
REA no.: 2111242

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2025

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

GENERAL CRITERIA

The financial statements for the year ended 31/03/2025, of which these explanatory notes and the cash flow statement form an integral part pursuant to Article 2423 of the Civil Code, correspond to the accounting records duly kept and have been prepared in accordance with the requirements of Articles 2423 et seq. of the Civil Code and have been expressed in units of Euro.
The accounting principles and valuation criteria comply with the provisions of Articles 2423 bis and 2426 of the Italian Civil Code and are in accordance with the principles recently amended by the Italian Accounting Standard Setter (OIC).
No special reasons have arisen that have made it necessary to resort to derogations as per Articles 2423 paragraph 4) and 2423 bis paragraph 2) of the Italian Civil Code.
The items that have been grouped together in the balance sheet and income statement are commented on in the appropriate section of the notes to the financial statements, where changes in the consistency of asset and liability items are also explained, when significant.
Where, for the purpose of a better representation, it has become necessary to classify certain items with different criteria from those adopted in the financial statements of the previous year, adequate information is provided in these Notes. In this case, the previous year's figures have also been reclassified in order to make them comparable.

Consideration was also given to risks and losses pertaining to the financial year, even if they became known only after the year-end but prior to the preparation of the financial statements

The company was incorporated on 11/01/2017, with a deed drawn up by Notary Giuseppe Giordano, index no. 8677/4875.

ACCOUNTING PRINCIPLES AND EVALUATION CRITERIA

The accounting principles and criteria applied in the preparation of these financial statements are consistent with those used in the previous financial year, particularly with regard to valuation methods and the continuity of application.

The financial statements have been prepared in compliance with the provisions of the Italian Civil Code, as amended by Legislative Decree No. 139/2015 implementing EU Directive 2013/34, and interpreted and supplemented by the accounting standards issued by the Italian Accounting Standard Setter (the "OIC Accounting Standards"). The financial statements comprise the Balance Sheet (prepared in accordance with the format set out

in Articles 2424 and 2424-bis of the Italian Civil Code), the Income Statement (pursuant to Articles 2425 and 2425-bis), the Cash Flow Statement (prepared using the indirect method as required by OIC 10), and these Notes to the Financial Statements, which include the disclosures required by Article 2427 of the Italian Civil Code and any other applicable legal provisions.

Comparative figures for the previous year are presented for each item in the Balance Sheet, Income Statement, and Cash Flow Statement.

The valuation of the items in the financial statements is based on the general principles of prudence and accrual, and under the assumption of going concern.

The accounting principles and valuation criteria adopted have been agreed with the Board of Statutory Auditors, where required by law.

The most significant principles and criteria applied are as follows:

- Intangible fixed assets relating to start-up and expansion costs are recorded at purchase cost and amortized on a straight-line basis over their estimated useful life, not exceeding five years. Intangible assets consisting of leasehold improvements are recognized at cost and amortized on a straight-line basis over the remaining term of the related lease contracts. Intangible assets relating to goodwill arising from the acquisition of business units are recognized at cost and amortized on a straight-line basis over their expected period of benefit.
- Tangible fixed assets are recorded at purchase cost, including directly attributable ancillary charges. Depreciation is calculated systematically on a straight-line basis using the maximum rates allowed for tax purposes, as these are considered appropriate to reflect the actual deterioration, economic obsolescence, and expected residual usefulness of the assets in the production process. In the first year the assets are placed in service, the depreciation rate is reduced by 50% to reflect the shorter period of use during the year.
The rates actually applied in the year under review were as follows:

Category	amortization rate
Plant and machinery	15%
Industrial and commercial equipment	7.5%-15%
Other assets:	
Vehicles	12.5%-25%
Furniture and fixtures	6%-12%
Ordinary office machines	6%-12%
Electrical and electronic office machines	10%-20%

- Investments are recognized at acquisition cost and written down if necessary in the event of a permanent impairment;
- Receivables are recognized at amortized cost, except for receivables for which the effects of applying amortized cost are insignificant, such as short-term receivables (due within 12 months) or those for which the difference between the initial value and the maturity value is insignificant. The “time factor” has also been considered by discounting receivables due beyond 12 months are discounted in the event of a significant difference between the effective interest rate and the market rate.
Receivables for which the amortized cost method has not been applied are recognized at their estimated realizable value.
Receivables, whether or not amortized cost has been applied, are recognized at their estimated realizable value through provisions for doubtful accounts, recorded as a direct deduction from assets and determined based on the risk of loss resulting from the specific analysis of individual positions and the historical trend of loan losses.

- Payables are recognized at amortized cost, except for payables for which the effects of applying amortized cost are insignificant, such as short-term payables (with maturity less than 12 months) or those for which the difference between initial value and maturity value is insignificant.
The "time factor" is also taken into account by discounting payables due beyond 12 months when there is a significant difference between the effective interest rate and the market rate.
Payables for which the amortized cost method was not applied are recognized at nominal value.
- The value of inventories is determined at the lower of cost and market value, with goods recorded at their purchase cost less transport costs. The resulting value is then adjusted by the provision for inventory write-downs, which takes into account expired or damaged goods, as well as samples of each lot that must be retained by law, all of which are fully written down.
- Accruals and deferrals are determined on an accrual basis.
- The provision for employee severance indemnity reflects the actual liability accrued to all employees as of the financial year-end, in accordance with current legislation and collective labor agreements. The provision is recorded net of advances granted to employees in compliance with applicable regulations.
- Revenues from sales of products are recognized when risks and benefits are transferred, which is normally identified at delivery or shipment of the goods. Revenues from services are recognized when the service is completed. Financial revenues are recognized on an accrual basis.
- Income taxes have been accrued according to current rates and regulations based on a realistic forecast of taxable income. Deferred taxes have been recognized in accordance with Accounting Principle No. 25 of the Organismo Italiano di Contabilità (O.I.C.). Deferred tax assets and liabilities are recognized only insofar as there is reasonable certainty of their recovery or payment within a determinable time horizon.
Pursuant to Law No. 72 of 19 March 1983, it is hereby declared that no use was made of the exceptions to the legal valuation criteria envisaged by paragraph 4 of Article 2423 of the Italian Civil Code. It is also declared that no revaluations were made on assets included in the company's assets.

NOTES TO THE BALANCE SHEET

INTANGIBLE FIXED ASSETS

CATEGORY	31.03.2024	INCR.	DECR.	AMOR.	31.03.2025
Software	3.327	0	0	1.898	1.429
Licences	12.737	0	0	5.876	6.862
Web site - know how	2.510	0	0	0	2.510
Leasehold improvments	0	0	0	0	0
Total	18.574	0	0	7.773	10.801

TANGIBLE FIXED ASSETS

GROSS FIXED ASSETS

CATEGORY	31.03.24	INCR.	DECR.	REV/DEP.	31.03.25
General installations	938	0	0	0	938
Telephone installations	848	0	0	0	848
Furniture and office furnishings	10.241	0	0	0	10.241
Electrical office machines	42.536	0	2.716	0	39.820
Mobile phones	15.274	0	0	0	15.274
Total	69.837	0	2.716	0	67.121

AMORTISATION FUND

CATEGORY	31.03.25	INCR.	DECR.	AMOR.	31.03.25
General installations	858	0		80	938
Telephone installations	546	0		159	705
Furniture and office furnishings	8.208	0		1.024	9.232
Electrical office machines	33.483	0	1.404	2.453	34.533
Mobile phones	11.251	0		1.117	12.368
Total	54.346	0	1.404	4.833	57.775

NET FIXED ASSETS

CATEGORY	31.03.24	INCR.	DECR.	AMORT.	31.03.2025
General installations	80	0	0	80	0
Telephone installations	301	0	0	159	143
Furniture and office furnishings	2.033	0	0	1.024	1.009
Electrical office machines	9.053	0	1.312	2.453	5.288
Mobile phones	4.023	0	0	1.117	2.906
Total	15.491	0	1.312	4.833	9.346

RECEIVABLES FROM OTHERS DUE OVER 12 MONTHS

The amount recorded in the balance sheet of € 7.100 refers to guarantee deposits paid to suppliers.

INVENTORY

	31.03.25	31.03.24
Finished goods	12.524.631	10.740.886
Advances to suppliers	311.063	231.152
Provision for goods depreciation	-888.522	-946.116
Total inventory	11.947.172	10.025.922

The amount entered in the balance sheet refers to medicines in stock at the end of the financial year.

TRADE RECEIVABLES DUE WITHIN 12 MONTHS INCLUDED IN CURRENT ASSETS

	31.03.25	31.03.24
Trade receivables	7.767.051	6.598.977
Bad debt provision	- 241.217	- 96.571
	7.525.835	6.502.406

RECEIVABLES FROM COMPANIES SUBJECT TO THE CONTROL OF PARENT COMPANIES

	31.03.25	31.03.24
Receivables	30.004	49.088

TAX RECEIVABLES INCLUDED IN CURRENT ASSETS

	31.03.25	31.03.24
Witholding tax credit	369	449
Tax credit for VAT	3.338.927	2.045.644
IRES receivables	3	3
	3.339.299	2.046.096

ADVANCE TAXES

	31.03.25	31.03.24
Advance taxes	1.068.310	1.422.687

This is the receivable for deferred tax assets recognized on tax losses and ACE (aid to economic growth) for current and previous years. For a more detailed discussion of this item, please refer to the section on taxes for the year in the Notes to the Financial Statements.

RECEIVABLES FROM OTHERS DUE WITHIN 12 MONTHS

	31.03.25	31.03.24
Inail receivable	4.005	4.129
Receivables from suppliers for advances and credit note to be received	380.343	154.343
Receivables from employees	0	3.889
	384.348	162.361

DISTRIBUTION OF RECEIVABLES IN CURRENT ASSETS BY GEOGRAPHICAL AREA

The following table shows the geographical division of receivables recorded in current assets.

Geographical area	Receivables from customers entered as current assets	Receivables from companies controlled by parent companies entered as current assets	Tax receivables entered as current assets	Prepaid tax assets entered as current assets	Receivables from others entered as current assets	Total receivables entered as current assets
Eu countries	52.375					52.375
Extra-EU countries	6.825	30.004				36.829
Italy	7.466.635		3.339.299	1.068.310	384.348	12.258.592
Total	**7.525.835**	**30.004**	**3.339.299**	**1.068.310**	**384.348**	**12.347.797**

CASH AND CASH EQUIVALENTS

	31.03.25	31.03.24
Deposit accounts	879.394	369.078
Cash on hand	1.485	3.303
	880.879	372.381

The amount is the cash on hand in the bank account and in cash on the closing date of the financial year.

ACCRUED INCOME AND PREPAID EXPENSES

The amount recorded in the balance sheet relates to prepaid expenses in the amount of Euro 75.729, composed as follows:

	31.03.25	31.03.24
Product, personnel and general risk insurance	45.916	31.138
Software	8.740	11.586
Rental of cars, hardware and electronic devices	2.539	-
Equalia membership fee	17.422	11.744
Tender and procurement consultancy	1.112	18.889
	75.729	73.357

NET EQUITY

SHARE CAPITAL AND RESERVES

The share capital amounts to Euro 30.000 and is fully subscribed and paid up. The variations that occurred in the net equity items were as follows:

	OPENING BALANCE	PROFIT ALLOCATION	NET PROFIT	OTHER VARATION	ROUNDING	FINAL BALANCE
Share capital	30.000	0	0	0	0	30.000
Legal reserve	0	0	0	0	0	0
Other reserve	1.189.151	-463.458	0	0	0	725.693
Retained earnings (losses)	0	0	0	0	0	0
Net (loss) profit for the year	-463.458	463.458	1.243.808	0		1.243.808
	755.693	0	1.243.808	0	0	1.999.501

AVAILABILITY AND USE OF NET EQUITY

Below are the equity items classified according to origin, possibility of utilisation, distribution possibility and utilisation in the three previous years.

Description	Amount	Source/ Nature	Possibilty of utilisation	Quota available	Summary of utilisations made in the three previous years - to cover losses
Share capital	30.000	Capital		-	-
Legal reserve				0	-
Capital contributions	4.110.949	Capital	A;B;C	4.110.949	2.814.618
Retained earning (losses)	-2.141.448		A;B;C	-2.141.448	-
Reserve for foreign exchange gains	-	Profit		-	
Total	**1.999.501**	**0**	**0**	**1.969.501**	**-**
Not distributable share				6.000	
Residual distributable share				1.963.501	

Legend : A: for capital increase; B: for losses coverage;C: for distribution to shareholders; D: for other statutory restriction; E:other

	Share Capital	Capital contributions	Other reserve	Net (loss) profit for the year	Total
Opening Balance at 1/04/2022	**30.000**	**1.040.311**		**-1.032.572**	**37.739**
Destination of the profit for the year:					
- Allocation of dividends					0
- Other destination					0
Other variations					*0*
- Loss coverage		-1.032.572		1.032.572	0
- Capital transactions		1.500.000			1.500.000
- Distribution to shareholders					0
- Other changes					0
Profit/(loss) for the year 22-23				-1.318.588	-1.318.588
Final balance at 31/03/2023	**30.000**	**1.507.739**		**-1.318.588**	**219.151**
Opening balance at 1/04/2023	**30.000**	**1.507.739**		**-1.318.588**	**219.151**
Destination of the profit for the year:					
- Allocation of dividends					0
- Other destination					0
Other variations					*0*
- Loss coverage		-1.318.588		1.318.588	0
- Capital transactions		1.000.000			1.000.000
- Distribution to shareholders					0
- Other changes					0
Profit/(loss) for the year 23-24				-463.458	-463.458
Final balance at 31/03/2024	**30.000**	**1.189.151**	**0**	**-463.458**	**755.693**
Opening balance at 1/04/2024	**30.000**	**1.189.151**	**0**	**-463.458**	**755.693**
Destination of the profit for the year:					
- Allocation of dividends					0
- Other destination					0
Other variations					*0*
- Loss coverage		-463.458		463.458	0
- Capital transactions					0
- Distribution to shareholders					0
- Other changes					0
Profit/(loss) for the year 24-25				1.243.808	1.243.808
Final balance at 31/03/2025	**30.000**	**725.693**	**0**	**1.243.808**	**1.999.501**

EMPLOYEES' TERMINATION BENEFITS PROVISION

	31.03.25	31.03.24
Employees' termination benefits provision	39.552	34.046

PAYABLES TO SHAREHOLDERS FOR LOANS OVER 12 MONTHS

	31.03.25	31.03.24
Payables to shareholders for loans over 12 months	9.405.000	9.405.000

PAYABLES TO SUPPLIERS DUE WITHIN 12 MONTHS

	31.03.25	31.03.24
Payables to suppliers due within 12 months	3.717.878	3.508.309

PAYABLES TO PARENT COMPANIES DUE WITHIN 12 MONTHS

	31.03.25	31.03.24
Payables to parent companies due within 12 mon	123.623	61.812

PAYABLES TO COMPANIES SUBJECT TO THE CONTROL OF PARENT COMPANIES DUE WITHIN 12 MONTHS

	31.03.25	31.03.24
Payables to companies subject to the control of parent companies	9.541.298	6.642.359

TAX PAYABLES DUE WITHIN 12 MONTHS

	31.03.25	31.03.24
Tax payables due within 12 months	26.160	33.613
IRAP payable	99.369	0
	125.529	33.613

SOCIAL SECURITY PAYABLES DUE WITHIN 12 MONTHS

	31.03.25	31.03.24
Payables due to funds for severance pay	15.445	11.943
Inail payables		0
Inps and social security payables	37.580	35.427
	53.025	47.370

OTHER PAYABLES DUE WITHIN 12 MONTHS

	31.03.25	31.03.24
Payables to employees and administrator	273.418	218.242

DISTRIBUTION OF DEBTS BY GEOGRAPHICAL AREA

Geographical area	Payables to shareholders for loans	Payables to suppliers	Payables to parent companies	Payables to companies subject to the control of the parent companies	Tax payables	Payables to social security institutions	Other payables	Total payables under current assets
EU countries		1.938.056		1.182.496				3.120.552
Extra-EU countries	9.405.000	619.747	123.623	8.358.802				18.507.172
Italy		1.160.075			125.529	53.025	273.418	1.612.046
Total	**9.405.000**	**3.717.878**	**123.623**	**9.541.298**	**125.529**	**53.025**	**273.418**	**23.239.771**

None of the above debts are due after five years.

INCOME STATEMENT

REVENUES

	31.03.25	31.03.24
Turnover from sales and services	31.627.273	24.759.689
Change in inventories and semi-finished and finished goods	1.783.745	1.741.957
Other revenues and income	236.732	41.260
	33.647.750	26.542.906

These are revenues from the sale of pharmaceuticals, net of returns.
The distribution of revenues by geographical area is shown below:

	31.03.25	31.03.24
Italy	30.927.322	24.337.722
San Marino	27.340	14.836
Vatican City	91.061	168.256
Czech Republic		16.125
Bulgaria	276.428	113.750
Libya	90.000	
Croatia	54.000	
Slovenia	7.000	
Cyprus	109.620	2.000
Poland	25.002	100.000
Greece	19.500	7.000
	31.627.273	24.759.689

COSTS FOR RAW MATERIALS, CONSUMABLES AND GOODS

	31.03.25	31.03.24
Raw materials, consumables and goods	25.799.092	21.534.282

These are mainly costs for the purchase of pharmaceuticals, as well as costs related to production, transport, stationery and fuel.

SERVICES

	31.03.25	31.03.24
Costs for services	2.833.926	2.293.678

The amount consists of the following division:

	31.03.25	31.03.24
Travel expenses	20.710	35.430
Conferences	84.606	153.686
Regulatory affairs	64.276	143.562
SALES DISCOUNT	351.856	0
Telephone expenses	18.859	51.665
Electricity expenses	2.712	2.959
Postage	114.706	69.092
Warehousing and distribution	886.929	679.296
Software expenses	30.697	24.806
COMPUTER EXPENSES	0	14.804
AMC for Computer Hardware & Applications	5.658	7.890
Product registration	104.336	181.446
Product variation	243.000	375.919
Third-party services	352.641	451.203
Legal expenses	33.320	32.891
Representation expenses	4.109	11.601
Staff training	966	1.595
Lunch vouchers	20.836	20.455
Cleaning and security	7.560	8.810
Office expenses	2.625	4.519
External Analysis Charges	465.469	0
AUDIT FEES	18.055	22.050
	2.833.926	2.293.678

COST FOR THE USE OF THIRD PARTY ASSETS

	31.03.25	31.03.24
Use of third party assets	109.682	109.118

These are rentals of cars, offices and electronic machines.

PERSONNEL EXPENSES

	31.03.25	31.03.24
Salaries and wages	978.817	1.176.378
Social securities contributions	283.599	229.520
Employees' termination benefits	83.004	76.509
	1.345.420	1.482.407

AMORTISATION

Please refer to the comments under Fixed Assets.

OTHER OPERATING EXPENSES

	31.03.25	31.03.24
Other operating expenses	1.347.552	1.330.459

The amount consists of the following division:

	31.03.25	31.03.24
Marketing	375.666	768.384
and contingent liabilities	59.294	31.602
Tenders insurance	238.208	43.065
Commissions payable on margin	457.249	236.632
Miscellanous taxes and fees	27.620	27.189
Association fees	36.578	23.398
Insurance	68.007	79.558
Hotels and restaurants	33.322	25.014
Penalties from customers	48.899	94.961
Allowances and discounts	2.710	656
	1.347.552	1.330.459

FINANCIAL INCOME AND EXPENSES

	31.03.25	31.03.24
Financial income	0	0
Financial expenses	344.700	234.753

The item “Interest and financial expenses” consists mainly of bank charges and interest expenses on interest-bearing loans.

INCOME TAX FOR THE YEAR

		31.03.25	31.03.24
Prepaid taxes	-	354.377	48.961
IRAP expenses	-	99.369	0
	-	453.746	48.961

Tax losses from previous years were used to reduce the taxable income for IRES purposes for the year, for a total amount of Euro 1.476.569.

The composition of the balance of “Deferred tax assets” as at 31 March 2025 is as follows:

Tax losses 31.03.2017	-
ACE 31.03.2017	729
Tax losses 31.03.2018	633.314
ACE 31.03.2018	6.283
Tax losses 31.03.2019	897.266
ACE 31.03.2019	7.478
Tax losses 31.03.2020	-
ACE 31.03.2020	8.306
Tax losses 31.03.2021	22.706
ACE 31.03.2021	7.391
Tax losses 31.03.2022	1.185.794
ACE 31.03.2022	75.256
Tax losses 31.03.2023	1.399.922
ACE 31.03.2023	2.840
Tax losses 31.03.2024	194.211
ACE 31.03.2024	9.793
Total	**4.451.289**
Ires rate	**24%**
Prepaid taxes	**1.068.310**

Reconciliation between the balance sheet tax charge and the theoretical charge

In accordance with the guidance provided by national accounting standards, the following table allows for the reconciliation between the balance sheet tax charge and the theoretical charge, separately for IRES and IRAP.

Reconciliation of balance sheet and theoretical current taxes (IRES)			
Description	**Amount**	**Tax**	**%**
Profit before tax	1.697.554		
Theoretical tax charge		**407.413**	**24,00%**
Permanent differences			
Increase	293.053		
Decrease	-514.038		
Taxable amount	1.476.569		
Use of losses p.y.	-1.476.569		
Current income tax for the year		**0**	**0,00%**

Reconciliation of balance sheet and theoretical current taxes (IRAP)			
Description	**Amount**	**Tax**	**%**
Difference between value and cost of production	2.042.253		
Costs not relevant for IRAP purpose			
Personnel costs	1.345.420		
Bad debt	157.218		
Provisions for risks	0		
	3.544.891		
Theoretical tax charge		**138.251**	**3,90%**
Temporary differences deductible in subsequent years:			
Temporary differences taxable in subsequent years:			
Reversal of temporary differences from previous years			
Differences that will not be reversed in subsequent years			
Compensation to employees and directors	616.130		
Non-deductible costs	59.294		
Deduction art. 11, paragraph 1, lett. a) of Legislative Decree No. 446	-1.672.403		
Taxable IRAP	**2.547.912**		
Current IRAP for the year (actual tax change)		**99.369**	**2,80%**

INFORMATION ON RELATED PARTIES TRANSACTIONS

Transactions with related parties were concluded at normal market conditions and there were no atypical or unusual transactions.

Below are details of the cost, revenue, payables and receivables items recorded in the financial statements and attributable to related parties.

	Revenue	**Costs**	**Payables**	**Receivables**
Parent company				
Emcure Pharma Uk Limited	3.847.783	247.926	123.623	
Other group companies				
EMCURE PHARMACEUTICALS LIMITED			3.459.232	
TILLOMED PHARMA GmbH	113.513		184.726	
TILLOMED LABORATORIES Ltd.	1.216.061		5.140.744	30.004
TILLOMED MALTA LIMITED	1.277.403		997.770	
EMCURE PHARMACEUTICALS LIMITED SANA			98.188	
TOTAL	**6.454.760**	**247.926**	**10.004.283**	**30.004**

Further information

For the purposes of the disclosures required under paragraphs 22-bis) and 22-ter) of Article 2427, Italian Civil Code, we acknowledge the following :

- the transactions carried out with related parties, as detailed above, are concluded at conditions in line with those of the free competition market;

- there are no so-called “off-balance sheet agreements”, i.e., agreements for which further and specific information is required with respect to what is already indicated in the balance sheet of these financial statements.

According to Article 2427-bis of the Italian Civil Code, it is noted that as of 31 March 2025, the Company did not have any derivative financial instruments in place.

As far as financial fixed assets are concerned, it should be noted that deposits are valued at nominal value.

Pursuant Article 2427, item 13 of the Italian Civil Code, it should be noted that no revenue and cost elements of exceptional magnitude or incidence were recorded.

During the year, the Company did not undertake any atypical and/or unusual transactions.

Regulations on the Transparency of Public Disbursements

In relation to the provisions of Article 1, paragraph 125 of Law 124/2017, the Company certifies that it has not received subsidies, contributions, paid assignments and in any case economic advantages of any kind from public administrations and the entities referred to in paragraph 125 of the same article.

AVERAGE NUMBER OF EMPLOYEES

At the balance sheet date, 12 employees were employed by the Company, divided as follows:

	31.03.2025
Executives	2
Managers	2
Employees	6
Total	12

SUBSEQUENT EVENTS

No significant events took place after the end of the financial year.

REMUNERATION TO DIRECTORS

No remuneration was paid to the director, as the remuneration is already included in their employment compensation.

FEES TO THE LEGAL AUDITOR OR AUDIT FIRM

The fees payable to the auditors for the statutory audit of the annual accounts is Euro 17.500 for the annual audit and Euro 4.000 for the audit of the reporting package.

SUPPLEMENTARY INFORMATION

Pursuant to Article 2435 bis of the Italian Civil Code, the following information is provided

- the Company neither owns nor has purchased or sold directly or indirectly shares or quotas of parent companies;

- the Company did not carry out any research and development activities.

PROPOSAL FOR THE ALLOCATION OF PROFIT

Dear Shareholders,

in proposing that you approve the Financial Statements as of 31/03/2025, consisting of the Balance Sheet, Income Statement and these Notes to the Financial Statements, as prepared and presented to you, we propose that you carry forward the profit of Euro 1.243.808.

The Managing Director

Roberto Monguzzi

TILLOMED ITALIA S.R.L.
REGISTERED OFFICE in Milan (MI) - Viale Giulio Richard, 1 – Torre A
Fully paid-up share capital: Euro 30.000,00
Registered with the Milan Chamber of Commerce VAT no.: 09750710965
REA no.: 2111242

CASH FLOW STATEMENT

	31.03.2025	31.03.2024
A. Cash flow statement, indirect method		
Profit (loss) for the year	12,43,808	- 4,63,458
Income taxes	4,53,746	- 48,961
Interest expense/(Interest income)	3,44,700	2,34,753
(Dividends)	-	
(Gains) / losses from the disposal of assets		
1. Profit (loss) before taxes, interest, dividends and gains/losses on sale of assets	**20,42,254**	**- 2,77,666**
Adjustments for non-monetary items that did not affect net working capital		
Accruals to provisions (Provision for severance pay, provision for quiescence and risk	5,506	14,244
Amortization and deprecation of fixed assets	12,606	12,844
Other increases (decreases) in adjustments for non-monetary items (change in provi	-	
Other increases/(decreases) for non-monetary items	-	
Total adjustments for non-monetary items that did not affect net working capital	18,112	27,088
2. Cash flow before changes in net working capital	**20,60,366**	**- 2,50,578**
Changes in net working capital		
Decrease/(increase) in inventory - before changes in the inventory write-down provi	- 18,41,339	- 16,67,553
Decrease/(increase) in trade receivables – before changes in the provision for doubt	- 10,04,345	- 2,17,043
Increase/(decrease) in trade payables	2,09,569	6,21,142
Decrease/(increase) in prepayments and accrued income	- 2,372	- 33,557
Increase/(decrease) in accrued expenses and deferred income	-	
Other decreases/(other increases) in net working capital	14,30,007	- 8,91,791
3. Cash flow after changes in the net working capital	**8,51,886**	**- 24,39,380**
Other adjustments		
Net interest collected / (paid)	- 3,44,700	- 2,34,753
(Income taxes paid)	-	-
Dividends collected	-	-
Other collections/(payments)	-	-
(Utilisation of provisions)	-	
4. Cash flow after other adjustments	**- 3,44,700**	**- 2,34,753**
Cash flow from operating activities (A)	**5,07,186**	**- 26,74,132**
B. Cash flows from investing activities		
Tangible fixed assets		
(Investments)	1,312	- 5,962
Sales price of financial assets		
Intangible fixed assets		
(Investments)	-	
Sales price of financial assets	-	-
Financial fixed assets		
(Investments)		
Sales price of financial assets	-	-
Current financial assets		
(Investments)	-	-
Sales price of financial assets	-	-
Acquisition or disposal of subsidiaries or business units, net of liquid funds		
Cash flow from investing activities (B)	**1,312**	**- 5,962**
C. Cash flows from financing activities		
Third party funds		
Increase/(decrease) in borrowings from banks due within one year	-	-
New loans/(Loan repayaments)	**-**	**-**
Others		
Own funds		
Paid-in capital increase	-	10,00,000
Sale/(Repurchase) of own shares		
Dividends (and advances) on dividends paid		
Cash flow from financing activities (C)	**-**	**10,00,000**
Net increase/(decrease) in liquid funds (A ± B ± C)	**5,08,498**	**- 16,80,095**
Cash and cash equivalents at the beginning of the year	**3,72,381**	**20,52,476**
Cash and cash equivalents at the end of the year	**8,80,879**	**3,72,381**

to the Board of Directors
The Managing Director
(Roberto Monguzzi)

(Translation from the Italian original which remains the definitive version)

TILLOMED ITALIA S.R.L.
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TILLOMED ITALIA S.R.L.
REPORT OF THE BOARD OF DIRECTORS ON THE FINANCIAL STATEMENT AT 31 MARCH 2025

DIRECTORS' REPORT

Dear Shareholders,

The financial year 01/04/2024 - 31/03/2025 to which the financial statements we are submitting to your attention refer is the ninth year since the Company's incorporation.

The financial statements closed with a profit of Euro 1.243.808, while the previous year closed with a loss of Euro 463.458.

TILLOMED Italia Srl is the Italian branch of Emcure Pharma UK Limited part of EMCURE Pharmaceuticals Ltd, a Multinational Pharmaceutical Company based in India. The Corporate Company was founded in 1981 and, to date, is among the most relevant Indian Pharmaceutical Companies with a significant growth trend recorded consecutively over the last few years,

Tillomed Italia, based in Milan, has been active since 2017 and deals with the marketing of pharmaceutical products throughout the country for public and private hospital healthcare facilities. The list consists mainly of general antimicrobial medicines for systemic use, antineoplastic and immunomodulatory medicines, and medicines of the gastrointestinal and metabolic system.

Tillomed Italia, in addition to the marketing of medicines of its own Corporate production, also avails itself of strategic Partnerships with major pharmaceutical companies operating worldwide and is Italy's exclusive distributor of Hospital Injectable Products of the Companies VENUS Pharma (Antibiotic Therapy), QILU Pharmaceutical (Antibiotic Therapy) and GLENMARK Pharmaceuticals (Antiparasitic).

For Tillomed Italia, the 2024-2025 financial year, compared to the previous fiscal year, was characterized by an increase of approximately euro 6.8 million in sales (+28% vs. previous year), correlated to the increase in supplies achieved both in the public sector, thanks to the awarding of new tender procedures, and in private hospital healthcare facilities. The growth in terms of both sales and margins was due to the launch of some new equivalent drugs that achieved important market shares already in the first year of marketing, such as Ampicillin, Caspofungin, Piperacillin/Tazobactam (all for Antibiotic Therapy) and Plerixafor (Oncology).

Also for the Fiscal Year 2024 - 2025, as for the whole industrial sector, Tillomed Italia has been negatively impacted by the increase in the costs of the main production factors, such as the costs of purchasing and processing Raw Materials (API), logistics costs both at the receiving and distribution stages, costs related to energy utilities, packaging and primary and secondary packaging costs. Also notable is the impact deriving from the highly competitive reference market context in which Tillomed constantly competes. In particular, the procedures of the regional public tenders for equivalent medicines lead to significant erosion of final sales prices, which is negatively reflected on the company's profits already affected by the above-mentioned cost increases. A further critical issue is the practical impossibility of carrying out price revisions during the supply years of the tender period in order to achieve a contractual rebalancing by adjusting the prices themselves at least to the national reference inflation indices.

Considering the above, and in particular thanks to the sustainable growth achieved through the launch of some new equivalent drugs, the final operating margin improved significantly compared to the previous year (negative for Euro 463.458), resulting in a profit of Euro 1.243.808.

With reference to the other information required by Article 2428 of the Italian Civil Code, we report the following.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company did not carry out any research and development activities as these are performed centrally at group level.

RELATIONS WITH PARENT COMPANIES AND COMPANIES CONTROLLED BY THEM

Transactions with the parent company and companies subject to its control consist of the supply of products and services regulated through the application of intragroup transfer prices as provided for by the specific corporate policy; goods, services and loans are provided at market prices and conditions. The quantification of the aforementioned transactions is provided in the comments on the specific items in the notes to the financial statements.

At present there are no companies under the control of Tillomed Italia.

NUMBER AND NOMINAL VALUE OF OWN SHARES AND SHARES OR QUOTAS OF PARENT COMPANIES HELD BY THE COMPANY, INCLUDING THOSE HELD THROUGH TRUSTEES OR INTERMEDIARIES, WITH AN INDICATION OF THE CORRESPONDING SHARE CAPITAL PORTION.

Tillomed Italia does not own any of its own shares or shares or quotas of parent companies either directly or through trust companies or intermediaries.

NUMBER AND NOMINAL VALUE OF OWN SHARES AND SHARES OR QUOTAS OF PARENT COMPANIES ACQUIRED OR DISPOSED OF BY THE COMPANY DURING THE FINANCIAL YEAR, INCLUDING THOSE HELD THROUGH TRUSTEES OR INTERMEDIARIES, WITH AN INDICATION OF THE CORRESPONDING SHARE CAPITAL PORTION, THE CONSIDERATION AND THE REASONS FOR THE PURCHASES AND DISPOSALS

Tillomed Italia has neither purchased or sold either directly or through trust companies or intermediaries any of its own shares or shares or quotas of parent companies.

ANALYSIS OF THE INCOME AND FINANCIAL SITUATION

For a better understanding of the Company's situation and the trend of the operating result, the following indicators are provided to illustrate, especially when compared to the previous year's figures, the evolution of the income and financial situation over the past year:

amounts in thousands of euros

Indicators of the Income and Financial position	31/03/2025	% on revenue	31/03/2024	% on revenue
Sales revenue (SR)	31.627	100	24.760	100
Added value (AV)	4.905	15,51	2.606	10,5
Gross operating margin	3.560	11,3	1.123	4,5
Operating profit	3.390	10,7	1.053	4,3
EBIT	2.042	6,5	-278	-1,1
Gross income	1.698	5,4	-512	-2,1
Net income	1.244	3,9	-463	-1,9
Invested capital	2.000	=	756	=
Return on investments (ROI)	N/A	100	N/A	=

Aggregate legend
with reference to the macro classes or items of the profit and loss account pursuant to Article 2425 of the Civil Code.
SR= A1
AV= A-(B6+B7+B8+B11)
Gross operating margin = (A1+A2+A3+A4+A5b*) -(B6+B7+B8+B9+B11)
Operating profit =(A1+A2+A3+A4+A5b*) - (B6+B7+B8+B9+B10+B11+B12+B13)
**Revenues referable to costs included in the aggregate B7-B9)*
EBIT = A-B+/- C(net of C17) +/-D +/- E
Gross income =A-B+/-C +/-D +/-E
Net income = line item 21
with reference to the balance sheet macro classes pursuant to Article 2424 of the Italian Civil Code
Invested Capital =Assets (B + C (excluding financial assets) + D) – Liabilities (B+C+D (excluding financing debts) +E) = Operating Invested Capital - Operating Liabilities
ROI = Operating Profit / Invested Capital

Taxes for the year as of 31/03/2025 are positive in the amount of Euro 453.746, of which Euro 99.369 current and Euro 354.377 deferred in consideration of the utilisation of the tax credit accrued in recent years due to tax losses carried forward.

RISKS AND UNCERTAINTIES

In accordance with Article 2428, paragraph 6-bis of the Italian Civil Code, it is acknowledged that no derivative or similar instruments are used and held in the context of financial risk management activities.
The main risks referable to the Company's objectives, which concern strategic, operational and financial areas, are reported and discussed at top management level in order to create the prerequisites for their coverage, insurance and residual risk assessment.

Market Risks
The Company is exposed to market risks associated with the normal dynamics of supply and demand for its products.

Exchange Rate Risk
The Company is not exposed to financial risks connected to exchange rate fluctuations in consideration of the fact that the Company only buys and sells in Euro currency.

Liquidity Risk
Liquidity risk is the risk that financial resources may be difficult to obtain; at present, the company believes it has sufficient sources to meet foreseeable financial needs.

Credit Risk
Credit risk represents the company's exposure to the risk of potential losses arising from the failure of counterparties to meet their obligations. Credit risk is monitored on a monthly basis through the analysis of overdue receivables. Management policies provide for the monitoring of receivables due from customers and the activation of appropriate recovery procedures in cases of non-payment. To date, the Company has no particular critical issues in terms of credit risk and the amount of the provision for bad debts is determined prudentially.

FORESEEABLE EVOLUTION OF MANAGEMENT

The sales target for the next year 2025-2026 is to maintain a significant growth trend, compared to the previous year, estimated at about EUR 5 million (+17% Vs year 2024-2025), thanks mainly to the further expansion of the product list and the implementation of some important regional public tender procedures already awarded in the previous months.

However, uncertainty factors related to the ongoing international conflicts as well as the general weakness of the macroeconomic context remain.

OTHER INFORMATION

Use of financial instruments

No financial instruments were used during the financial year to 31/03/2025.

Secondary offices

The Company has no branch offices, the Company's activities are carried out at its offices in Milan Viale Giulio Richard, 1 - Torre A

Information related to the environment

The company carries out its activities in full compliance with safety, environmental and hygiene regulations in the workplace. In view of the nature of the activity carried out, no damage has been caused to the environment nor is there any possibility that the company's activity may cause environmental damage.

Employees related information

During the financial year ending 31/03/2025, all obligations under Law 81/2008 (formerly Law 626/94) were fulfilled.

The average number of employees during 2024/2025 was 12.

It is recorded that no accidents at work occurred during the financial year.

PROPOSAL FOR RESOLUTION

You are invited to deliberate on the approval of the Board of Directors' Report and Financial Statements for the year ended 31 March 2025, which closed with a profit of EUR 1,234,808.

Date: 16 May 2025

For the Board of Directors

Roberto Monguzzi

R. B. Sharma & Co.
Chartered Accountants
B-2,NEEL SADAN, 1426, GROUND FLOOR,
SADASHIV PETH, PUNE -411 030.
TEL.: 020 -24477595/24472405
E-mail : rbsharmaandco@gmail.com

Report on Special Purpose Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of **TILLOMED FRANCE SAS.** (the "Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended March 31, 2025 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Ind AS Financial Statements as at and for the year ended March 31, 2025 are prepared, in all material respects, in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Basis for Opinion

We conducted our audit of the Special Purpose Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Ind AS 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 Act 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 audit opinion on the Special Purpose Ind AS Financial Statements.

R. B. Sharma & Co. FRN 109971W Pune Chartered Accountants

Emphasis of Matter

We draw attention to Note 1B(a)(c) to the financial statements whereby these accounts have been prepared on the basis that the Company does not continue to be a going concern pursuant to resolution passed by Emcure Pharmaceuticals Limited (the "Ultimate Holding Company") on February 6, 2025 to voluntary wind up the affairs of the Company. Accordingly, all assets and liabilities have been measured and stated at the values they expect to be realized or settled at and provisions have been made in the books of account for the losses arising or likely to arise on account of such closure, to the extent ascertained by management at the time of preparation of these accounts.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Special Purpose Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Special Purpose Ind AS Financial Statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Ind AS Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Ind AS Financial Statements, Board of Directors 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. Further, we would also like to draw attention to Note 1B of the Special Purpose Ind AS Financial Statements regarding management's going concern assessment.

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



Auditors' Responsibility for the Special Purpose Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Ind AS 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 Special Purpose Ind AS 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 Special Purpose Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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



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

Other matters

This report on the Special Purpose Ind AS Financial Statements has been issued solely for (i) the limited purpose of consolidation into the financial statements of the holding company, Emcure Pharmaceuticals Limited; (ii) to comply with the provisions of paragraph 10(4)(a) of the Foreign Exchange Management (Overseas Investment) Regulations, 2022 and is intended solely for the information and use by the managements of the Company and the Holding Company. It should not be used for any other purpose or provided to other parties.

For R.B. Sharma & Co
Chartered Accountants
Firm Registration No. 109971W
UDIN: 25044366BMKTAA8206



Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

Tillomed France SAS
Balance Sheet as at March 31, 2025

Particulars	Note	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Assets					
Non-Current Assets					
Property, plant and equipment	2	-	-	-	-
Total Non-Current Assets		-	-	-	-
Current Assets					
Inventories	3	-	5,100	-	0.46
Financial assets					
i) Trade receivables	4	25,53,423	41,57,563	235.96	374.14
ii) Cash and cash equivalents	5	1,36,711	-	12.63	-
iii) Other current financial assets	6	-	14,230	-	1.28
Other current assets	7	3,39,463	1,73,897	31.37	15.65
Total Current Assets		**30,29,597**	**43,50,790**	**279.96**	**391.53**
Total Assets		**30,29,597**	**43,50,790**	**279.96**	**391.53**
Equity and Liabilities					
Equity					
Equity share capital	8	2,37,000	2,37,000	18.61	18.61
Other equity	9	10,02,609	9,39,137	95.93	87.24
Total Equity		**12,39,609**	**11,76,137**	**114.54**	**105.85**
Non-Current Liabilities					
Other Non-current liabilities					
Total Non-Current Liabilities		-	-	-	-
Current Liabilities					
Financial liabilities					
i) Trade Payables	9	17,71,521	30,85,289	163.71	277.64
Current tax liabilities	17	18,467	89,364	1.71	8.04
Total Current Liabilities		**17,89,988**	**31,74,653**	**165.42**	**285.68**
Total Liabilities		**17,89,988**	**31,74,653**	**165.42**	**285.68**
Total Equity and Liabilities		**30,29,597**	**43,50,790**	**279.96**	**391.53**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For R.B. Sharma & Co.
Chartered Accountants
Firm Registration No. 109971W

Mr. Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

R. B. Sharma & Co. FRN 109971W Pune Chartered Accountants

For and on behalf of the Board of Directors
Tillomed France SAS

Mr. Tajuddin Shaikh
Director

Place: Pune
Date: 16/05/2025

Tillomed France SAS
Statement of Profit and Loss for the year ended March 31, 2025

Particulars	Note	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Total Income:					
Revenue from operations	10	8,19,888	81,15,555	74.42	728.85
Other income	11	-	3	-	-
Total Income		**8,19,888**	**81,15,558**	**74.42**	**728.85**
Expenses:					
Purchases of stock-in-trade		-	35,57,768	-	321.41
Changes in inventories of stock in trade	12	5,100	30,79,867	0.46	274.71
Employee benefit expenses	13	720	7,275	0.07	0.65
Depreciation expense	14	-	32,567	-	2.92
Other expenses	15	7,28,017	10,76,487	66.08	96.68
Finance costs	16	1,421	4,139	0.13	0.37
Net (gain) / loss on foreign currency transactions		-	-	-	-
Total Expenses		**7,35,258**	**77,58,103**	**66.74**	**696.74**
Profit Before Taxation		**84,630**	**3,57,455**	**7.68**	**32.11**
Tax Expenses	17				
Current tax		21,158	89,364	1.92	8.03
Deferred Tax		-	-	-	-
Total Tax Expenses		**21,158**	**89,364**	**1.92**	**8.03**
Profit for the Year		**63,472**	**2,68,091**	**5.76**	**24.08**
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences in translating financials statement of foreign operations				2.93	0.78
Total other comprehensive income for the year		**-**	**-**	**2.93**	**0.78**
Total comprehensive income for the year		**63,472**	**2,68,091**	**8.69**	**24.86**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For R.B. Sharma & Co.
Chartered Accountants
Firm Registration No. 109971W

Mr. Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

R. B. Sharma & Co. FRN 109971W Pune Chartered Accountants

For and on behalf of the Board of Directors
Tillomed France SAS

Mr. Tajuddin Shaikh
Director

Place: Pune
Date: 16/05/2025

Tillomed France SAS
Statement of changes in equity for the year ended March 31, 2025

Equity share capital	Note	EUR	Rs. in millions
As at April 1, 2023		2,37,000	18.61
Changes in equity share capital	8	-	-
As at March 31, 2024		2,37,000	18.61
Changes in equity share capital	8	-	-
As at March 31, 2025		2,37,000	18.61

		EUR	EUR	Rs. in millions	Rs. in millions
Other equity	Note	Reserves and Surplus	Other Comprehensive Income	Reserves and Surplus	Other Comprehensive Income
		Retained earnings	Foreign currency translation reserve	Retained earnings	Foreign currency translation reserve
As at April 1, 2023		6,71,046	-	56.30	6.08
Profit for the year		2,68,091	-	24.08	-
Exchange differences in translating financials statement of foreign operations		-	-	-	0.78
		2,68,091	-	24.08	0.78
As at March 31, 2024		9,39,137	-	80.38	6.86
Profit for the year		63,472	-	5.76	-
Exchange differences in translating financials statement of foreign operations		-	-	-	2.93
		63,472	-	5.76	2.93
As at March 31, 2025		10,02,609	-	86.14	9.79

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For R.B. Sharma & Co.
Chartered Accountants
Firm Registration No. 109971W

Mr. Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

R.B. Sharma & Co. FRN 109971W Pune Chartered Accountants

For and on behalf of the Board of Directors
Tillomed France SAS

Mr. Tajuddin Shaikh
Director

Place: Pune
Date: 16/05/2025

Tillomed France SAS
Cash flow statement for the year ended March 31, 2025

Particulars	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Cash flow from operating activities :-				
Profit before taxation	**84,630**	**3,57,455**	**7.68**	**32.11**
Adjustments for:				
Depreciation and amortisation expense	-	32,567	-	2.92
Finance costs	1,421	4,139	0.13	0.37
Effect of exchange rate changes			2.93	0.78
	86,051	**3,94,161**	**10.74**	**36.18**
Working capital adjustments:				
(Increase)/ decrease in inventory	5,100	30,79,867	0.46	274.71
(Increase)/ decrease in trade receivables	16,04,140	(9,10,228)	138.18	(84.49)
(Increase)/ decrease in other financial assets	14,230	-	1.28	(0.01)
(Increase)/ decrease in other assets	(1,65,566)	(5,047)	(15.72)	(0.59)
Increase/ (decrease) in trade payables	(13,13,768)	(22,47,204)	(113.93)	(198.01)
Increase/ (decrease) in other liabilities	-	(3,87,188)	-	(34.54)
	1,44,136	**(4,69,800)**	**10.27**	**(42.93)**
Cash generated from operating activities	**2,30,187**	**(75,639)**	**21.01**	**(6.75)**
Income tax paid (net of refunds)	(92,055)	-	(8.25)	-
Net Cash from Operating Activities (A)	**1,38,132**	**(75,639)**	**12.76**	**(6.75)**
Cash flow from investing activities:-				
Net cash used in investing activities (B)	-	-	-	-
Cash flow from financing activities:-				
Interest paid	(1,421)	(4,139)	(0.13)	(0.37)
Net cash (used in)/from financing activities (C)	**(1,421)**	**(4,139)**	**(0.13)**	**(0.37)**
Net decrease in cash & cash equivalents (A+B+C)	**1,36,711**	**(79,778)**	**12.63**	**(7.12)**
Opening Cash and Cash Equivalents	-	79,778	0.00	7.12
Closing Cash and Cash Equivalents	**1,36,711**	**-**	**12.63**	**0.00**
Closing Cash and Cash Equivalents (Note 5)	**1,36,711**	**-**	**12.63**	**-**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For R.B. Sharma & Co.
Chartered Accountants
Firm Registration No. 109971W

Mr. Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

R. B. Sharma & Co. FRN 109971W Pune Chartered Accountants

For and on behalf of the Board of Directors
Tillomed France SAS

Mr. Tajuddin Shaikh
Director

Place: Pune
Date: 16/05/2025

1A. General information:

Tillomed France SAS (hereinafter referred to as "Company") is a Public Limited Company, incorporated and domiciled in France. The Company is wholly owned subsidiary of Emcure Pharma UK Limited (company incorporated in UK) which in turn is subsidary of Emcure Pharmaceuticals Ltd (hereinafter referred to as "Ultimate Holding Company"). The Company has its registered office in France and is engaged in developing, manufacturing and marketing a broad range of pharmaceutical products within EU region.

1B. Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Functional and presentation currency

The financial statements are presented in Euro (EUR), which is the Company's functional currency and is also presented in Indian Rupees (INR), which is the functional currency of Ultimate Holding Company.

c) Basis of Measurement

On February 6, 2025, the Board of Directors of Ultimate Holding Company took noting of initiation of voluntary liquidation process of Tillomed France SAS ("Company"). The operational activities of the Company can be effectively managed and controlled directly from its Holding Company (i.e. Emcure Pharma UK Limited) or the European assign company. Therefore, there may be no requirement to incur legal and administrative overheads for maintaining a separate French entity.

Condering the present facts and conditions, the management believes that going concern assumption in preparation of the financial statements is still no longer valid and accordingly the financial statements have not been prepared on going concern basis. All assets have been stated at lower of carrying values and the net realisable values, and liabilities have been stated on the basis of best estimates of their settlement values; and the differences between the carrying values and the realisable values/settlement values have been recorded in the Statement of Profit and Loss. The financial statements are being prepared on realizable value basis. All assets and liabilities are classified as current.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

1C. Material accounting policies

a) Foreign Currency Translation

Transaction in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange difference are recognised in statement of profit and loss, except exchange differences arising from the translation of long term foreign currency monetary items pertaining to purchase of property, plant and equipment and intangible assets which are recognised directly in other equity.

Reporting in Indian Rupees
Assets and liabilities of entities have been translated to the Indian Rupees using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the other comprehensive income which is presented within equity.

b) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Trade receivables that do not contain a significant financing component are measured at transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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1C. Material accounting policies (continued)

b) Financial instruments (continued)

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost; or
- Fair value [either through profit and loss (FVTPL) or through other comprehensive income (FVOCI)]

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- The asset is held within a business model whose objective is to hold assets 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.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Fair value changes are recognised in other comprehensive income. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. When such asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income / expenses.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

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

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1C. Material accounting policies (continued)

c) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimate costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation is provided on pro-rata basis using the straight-line method over the estimated useful lives of the assets prescribed under Schedule II to the Companies Act 2013 except for vehicles and furnitures and fixtures at leasehold premises. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimated useful life	Useful life as per schedule II
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Vehicles	5 years	8-10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost on inventories is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other cost incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The Company considers various factors like shelf life, ageing of inventory, product discontinuation, price changes and any other factor which impact the Company's business in determining the allowance for obsolete, non-saleable and slow moving inventories. The Company considers the above factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

e) Impairment

Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on estimated future cash flows of financial assets have occurred.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used.

ECL impairment loss allowance (or reversal) is recognized in the statement of profit and loss.

When determining whether the credit risk of financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitate and qualitative information and analysis based on Company's historical experience and informed credit assessment and including forward - looking information.

The Company assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due.

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1C. Material accounting policies (continued)

e) Impairment (continued)

The Company considers financial asset to be in default when:
a. The borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to action such as realising security (if any is held); or
b. The financial asset is 360 days or more past due.

Presentation of allowance of expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write – off

The Gross carrying amount of financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when Company determines that the debtor does not have asset or source of income that could generate sufficient cash flows to repay the amount subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

f) Employee benefits

Employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plan
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

g) Provisions (other than for employee benefits), Contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

i. Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

ii. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the asset and related income are recognized in the period in which the change occurs. A contingent asset is disclosed, where an inflow of economic benefits is probable.

h) Revenue

Sale of goods

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The Company recognises revenue pertaining to each performance obligation when it transfers control over a product to a customer, which is adjusted for expected refunds, which are estimated based on the historical data, adjusted as necessary. The transaction price is also adjusted for the effect of time value of money if the contract includes significant financing component.

The Company recognises refund liability where the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. The refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price). The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The provision on account of the expected amount of returns is included in provisions and the right to recover returned goods is included in inventory.

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1C. Material accounting policies (continued)

Rendering of services

Revenue from rendering of services is recognised in statement of profit and loss by reference to percentage completion method. The Company is involved in rendering services related to its products to its customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

Market support income/ Profit sharing revenue

The Company has an agreement with Ultimate Holding Company which assures minimum operating margin at an agreed arm's length rate. At the end of each reporting period, the Company updates its transfer pricing working to represent faithfully the circumstances present at the end of the reporting period. The differential excess or shortfall in operation profits is either recovered from or passed on to the Ultimate Holding Company.

i) Leases

The Company as a lessee

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

j) Recognition of interest income or expenses

Interest income or expense is recognised using effective interest method.

k) Income tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

m) Cash flow statement

Cash flow from operations are reported using the indirect method, whereby profit before tax 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 item 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. For the purpose of cash flow statement bank overdraft that are repayable on demand are considered as cash and cash equivalent as it form an integral part of the company's cash management.



EUR

Note 2 Property, plant and equipment	Gross Book Value					Depreciation/Amortisation					Net book value as at 31-Mar-24
	As at 01-Apr-23	Additions during the year	Deletion during the year	FCTR Adjustments	As at 31-Mar-24	As at 01-Apr-23	Charge for the year	Deletion during the year	FCTR Adjustments	As at 31-Mar-24	
Office Equipments	24,927	-	-	-	24,927	23,375	1,552	-	-	24,927	-
Vehicles	31,015	-	-	-	31,015	-	31,015	-	-	31,015	-
Total	**55,942**	**-**	**-**	**-**	**55,942**	**23,375**	**32,567**	**-**	**-**	**55,942**	**-**

Rs. in millions

Note 2 Property, plant and equipment	Gross Book Value					Depreciation/Amortisation					Net book value as at 31-Mar-24
	As at 01-Apr-23	Additions during the year	Deletion during the year	FCTR Adjustments	As at 31-Mar-24	As at 01-Apr-23	Charge for the year	Deletion during the year	FCTR Adjustments	As at 31-Mar-24	
Office Equipments	2.22	-	-	0.02	2.24	2.08	0.13	-	0.03	2.24	-
Vehicles	2.77	-	-	0.02	2.79	-	2.79	-	-	2.79	-
Total	**4.99**	**-**	**-**	**0.04**	**5.03**	**2.08**	**2.92**	**-**	**0.03**	**5.03**	**-**



Note 3 Inventories	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Stock-in-trade	-	5,100	-	0.46
Total	-	5,100	-	0.46

Notes:

1. Inventories are valued at lower of cost or net realisable value.

2. Stock in transit as at year end is as below:

	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
In transit	-	-	-	-

3. Write-downs of inventories as at the year end is as below

	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
Write-down of inventories	-	77,492	-	6.97

Notes 4 Trade receivables	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Unsecured				
Trade receivables from related parties	10,58,787	17,94,447	97.84	161.48
Other trade receivables	14,94,636	23,63,116	138.12	212.66
Less: Allowance for doubtful debts	-	-	-	-
Total	25,53,423	41,57,563	235.96	374.14

Trade receivables ageing schedule;

As at March 31, 2025 (EUR)	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	-	25,53,423	-	-	-	-	25,53,423
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	25,53,423	-	-	-	-	25,53,423
Less: Allowance for doubtful debts							-
Total	-	25,53,423	-	-	-	-	25,53,423

As at March 31, 2025 (Rs. in millions)	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	-	235.96	-	-	-	-	235.96
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	235.96	-	-	-	-	235.96
Less: Allowance for doubtful debts							-
Total	-	235.96	-	-	-	-	235.96

As at March 31, 2024 (EUR)	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	17,94,447	23,63,116	-	-	-	-	41,57,563
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	17,94,447	23,63,116	-	-	-	-	41,57,563
Less: Allowance for doubtful debts							-
Total	17,94,447	23,63,116	-	-	-	-	41,57,563

As at March 31, 2024 (Rs. in millions)	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	161.48	212.66	-	-	-	-	374.14
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	161.48	212.66	-	-	-	-	374.14
Less: Allowance for doubtful debts							-
Total	161.48	212.66	-	-	-	-	374.14

R. B. Sharma & Co. FRN 109971W Pune Chartered Accountants

Notes 5 Cash and cash equivalents	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Cash on hand	-	-	-	-
Bank balances				
In current accounts	1,36,711	-	12.63	-
Total	**1,36,711**	**-**	**12.63**	**-**

Notes 6 Other current financial assets	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Unsecured considered good:				
Security Deposit	-	14,230	-	1.28
Total	**-**	**14,230**	**-**	**1.28**

Notes 7 Other current assets	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Unsecured considered good:				
Balances with government authorities	3,39,463	1,73,897	31.37	15.65
Total	**3,39,463**	**1,73,897**	**31.37**	**15.65**



Tillomed France SAS
Notes to the financial statements (continued)
For the year ended March 31, 2025

Note 8 Equity share capital	No. of shares	EUR As at 31-Mar-25	Rs. in millions As at 31-Mar-25
Shareholders			
Emcure Pharma UK Limited	23,700	2,37,000	18.61
Total	**23,700**	**2,37,000**	**18.61**

Note Share capital	No. of shares	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-24
Shareholders			
Emcure Pharma UK Limited	23,700	2,37,000	18.61
Total	**23,700**	**2,37,000**	**18.61**

Note 9 Other equity	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
i) Retained earnings				
Balance as at the beginning of the year	9,39,137	6,71,046	80.38	56.30
Profit for the year	63,472	2,68,091	5.76	24.08
Total	**10,02,609**	**9,39,137**	**86.14**	**80.38**
ii) Foreign currency translation reserve				
Opening Balance			6.86	6.08
Addition during the period			2.93	0.78
Deletion during the period			-	-
Closing Balance	-	-	**9.79**	**6.86**
Total	**10,02,609**	**9,39,137**	**95.93**	**87.24**



Note 9 Trade payables	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Trade payables to related parties	-	20,45,262	-	184.05
Trade payables	17,71,521	10,40,027	163.71	93.59
Total	**17,71,521**	**30,85,289**	**163.71**	**277.64**

Trade payables ageing schedule;

As at March 31, 2025 (EUR)	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Others	-	17,71,521	-	-	-	17,71,521
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**17,71,521**	**-**	**-**	**-**	**17,71,521**

As at March 31, 2025 (Rs. in millions)	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Others	-	163.71	-	-	-	163.71
Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**163.71**	**-**	**-**	**-**	**163.71**

As at March 31, 2024 (EUR)	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Others	1,73,427	29,11,862	-	-	-	30,85,289
Disputed dues - Others	-	-	-	-	-	-
Total	**1,73,427**	**29,11,862**	**-**	**-**	**-**	**30,85,289**

As at March 31, 2024 (Rs. in millions)	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Others	15.61	262.03	-	-	-	277.64
Disputed dues - Others	-	-	-	-	-	-
Total	**15.61**	**262.03**	**-**	**-**	**-**	**277.64**



Notes 10 Revenue from Operations	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Revenue from contracts with customers				
Sale of products	-	81,15,555	-	728.85
Sale of services	-	-	-	-
Other operating revenue				
Marketing Support Income	8,19,888	-	74.42	-
Total	**8,19,888**	**81,15,555**	**74.42**	**728.85**

Notes 11 Other Income	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Other Income	-	3	-	-
Total	**-**	**3**	**-**	**-**

Notes 12 Changes in inventories of stock in trade	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Opening inventory				
Stock in trade	5,100	30,84,967	0.46	275.17
Closing inventory				
Stock in trade	-	(5,100)	-	(0.46)
Total	**5,100**	**30,79,867**	**0.46**	**274.71**

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FRN 109971W
Pune
Chartered Accountants

Note 13 Employee benefit expenses	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Salaries, wages and bonus	720	-	0.07	-
Contribution to provident and other funds	-	7,275	-	0.65
Total	**720**	**7,275**	**0.07**	**0.65**

Note 14 Depreciation expense	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Depreciation on property, plant and equipment	-	32,567	-	2.92
Total	**-**	**32,567**	**-**	**2.92**

Note 15 Other expenses	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Lease rent	23,716	56,919	2.15	5.11
Rates and taxes	6,29,921	1,00,000	57.18	8.98
Regulatory fees - Registration/Variations	-	6,27,058	-	56.32
Legal and professional fees	62,691	34,587	5.69	3.11
Travelling and conveyance	-	619	-	0.06
Accounts & Audit fees	800	5,827	0.07	0.52
Freight	-	26,329	-	2.36
Miscellaneous expenses	889	6,729	0.08	0.60
Commission	10,000	2,18,419	0.91	19.62
Total	**7,28,017**	**10,76,487**	**66.08**	**96.68**

Note 16 Finance costs	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Bank charges	1,421	4,139	0.13	0.37
Total	**1,421**	**4,139**	**0.13**	**0.37**



Note 17 Tax expenses	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Current year	21,158	89,364	1.92	8.03
Tax related to prior years	-	-	-	-
Total current tax expense	**21,158**	**89,364**	**1.92**	**8.03**
Originating and reversal of temporary differences	-	-	-	-
Changes in temporary differences of earlier years	-	-	-	-
Total deferred tax	**-**	**-**	**-**	**-**
Total	**21,158**	**89,364**	**1.92**	**8.03**

Reconciliation of tax expense and the accounting profit multiplied by Local tax rate

	EUR Year Ended 31-Mar-25	EUR Year Ended 31-Mar-24	Rs. in millions Year Ended 31-Mar-25	Rs. in millions Year Ended 31-Mar-24
Profit before tax	84,630	3,57,455	7.68	32.11
Local tax rate	25.00%	25.00%	25.00%	25.00%
Tax using the Company's local tax rate	**21,158**	**89,364**	**1.92**	**8.03**
Tax effect of amounts which are not (deductible) / taxable in calculating taxable income:				
Non deductible expenses	-	-	-	-
Tax related to prior years	-	-	-	-
Other items	-	-	-	-
Total tax expenses	**21,158**	**89,364**	**1.92**	**8.03**
Effective tax rate	**25.00%**	**25.00%**	**25.00%**	**25.01%**

-89364

Note 17A Current tax assets / (liabilities) (net)	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Income tax assets (net of provisions)	-	-	-	-
Income tax liabilities (net of advance tax)	(18,467)	(89,364)	(1.71)	(8.04)
Current tax assets / (liabilities) (net)	**(18,467)**	**(89,364)**	**(1.71)**	**(8.04)**

Note 17B Deferred tax assets / (liabilities) (net)	EUR As at 31-Mar-25	EUR As at 31-Mar-24	Rs. in millions As at 31-Mar-25	Rs. in millions As at 31-Mar-24
Deferred tax assets / (liabilities) (net)	-	-	-	-
Deferred tax assets / (liabilities) (net)	**-**	**-**	**-**	**-**

Unrecognised deferred tax assets

Deferred tax assets have not recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefit therefrom.

Particulars	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
Gross amount				
Deductible temporary differences	-	-	-	-
Tax losses	-	-	-	-
Total	**-**	**-**	**-**	**-**
Unrecognised tax effect				
Deductible temporary differences	-	-	-	-
Tax losses	-	-	-	-
Total	**-**	**-**	**-**	**-**

Tax losses for which no deferred tax asset was recognised expire as follows;

Particulars	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
Expire	-	-	-	-
Never Expire	-	-	-	-
Total	**-**	**-**	**-**	**-**

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Chartered Accountants

Note 18
Foreign currency risk exposure

Particulars	Currency	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
Financial assets					
Receivables (including other receivables)	Others	-	-	-	-
Cash and cash equivalents	Others	-	-	-	-
Total		-	-	-	-
Financial liabilities					
Payables (including other payables)	Others	-	-	-	-
Total		-	-	-	-

Note 19
Contingent liabilities (to the extent not provided for)
There are no contingent liabilities as at year ended March 31, 2025 or as at year ended March 31, 2024.

Note 20
Capital commitment

Particulars	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-	-

Note 21
Related party disclosure

Related parties with whom there were transactions during the year and nature of relationship

Ultimate Holding Company	Emcure Pharmaceuticals Limited
Holding Company	Emcure Pharma UK Limited
Fellow subsidiaries	Tillomed Laboratories Limited Tillomed Pharma Gmbh

Description of the nature of transaction / balance	EUR 31-Mar-25	EUR 31-Mar-24	Rs. in millions 31-Mar-25	Rs. in millions 31-Mar-24
(A) Transactions during the year				
(i) Purchase of goods & services (net)				
Tillomed Laboratories Limited	-	34,11,151	-	308.16
	-	**34,11,151**	-	**308.16**
(ii) Sale/(Return) of goods and services (net)				
Tillomed Pharma Gmbh	-	17,94,447	-	161.16
	-	**17,94,447**	-	**161.16**
(iii) Marketing support income				
Tillomed Laboratories Limited	8,19,888	-	74.42	-
	8,19,888	-	**74.42**	-
(iv) Reimbursement of expenses made				
Tillomed Laboratories Limited	-	58,989	-	5.30
Emcure Pharmaceuticals Limited	-	1,05,749	-	9.50
	-	**1,64,738**	-	**14.80**
(B) Outstanding balances				
(i) Trade receivable				
Tillomed Pharma Gmbh	-	17,94,447	-	161.48
Tillomed Laboratories Limited	10,58,787	-	97.84	-
	10,58,787	**17,94,447**	**97.84**	**161.48**
(ii) Trade payable				
Tillomed Laboratories Limited	-	17,64,588	-	158.79
Emcure Pharmaceuticals Limited	-	2,80,674	-	25.26
	-	**20,45,262**	-	**184.05**

R. B. Sharma & Co. FRN 100971W Pune Chartered Accountants

Note 22
Assets pledged as security
There are no assets pledged as at March 31, 2025 or as at March 31, 2024.

Note 23
Expenditure on research and development

	EUR	EUR	Rs. in millions	Rs. in millions
	Year Ended 31-Mar-25	Year Ended 31-Mar-24	Year Ended 31-Mar-25	Year Ended 31-Mar-24
Revenue	-	6,57,395	-	59.04
Capital	-	-	-	-
Total	**-**	**6,57,395**	**-**	**59.04**

Note 24
Disclosure of certain information
Since these are special purpose financial statements. disclosures have been tailored for limited purpose of consolidation into the financial statements of the Ultimate Holding Company. Hence certain information as required by respective applicable Indian Accounting Standards (Ind AS) may not be presented in full.

Note 25
Events occurring after the March 31, 2025
There are no significant events subsequent to year ended March 31, 2025.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For R.B. Sharma & Co.
Chartered Accountants
Firm Registration No. 109971W

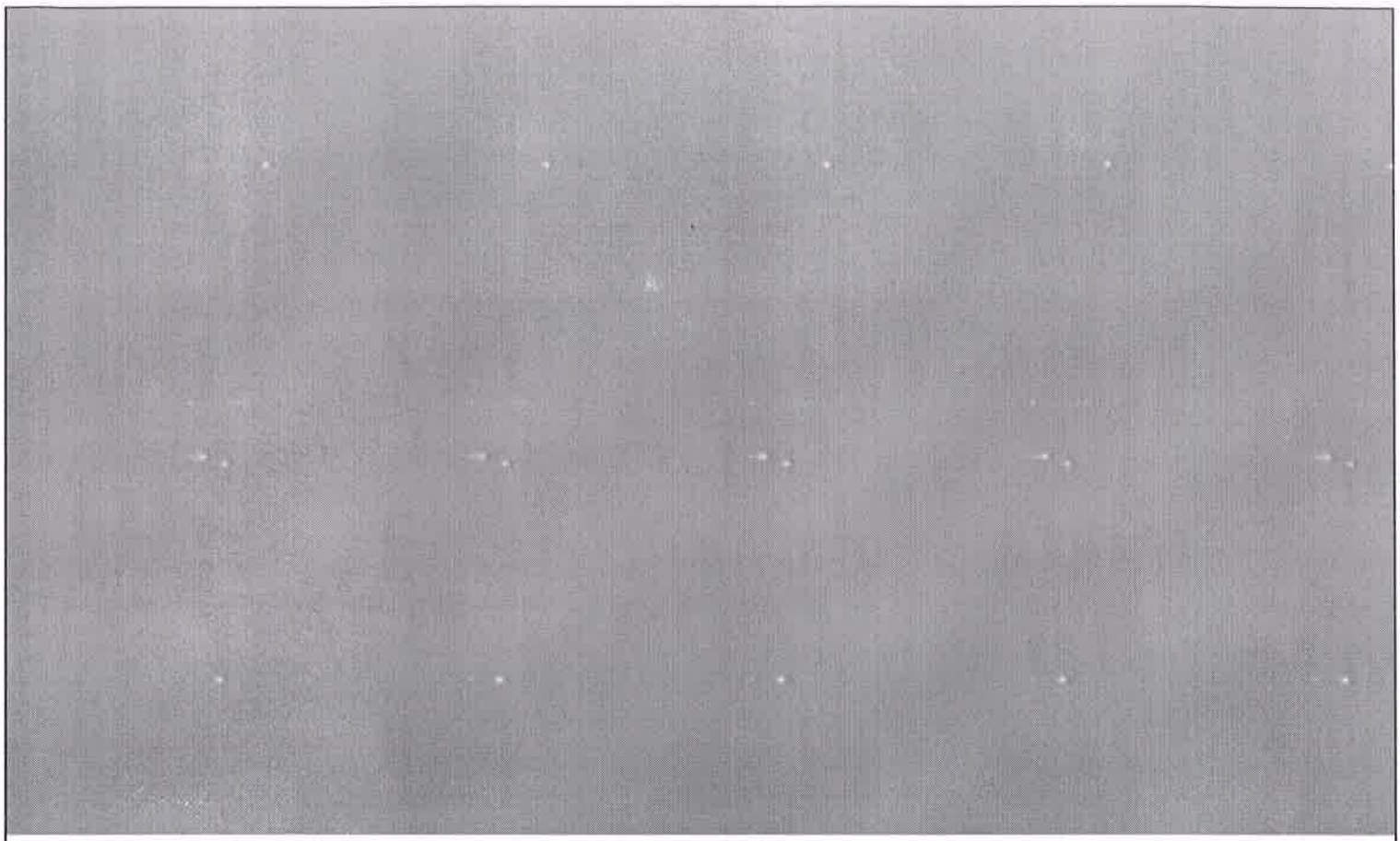
Mr. Madhavan N Iyengar
Partner
M No 044366
Place: Pune
Date: 16/05/2025

R. B. Sharma & Co. ★ FRN 109971W ★ Pune ★ Chartered Accountants

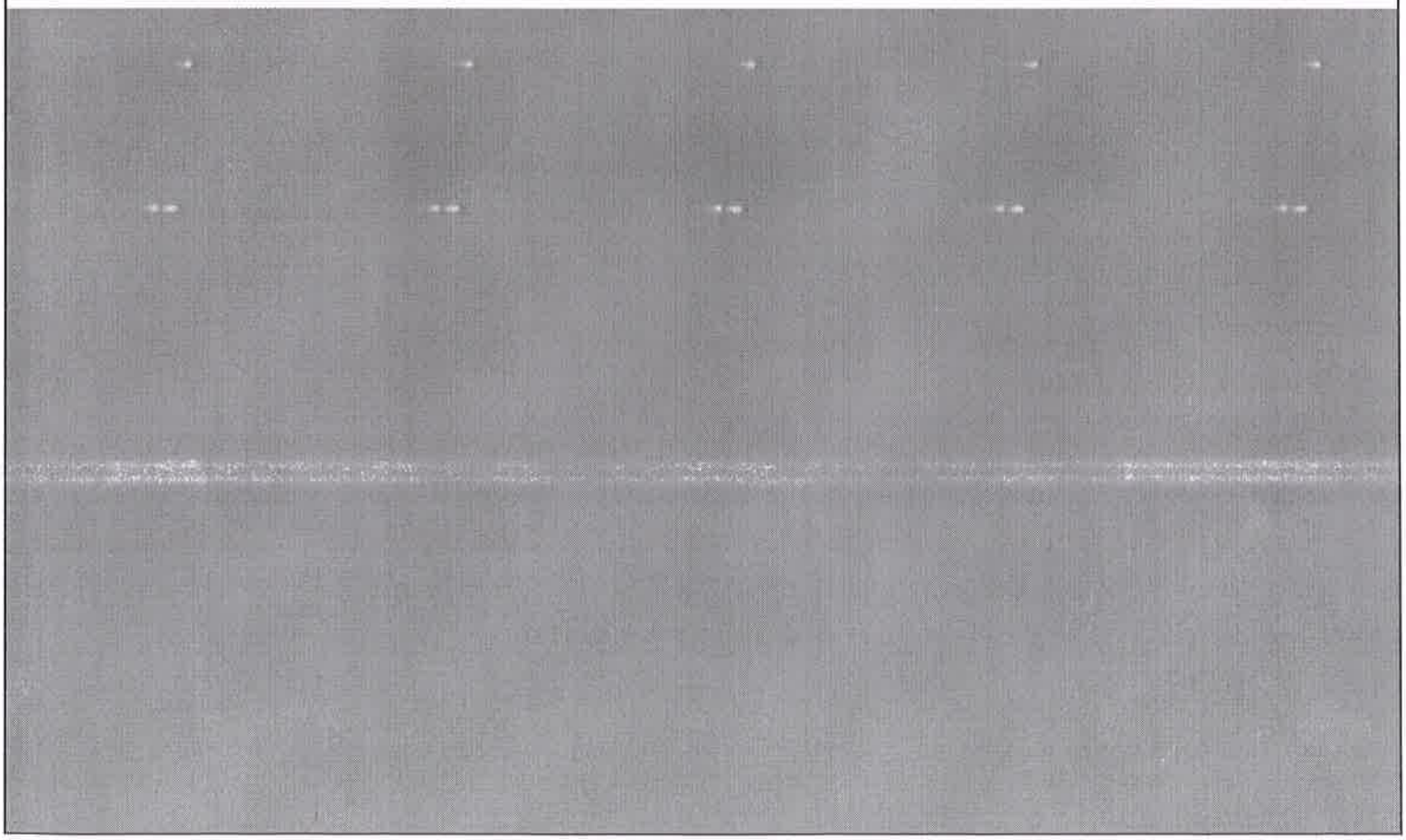
For and on behalf of the Board of Directors
Tillomed France SAS

Mr. Tajuddin Shaikh
Director

Place: Pune
Date: 16/05/2025



ANNUAL REPORT & FINANCIAL STATEMENTS



ANNUAL REPORT & FINANCIAL STATEMENTS

LAZOR PHARMACEUTICALS LIMITED

ARUN BHATT & CO

Certified Public Accountants,

Advisors & Tax Consultants

P.O Box 39831-00623
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Lazor Pharmaceuticals Ltd
Annual report and Financial Statements
For the period ended 31st March 2025

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Statement of changes in equity	9
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CORPORATE INFORMATION

Directors	Rohit Prakash Chandrapant Abhijeet Ajitshah Heitali Rameshbaichhaya Kapildev Arunkumarbhatt - Independent Non Active Director
Company secretary	Jophece Yogo Certified Public Secretary P. O. Box 80766 Nairobi
Registered Office	Westside Tower P.O Box 33831 00500 Parklands Nairobi.
Independent auditors	Arun Bhatt. & Co. Certified Public Accountants (CPA - K) P. O. Box 39831 Code `00623 Nairobi
Bankers	PRIME BANK LTD P.O Box 43825-00100 Riverside drive Westlands Nairobi CITI BANK P.O Box 30711-00100 Nairobi

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the period ended 31st March 2025 which disclose the state of affairs of the Company.

Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act 2015.

Principal Activities

The Company is engaged in Importing and distributing pharmaceutical and surgical products.

Results

The results for the period ended 31st March, 2025 are set out on page 7.

Directors' interest in contracts

During the financial year, no contract was entered into which Directors or officers of the Company had an interest and which significantly affected the business of the Company.

Borrowings

The Company has not granted any loan to the Directors during the year.

Auditors

The Company's auditors, Arun Bhatt & Co., have expressed willingness to continue in office in accordance with Section 719(2) of the Kenyan Companies Act, 2015. The directors monitors the effectiveness, objectivity and independence of the auditor. The director also approve the annual audit engagements contract which sets out the terms of the auditors appointment and the related fees.

BY ORDER OF THE BOARD

DIRECTOR

5th May 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

i) designing,implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;

ii) selecting and applying appropriate accounting policies; and

iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on 5th May 2025 and signed on its behalf by:

Director

ARUN BHATT & CO

Certified Public Accountants,

Advisors & Tax Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Lazor Pharmaceuticals Limited

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of Lazor Pharmaceuticals Limited (the company) set out on pages 8 to 24, which comprise the statement of financial position as at 31 March 2025, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lazor Pharmaceuticals Limited Limited as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard and the requirements of the Kenyan Companies Act, 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of Auditor's Responsibilities for the Audit of the Financial Statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled " Lazor Pharmaceuticals Limited financial statements for the year ended 31 March 2025", which includes the Director's Report as required by the Kenyan Companies Act, 2015, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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.

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INDEPENDENT AUDITOR'S REPORT

Responsibilities of the Director for the Financial Statements

The director is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director 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 the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

ARUN BHATT & CO

Certified Public Accountants,

Advisors & Tax Consultants

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Report on Other Legal and Regulatory Requirements

As required by the Kenyan Companies Act 2015 we report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books;
- the Company's Statement of Financial Position and Statement of Profit or loss and other Comprehensive Income are in agreement with the books of account; and
- the information in the Directors' Report is consistent with the Financial Statements.

The engagement partner responsible for the audit resulting in this independent auditor's report was **CPA Neekita Arunkumar Bhatt** Practicing Certificate No.: **P/1337**

Signed on behalf of Arun Bhatt & Co. by CPA Neekita Arunkumar Bhatt
Engagement partner responsible for the independent audit
Practicing certificate number: P/1337

5th May 2025

ARUN BHATT & CO
P. O. Box
39831 - 00623,
NAIROBI - KENYA.
Date: 5th May 2025

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2025 Kshs	2024 Kshs
Turnover	2	345,118,747	359,078,681
Cost of sales		(165,220,767)	(177,036,461)
Gross profit		**179,897,980**	**182,042,220**
Other income	3	8,208,302	28,045
Employment expenses		(64,922,666)	(71,877,212)
Administrative expenses		(86,926,129)	(85,258,687)
Establishment expenses		(8,130,422)	(4,167,523)
Operating profit / (loss)	4	**28,127,065**	**20,766,843**
Finance costs		(3,738,868)	6,104,173
Profit / (Loss) before tax		**24,388,197**	**26,871,012**
Taxation	5	(6,395,950)	(5,101,504)
Profit / (Loss) after tax		**17,992,247**	**21,769,508**
Total comprehensive income for the year		**17,992,247**	**21,769,508**

STATEMENT OF FINANCIAL POSITION

	Notes	2025 Kshs	2024 Kshs
Non-current assets			
Property, Plant and Equipment	15	5,701,395	5,318,468
		5,701,395	5,318,468
Current assets			
Inventories	7	27,818,722	49,504,728
Receivables and prepayments	8	375,713,602	303,176,852
Cash and cash equivalents	14	11,940,823	26,123,489
		415,473,146	378,805,069
Current liabilities			
Trade and other payables	11	25,679,046	21,099,694
Tax payable	9	8,189,566	73,231
Intercompany	12	274,916,202	266,826,357
Deferred tax	5	1,825,566	3,552,339
		310,610,380	291,551,622
Net Current Assets		**104,862,767**	**87,253,446**
		110,564,162	**92,571,915**
FINANCED BY:			
EQUITY AND LIABILITIES			
Share holders equity			
Share capital	10	81,603,500	81,603,500
Retained earnings		28,960,662	10,968,415
Shareholders' funds		110,564,162	92,571,915
		110,564,162	**92,571,915**

The financial statements set out on pages 7 to 19 were approved by the Board of Directors on 5th May 2025 and signed on its behalf by:

Director

STATEMENT OF CHANGES IN EQUITY

	Share Capital Kshs	Retained Earnings Kshs	Total Kshs
Year ended 31st March 2025			
Balance at 1st April 2024	81,603,500	10,968,415	92,571,915
Profit for the year	-	17,992,247	17,992,247
Balance at 31st March 2025	**81,603,500**	**28,960,662**	**110,564,162**
Year ended 31st March 2024			
Balance at 1st April 2023	81,603,500	(10,801,093)	70,802,407
Profit for the year	-	21,769,508	21,769,508
Balance at 31st March 2024	**81,603,500**	**10,968,415**	**92,571,915**

The Statement of changes in Equity should be read in conjunction with the notes to and forming part of these financial statements set out on pages 9 to 13 .

STATEMENT OF CASH FLOWS

	Notes	2025 Kshs	2024 Kshs
Cash flows from operating activities			
Cash generated from operations	13	(12,436,469)	(15,610,622)
Tax paid		(6,389)	(1,898,044)
Net cash flow generated from operations		**(12,442,858)**	**(17,508,666)**
Cash flows from investing activities			
Payment to acquire tangible fixed assets		(1,756,076)	(656,397)
Net cash used in investing activities		(1,756,076)	(656,397)
Increase (decrease)/ in cash and cash equivalents		(14,198,934)	(18,165,063)
Movement in cash and cash equivalents			
Cash and cash equivalents at the beginning		26,123,489	44,288,550
Decrease/(Increase) during the year		(14,182,666)	(18,165,061)
Cash and cash equivalents at the end	14	**11,940,823**	**26,123,489**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards under the historical cost convention.

b) Revenue recognition

Revenue are recognized when earned and comprises value of goods sold net taxes and discounts.

c) Taxation

Tax on the profit or loss for the year comprises of current tax and deferred tax charge/(credit).Current tax is provided on the results for the year as adjusted in accordance with current legislation. Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognised only when it is probable taxable profits will be available against which these assets can be utilised.

d) Property, plant and equipment

Fixed assets other than Land and Buildings are stated at historical cost less depreciation. Increases in the carrying amount arising on the revaluation are credited to the revaluation reserve. Each year the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost is transferred from the revaluation reserves to retained earnings.

Depreciation is calculated on the reducing balance method at annual rates estimated to write off the cost of assets or the revalued amounts thereof to their residual values over their expected useful life.

The annual rates used are:

	Years
Computers and Accessories	3

e) Inventories

Stock is stated as certified and valued by the Management at weighted average cost method

f) Trade receivables

Trade receivable are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

g) Foreign currencies

Foreign currency transactions are recorded in Kenya Shillings at rates of exchange prevailing at the time of the transactions. Balances in foreign currencies at the Balance Sheet date are translated at the year end rates of exchange. The resulting differences from conversion and translation are dealt with in the profit and loss account in the year in which they arise.

NOTES TO THE FINANCIAL STATEMENTS - Continued

h) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and current account balances held with banks, net of bank overdrafts. In the balance sheet, bank overdrafts are shown under current liabilities.

2 Turnover Turnover is comprised of the invoiced value of goods sold during the year.	**2025 Kshs**	**2024 Kshs**
Sale of medicines/Human drugs	345,118,747	359,078,681
	345,118,747	359,078,681

3 Other income / costs		
Interest income	42,349	28,045
Realised gain/(loss)	8,165,953	18,529,535
	8,208,302	18,557,580

4 Operating profit

Operating profit is stated after charging:

Depreciation	1,356,881	1,048,813
Staff costs	64,922,666	71,877,212
Auditors' remuneration	952,725	952,725

5 Taxation	**2025 Kshs**	**2024 Kshs**
Current tax	8,122,723	73,231
Deferred tax	(1,726,773)	5,028,273
Tax credit	6,395,950	5,101,504

The tax on the company's profit/(loss) before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

Profit/(Loss) before tax	**24,388,197**	**26,871,012**
Tax at the applicable rate of 30%	7,316,459	8,061,304
Tax effect of ;		
Expenses not deductible for tax purposes	-	-
Income not subject to tax purposes	-	-
Deffered tax on PPE	-	-
Tax credit	7,316,459	8,061,304

NOTES TO THE FINANCIAL STATEMENTS - Continued

6 Deferred tax

Deferred Tax is calculated ,in full, on all temporary differences under the balance sheet liability method using principal tax rate of 30%.The movement on the deferred tax account is as follows:

-The deffered tax assets are the tax effects of expected future income tax benefits relating to:

(a) Difference between the carrying amount and tax written down value of plant property and equipments

(b) Foreign exchange loss on trade payables which will not be tax deductible until the payables are settled but has already been recognised as an expense in measuring company profits for the year

(c) Unutilised losses arising from company trading in losses

	2025 Kshs	2024 Kshs
At start of year	(3,552,339)	1,475,934
Charge to profit and loss account	1,726,773	(5,028,273)
At end of year	(1,825,566)	(3,552,339)

Deferred tax assets and liabilities, and the deferred tax charge/(credit) in profit and loss account are attributable to the following items:-

Deferred tax assets	Charge/ (credited) to P&L A/C Kshs	Charge/ (credited) to P&L A/C Kshs
Unused tax losses	1,726,773	(5,028,273)
	1,726,773	(5,028,273)

7 Inventories

Finished goods	27,818,722	49,504,728
	27,818,722	49,504,728

8 Receivables and prepayments

Trade receivables	371,118,077	277,562,625
Staff advances	131,370	1,535,040
Other advances	5,799	22,416,657
Deposits	4,458,356	1,662,530
	375,713,602	303,176,852

9 Tax recoverable/(Payable)

Balance as start of year	73,231	1,898,044
Corporate Tax charge for the year	8,122,723	73,231
Tax paid(installment tax)	(6,389)	(1,898,044)
Balance as at end of year	8,189,566	73,231

10 Share capital

Authorised/Nominal shares		
1,244,950 ordinary shares of Kshs 100/- each	124,495,000	124,495,000
Issued, called up and fully paid shares		
81,603 ordinary shares of Kshs 100/- each	81,603,500	81,603,500

NOTES TO THE FINANCIAL STATEMENTS - Continued

	2025 Kshs	2024 Kshs
11 Trade and other payables		
Trade payables	3,905,596	2,736,960
Salary payable	1,292,355	3,064,694
Accrual	6,597,860	3,308,433
Directors Bonus payable	-	2,450,000
Accruals	1,625,670	39,682
Employee benefits payable	12,257,566	9,499,926
	25,679,046	21,099,694
12 Inter Company balances		
Intercompany creditors-Emcure Pharmaceuticals ltd	274,916,202	266,826,356
	274,916,202	266,826,357

13 Cash generated from operations	2025 Kshs	2024 Kshs
Profit/(Loss) before taxation	24,388,197	26,871,012
Adjustments for:		
Depreciation	1,356,881	1,048,813
Operating profit before working capital changes		
Changes in working capital		
(Increase)/Decrease in Inventories	21,686,006	1,023,268
(Increase)/Decrease in Trade and other receivables	(72,536,750)	(136,368,544)
Increase/(Decrease) in Trade and other payables	12,669,197	91,814,829
Cash generated from operations	**(12,436,469)**	**(15,610,622)**

14 Cash and cash equivalents		
Cash and cash equivalents are comprised of the following:		
Bank	11,940,823	26,123,489
	11,940,823	26,123,489

NOTES TO THE FINANCIAL STATEMENTS - Continued

15 Property, plant and equipment

	Leasehold Improvements	Computer & Accessories	Fittings & Fittings	Electriclas & office Equip	TOTAL
Cost or valuation	**Kshs**	**Kshs**	**Kshs**	**Kshs**	**Kshs**
At 1st April 2024	2,823,510	1,797,871	1,981,274	678,980	7,281,635
Additions	-	1,700,368	-	55,708	1,756,076
Disposal	-	-	16,268	-	(16,268)
At 31st March, 2025	2,823,510	3,498,239	1,965,006	734,688	9,021,443
Depreciation					
At 1st April 2024	661,760	786,260	356,011	159,136	1,963,167
Charge for the year	270,219	813,594	201,124	71,944	1,356,881
Disposal	-	-	-	-	-
At 31st March, 2025	931,979	1,599,854	557,135	231,080	3,320,048
Net book value					
At 31st March, 2025	1,891,531	1,898,385	1,407,871	503,608	5,701,395

NOTES TO THE FINANCIAL STATEMENTS- Continued

16 Risk management Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, company maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Over 5 years
Borrowings	-	-	-
Trade and other payables	25,679,046	-	-
Intercompany	274,916,202	-	-
	300,595,248	-	-

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Over 5 years
Borrowings	-	-	-
Trade and other payables	21,099,694	-	-
Intercompany	266,826,357	-	-
	287,926,051	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. The Finance Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

NOTES TO THE FINANCIAL STATEMENTS- Continued

17 Risk management (continued)

Credit risk-Continued	2025 Kshs	2024 Kshs
Financial assets exposed to credit risk at year end were as follows:		
Financial instrument		
Cash and cash equivalents	11,940,823	26,123,489
Receivables and prepayments	375,713,602	303,176,852
	387,654,425	**329,300,341**

18 New standards and interpretations

18.1 Standards, Amendments to published Standards and Interpretations effective in the reporting period

In the current period,the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 14 Regulatory Deferral Accounts

The amendments provide relief for the first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated acivities('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Company's Financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Company's financial statements.

Equity method in separate financial statements (Amendments to IAS 27)

The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate FS. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment has no impact on the Group's/Company's financial statements.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

IAS 41 now distinguishes between bearer plants and other biological asset. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. The amendment has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS- Continued

18 New standards and interpretations- Continued

Annual Improvements to IFRSs 2012-2014 cycle

IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the Company's financial statements.

IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the Company's financial statements.

IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34.The amendment has no impact on the Company's financial statements.

IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Company's financial statements.

IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the Company's financial statements.

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS

The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement.The amendment has no impact on the Company's financial statements.

19 Incorporation

The company is incorporated in Kenya under the Companies Act, 2015 and is domiciled in Kenya.

20 Currency

The financial statements are presented in Kenya Shillings (Kshs).

21 Contigent Liability

The directors are of the opinion that contigent liabilities, if any, will not have a material effect on Company performance

SCHEDULE OF COST OF SALES AND OPERATING EXPENDITURE

		2025 Kshs	2024 Kshs
1	**Cost of sales**		
	Opening stock	49,504,728	50,527,996
	Purchases	143,534,761	176,013,193
	Closing stock	(27,818,722)	(49,504,728)
		165,220,767	177,036,461
2	**Employment expenses**		
	Salaries and wages	56,763,837	64,064,520
	Staff welfare	1,812,385	3,252,250
	Medical insurance	6,346,445	4,560,442
		64,922,666	71,877,212
3	**Administrative expenses**		
	Auditor's remuneration	952,725	952,725
	Advertising and promotion	32,678,482	42,987,508
	Office expenses	432,283	225,991
	Proffesional fees	10,657,080	1,437,423
	Clearing charges	1,112,919	-
	computer expenses	241,274	512,550
	License	2,574,443	-
	Printing, Postage, telephone and stationery	1,077,396	1,690,482
	Product registration	10,574,509	10,718,395
	Repairs and maintenance	69,518	76,460
	Fuel/mileage claims staff	19,257,305	-
	Travel-Local & Overseas	7,298,195	26,657,153
		85,926,129	85,258,687
4	**Establishment expenses**		
	Depreciation	1,356,881	1,048,813
	Electricity and water	1,727,694	104,504
	Rent	3,482,320	2,887,154
	Insurance	1,563,527	127,052
		8,130,422	4,167,523
5	**Finance costs**		
	Bank charges	501,232	573,041
	Realised exchange (gain)/losses	-	14,345,275
	Unrealised exchange (gain)/losses	3,237,636	(21,022,489)
		3,738,868	(6,104,173)

Lazor Pharmaceuticals Ltd

TAX COMPUTATION

YEAR OF INCOME 2025

Pin No. P052016383E

		2025 Kshs
BUSINESS INCOME		
Profit before taxes		**24,388,197**
Add: Disallowable items		
Depreciation	1,356,881	
Unrealised exchange loss	2,531,458	
		3,888,339
Less: Allowable items		
Wear and tear allowance	(1,158,442)	
Interest income	(42,349)	
		(1,200,791)
Adjusted Taxable profit/(loss)		**27,075,745**
Losses C/D		-
Taxable profit/(Loss) B/F		**27,075,745**
Tax payable @ 30%		**8,122,723**

WEAR AND TEAR SCHEDULE

	Class II 25% Kshs	Class III 25.0% Kshs	Class IV 10.0% Kshs	TOTAL Kshs
W.D.V. 1-4-2024	1,134,377	-	4,441,849	5,576,226
Addition	1,700,368	-	55,708	1,756,076
Disposal		-		-
	2,834,745	**-**	**4,497,557**	**7,332,302**
Wear and tear allowance	(708,686)	-	(449,756)	(1,158,442)
W.D.V. 31-03-2025	**2,126,059**	**-**	**4,047,801**	**6,173,860**

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

2	0	2	1	0	5	0	0	1	3	2	7	2	-	0	3

Company Name

E	M	C	U	R	E		P	H	A	R	M	A		P	H	I	L	I	P	P	I	N	E	S		I	N	C	

Principal Office (No./Street/Barangay/City/Town)Province)

F	R	A	B	E	L	L	E		B	U	S	I	N	E	S	S		C	E	N	T	E	R						
1	1	1		R	A	D	A		S	T		L	E	G	A	S	P	I		V	I	L	L	A	G	E			
C	I	T	Y		O	F		M	A	K	A	T	I		F	O	U	R	T	H		D	I	S	T	R	I	C	T
N	C	R																											

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
emcurepharma@tacs-ph.com	(02) 8817-1645	0917-515-3894

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
6	May-25	March 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number	Mobile Number
Leroy Lee A. Enriquez	leroy.enriquez@tacs-ph.com	N/A	0917-855-5262

Contact Person's Address

Th-1 Ecology Vill 3, Don Bosco St. Bangkal, Makati City

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be property and completely filled-up. Failure to do shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

EMCURE PHARMA PHILIPPINES INC.

(A Wholly-owned Subsidiary of Emcure Pharmaceuticals Ltd.)

FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

Emcure
SUCCESS THROUGH INNOVATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of EMCURE PHARMA PHILIPPINES, INC. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended March 31, 2025, in accordance with the prescribed financial reporting framework indicated therein, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and 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 going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is responsible for overseeing the Company's financial reporting process.

The Management reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Maceda Valencia & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

SRINIVAS CHAKRAVARTHY MADDALI
Chairman of the Board

SRINIVAS CHAKRAVARTHY MADDALI
Chief Executive Officer

LEROY LEE ENRIQUEZ
Chief Financial Officer

Signed this 30th day of April 2025

5/F Don Jacinto Bldg.,
Dela Rosa cor. Salcedo Sts., Legaspi Village
Makati City 1226 Philippines
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REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Shareholders and Board of Directors
Emcure Pharma Philippines, Inc.
Unit 1201 Frabelle Business Center, 111 Rada St
Legaspi Village, Makati City
Philippines

We have audited the accompanying financial statements **Emcure Pharma Philippines, Inc.** as at and for the year ended March 31, 2025, on which we have rendered our report dated April 30, 2025.

In compliance with Revised Securities Regulation Code Rule 68, and based on the certification received from the Company's corporate secretary and the results of our work done, as at March 31, 2025, we are stating that the said Company has one (1) shareholder owning one hundred (100) or more shares.

MACEDA VALENCIA & CO.

GLENN ABANADOR
Partner
CPA License No. 94377
Tax Identification No. 194-871-276-000
PTR No. 10476163
Issued on January 9, 2025 at Makati City
BOA/PRC Reg. No. 4748 valid until August 7, 2027
BIR Accreditation No. 08-001987-004-2021 (firm)
Issued on March 26, 2024; valid until March 25, 2027
BIR Accreditation No. 08-005063-002-2022 (individual)
Issued on March 24, 2025; valid until March 23, 2028

April 30, 2025
Makati City

Maceda Valencia & Co. is an independent member firm of Nexia International, a worldwide network of independent accounting and consulting firms. Nexia International does not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, any of its members. Membership of Nexia International, or associated umbrella organizations, does not constitute any partnership between members, and members do not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, other members.

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REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
Emcure Pharma Philippines, Inc.
Unit 1201 Frabelle Business Center, 111 Rada St
Legaspi Village, Makati City
Philippines

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Emcure Pharma Philippines, Inc.** which comprise the statements of financial position as at March 31, 2025 and 2024, and the statements of income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). 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 for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SMEs, and for such internal control as management determines it is necessary to enable the preparation of financial statements that 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.

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Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs 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 PSAs, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required by the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in Note 18 to the financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

MACEDA VALENCIA & CO.



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Issued on March 26, 2024; valid until March 25, 2027
BIR Accreditation No. 08-005063-002-2022 (individual)
Issued on March 24, 2025; valid until March 23, 2028

April 30, 2025
Makati City

EMCURE PHARMA PHILIPPINES, INC.
(A Wholly-owned Subsidiary of Emcure Pharmaceuticals Ltd.)
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2025 and 2024

	Note	**2025**	2024
ASSETS			
Current Assets			
Cash	*3*	**P10,154,065**	P2,339,765
Receivables	*4*	**75,625,073**	72,182,999
Inventories	*5*	**31,126,539**	18,350,391
Prepayments and other current assets	*6*	**5,507,423**	6,748,348
Total Current Assets		**122,413,100**	99,621,503
Non-current Assets			
Property and equipment - net	*7*	**950,222**	1,727,928
Rental deposit	*14*	**1,242,088**	610,934
Total Non-current Assets		**2,192,310**	2,338,862
		P124,605,410	P101,960,365
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables	*8*	**P56,097,820**	P48,678,410
Loans payable	*9*	**64,582,444**	44,624,745
Total Liabilities		**120,680,264**	93,303,155
EQUITY			
Share capital		**9,678,000**	9,678,000
Deficit		**(5,752,854)**	(1,020,790)
Total Equity		**3,925,146**	8,657,210
		P124,605,410	P101,960,365

See Notes to the Financial Statements.

EMCURE PHARMA PHILIPPINES, INC.
(A Wholly-owned Subsidiary of Emcure Pharmaceuticals Ltd.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

	Note	2025	2024
REVENUES	*11*	**P148,927,384**	P118,499,532
COST OF SALES	*12*	**50,914,391**	36,835,816
GROSS PROFIT		**98,012,993**	81,663,716
OPERATING EXPENSES			
Salaries and allowances		**44,781,151**	39,226,565
Marketing expense		**20,832,411**	12,803,600
Distribution charges		**9,271,191**	3,916,109
Transportation and travel		**7,344,146**	8,749,007
Rent	*14*	**1,977,034**	1,904,463
SSS/PhilHealth/HDMF contributions		**1,840,855**	1,423,149
Contracted services		**1,722,000**	1,491,000
Product registration and listing fee		**1,664,409**	1,994,231
Depreciation and amortization	*7*	**954,569**	1,054,516
Insurance		**947,526**	764,512
Taxes and licenses	*18*	**946,100**	748,143
Communication and internet		**942,420**	835,100
Postage and delivery		**812,885**	451,909
Director and corporate secretary fee		**600,000**	556,599
Utilities		**479,009**	488,096
Professional fee		**232,250**	202,771
Office supplies		**164,065**	1,314,258
Fines and penalties		**55,344**	16,145
Representation and entertainment		**-**	19,986
Miscellaneous		**1,317,619**	450,322
		96,884,984	78,410,481
INCOME FROM OPERATIONS		**1,128,009**	3,253,235
OTHER EXPENSE - NET	*13*	**(5,784,483)**	(3,909,397)
LOSS BEFORE INCOME TAX		**(4,656,474)**	(656,162)
INCOME TAX EXPENSE	*15*	**75,590**	581,998
NET LOSS / COMPREHENSIVE LOSS		**(P4,732,064)**	(P1,238,160)

See Notes to the Financial Statements.

EMCURE PHARMA PHILIPPINES, INC.
(A Wholly-owned Subsidiary of Emcure Pharmaceuticals Ltd.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

	2025	2024
SHARE CAPITAL		
Authorized, issued and outstanding –		
96,780 common shares at P100 par value	**P9,678,000**	P9,678,000
DEFICIT		
Balance at beginning of year	**(1,020,790)**	217,370
Net loss/ comprehensive loss	**(4,732,064)**	(1,238,160)
Balance at end of year	**(5,752,854)**	(1,020,790)
	P3,925,146	P8,657,210

EMCURE PHARMA PHILIPPINES, INC.
(A Wholly-owned Subsidiary of Emcure Pharmaceuticals Ltd.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS MARCH 31, 2025 AND 2024

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(P4,656,474)**	(P656,162)
Adjustments for:			
Interest expense	*13*	**4,616,025**	2,848,795
Depreciation and amortization	*7*	**954,569**	1,054,516
Foreign exchange loss	*13*	**612,131**	884,582
Allowance for expired inventory	*5*	**103,520**	-
Interest income	*3*	**(2,394)**	(1,384)
Operating income before working capital changes		**1,627,377**	4,130,347
Decrease (increase) in:			
Receivables		**(3,442,074)**	(47,300,625)
Inventories		**(12,879,668)**	(9,334,140)
Prepayments and other current assets		**1,240,925**	(4,997,939)
Rental deposit		**(631,154)**	-
Increase in trade and other payables		**9,897,112**	35,483,907
Net cash used in operations		**(4,187,482)**	(22,018,450)
Interest received	*3*	**2,394**	1,384
Income tax paid		**(75,589)**	(88,228)
Interest expense paid	*9*	**(4,616,025)**	(2,848,795)
Net cash used in operating activities		**(8,876,702)**	(24,954,089)
CASH FLOWS FROM AN INVESTING ACTIVITY			
Additions to property and equipment	*7*	**(176,863)**	(161,527)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of loan	*9*	**19,380,000**	36,836,774
Payment of loan	*9*	**(2,580,000)**	(11,350,000)
Cash provided by financing activities		**16,800,000**	25,486,774
EFFECTS OF EXCHANGE RATE CHANGES IN CASH		**67,865**	13,335
INCREASE IN CASH		**7,814,300**	384,493
CASH AT BEGINNING OF YEAR	*3*	**2,339,765**	1,955,272
CASH AT END OF YEAR	*3*	**P10,154,065**	P2,339,765

See Notes to the Financial Statements.

1. Reporting Entity

Emcure Pharma Philippines, Inc. (the "Company") was incorporated under Philippine laws and registered with the Securities and Exchange Commission (SEC) on May 7, 2021. The Company was incorporated to engage in the buy, sell, import, export, market, trade, distribute, promote or otherwise deal in specific products with respect to pharmaceuticals, chemicals, drugs and medicines, antibiotics, herbal, bacteriological and biological products, medical devices, diagnostics and testing equipment, cosmetics, food supplements and all other similar products and services on wholesale basis.

The Company is a wholly-owned subsidiary of Emcure Pharmaceuticals Ltd. (the "Parent Company"), a company incorporated under the laws of India.

The Company's registered office is at Frabelle Business Center, 111 Rada Street, Legaspi Village, Makati City.

2. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs, which are issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC), consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations

The Company qualifies as a small-medium entity (SME) based on the criteria set by SEC. However, as provided under the SEC Memorandum Circular No. 5, series of 2018, dated March 26, 2018, the Company availed of the exemption from the mandatory adoption of PFRS for SMEs on the basis that it is a subsidiary of a foreign parent company reporting under IFRS.

The financial statements as at March 31, 2025 were approved and authorized for issuance by the President on April 30, 2025, as authorized by the Board of Directors.

Basis of Measurement

The financial statements have been prepared using historical cost convention.

Functional and Presentation Currency

The financial statements are presented in Philippine peso, which is the presentation and functional currency of the Company. All financial information presented has been rounded off to the nearest peso unless otherwise stated.

Use of Estimates and Judgments

The preparation of the financial statements in conformity with PFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Critical Accounting Estimate and Assumption

Estimating allowance for impairment losses on receivables
The Company maintains an allowance for impairment losses on receivables at a level considered adequate to provide for uncollectible receivables. The level of this allowance is evaluated by the Company on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Company's relationship with debtors and, their payment behavior and known market factors. The Company reviews the age and status of the receivable and identifies accounts that are to be provided with allowance on a regular basis. The amount and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates. An increase in the Company's allowance for impairment losses on receivables would increase the Company's recorded operating expenses and decrease current assets.

As at March 31, 2025 and 2024, the Company assessed that there is no indication of impairment on its receivables.

The carrying amount of receivables amounted to P75,625,073 and P72,182,999 as at March 31, 2025 and 2024, respectively (see Note 4).

Estimating selling price less costs to sell of inventories
The Company carries merchandise inventory at selling price less costs to sell whenever the utility of it becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes (i.e., pre-termination of contracts). The estimate of the selling price less costs to sell is reviewed regularly.

Estimates of selling price less costs to sell are based on the most reliable evidence available at the time the estimates are made on the amount the inventories are expected to be realized. These estimates take into consideration fluctuations in price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at reporting date. The allowance account is reviewed periodically to reflect the accurate valuation in the financial records.

The carrying amount of inventories amounted to P31,126,539 and P18,350,391 as at March 31, 2025 and 2024, respectively (see Note 5).

Useful lives of property and equipment
The Company reviews annually the estimated useful lives of property and equipment based on the period over which the assets are expected to be available for use and are updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property and equipment would increase the recorded depreciation and amortization expense and decrease non-current assets.

Estimating provisions
The Company, in the ordinary course of business, sets up appropriate provision for its present legal or constructive obligations in accordance with its policies on provisions and contingencies. In recognizing and measuring provisions, management takes risks and uncertainties into account.

As at March 31, 2025 and 2024, the Company does not have any contingent legal or constructive obligation that requires provision.

Estimating realizability of deferred tax assets
The Company reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. The Company also reviews the expected timing and tax rates upon reversal of temporary differences and adjusts the impact of the deferred tax, accordingly.

The Company has unrecognized deferred tax assets amounted to P16,626 and P246,890 as at March 31, 2025 and 2024, respectively (see Note 15).

Critical Judgments in Applying Accounting Policies

Assessing impairment of assets
In accordance with the Company's policy on impairment of assets, the Company performs an impairment review when certain impairment indicators are present and would indicate that the carrying amount of such asset may not be recoverable. The indicators that the Company considers important which could trigger an impairment review include the following:

- Significant underperformance relative to the expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

When the higher recoverable amount of such asset is the value in use, the Company is required to make estimates and assumptions that can materially affect the financial statements in determining the present value of future cash flows expected to be generated from the continued use of such asset.

As at March 31, 2025 and 2024, the Company assessed that there is no indication of impairment on its property and equipment, and other subject assets.

Evaluating lease agreements
The Company entered into lease agreements as a lessee. The Company has determined that the lessor retains all significant risks and rewards of ownership of this property which is leased under an operating lease agreement.

Rent expense recognized in profit or loss amounted to P1,977,034 and P1,904,463 in 2025 and 2024, respectively (see Note 14).

3. Cash

This account consists of:

	2025	2024
Cash on hand	**P5,230**	P5,000
Cash in banks	**10,148,835**	2,334,765
	P10,154,065	P2,339,765

Cash in banks earn interest at the prevailing bank deposit rate. Interest income recognized in profit or loss amounted to P2,394 and P1,384 in 2025 and 2024, respectively (see Note 13).

4. Receivables

This account consists of:

	Note	**2025**	2024
Trade receivables from third parties		**P71,794,834**	P49,007,874
Receivable from parent company	*10*	**3,830,239**	23,175,125
		P75,625,073	P72,182,999

Trade receivables are generally collectible within 30-to-90 days.

None of the receivables are pledged as collateral for any financial liabilities.

5. Inventories

Inventories, which consist of medicines, are carried at cost amounting to P31,126,539 and P18,350,391 as at March 31, 2025 and 2024, respectively.

Inventories recognized as expense and included in the cost of sales amounted to P50,914,391 and P36,835,816 in 2025 and 2024, respectively (see Note 12).

The allowance for expired inventory amounting to P103,520 and nil in 2025 and 2024, respectively.

6. Prepayments and Other Current Assets

This account consists of:

	Note	**2025**	2024
Advances to employees		**P1,920,002**	P3,386,806
Input value-added tax (VAT)	*18*	**1,972,754**	2,434,510
Creditable withholding tax		**1,144,471**	40,524
Prepaid insurance		**470,196**	394,782
Advance rental		**-**	491,726
		P5,507,423	P6,748,348

Advances to employees pertain to non-interest bearing advances which are collectible either through liquidation or salary deduction.

Input VAT represents VAT on purchases of goods and services which can be used against output VAT.

7. Property and Equipment - net

A reconciliation of the carrying amounts of property and equipment, the gross carrying amounts, and accumulated depreciation and amortization are shown below:

	For the Years Ended March 31, 2025 and 2024				
	Office Equipment	Computer Equipment	Leasehold Improvement	Furniture and Fixtures	Total
Cost					
April 1, 2023	P105,672	P478,969	P1,713,391	P1,474,198	P3,772,230
Additions	-	161,527	-	-	161,527
March 31, 2024	105,672	640,496	1,713,391	1,474,198	3,933,757
Additions	-	138,917	-	37,946	176,863
March 31, 2025	**105,672**	**779,413**	**1,713,391**	**1,512,144**	**4,110,620**
Accumulated depreciation and amortization					
April 1, 2023	37,427	140,834	682,227	290,825	1,151,313
Depreciation and amortization	35,224	202,462	571,130	245,700	1,054,516
March 31, 2024	72,651	343,296	1,253,357	536,525	2,205,829
Depreciation and amortization	32,629	215,842	460,034	246,064	954,569
March 31, 2025	**105,280**	**559,138**	**1,713,391**	**782,589**	**3,160,398**
Carrying amount					
March 31, 2024	P33,021	P297,200	P460,034	P937,673	P1,727,928
March 31, 2025	**P392**	**P220,275**	**P -**	**P729,555**	**P950,222**

None of the property and equipment are pledged as collateral for any financial liabilities.

8. Trade and Other Payables

This account consists of:

	2025	2024
Trade payables	**P46,009,326**	P40,630,912
Accrued expenses	**5,756,423**	4,843,300
Due to government agencies	**4,332,071**	3,204,198
	P56,097,820	P48,678,410

Trade payables are generally payable within 60-to-120 days.

Accrued expenses consist of professional fees, commissions, and incentives.

Due to government agencies consists mainly of payable to government agencies such as BIR, SSS, HDMF, and PHIC.

9. Loans Payable

This account consists of:

	Note	**2025**	2024
Loans from a related party	*10*	**P38,782,444**	P35,624,745
Loans from a local bank		**25,800,000**	9,000,000
		P64,582,444	P44,624,745

Movements in loans are as follows:

	2025	2024
Related party		
Balance at beginning of year	**P35,624,745**	P16,413,830
Additions	**-**	16,486,774
Effect of forex	**679,996**	573,628
Interest expense	**2,477,703**	2,150,513
Balance at end of year	**38,782,444**	35,624,745
Local bank		
Balance at beginning of year	**9,000,000**	-
Additions	**19,380,000**	20,350,000
Payments	**(2,580,000)**	(11,350,000)
Balance at end of year	**25,800,000**	9,000,000
	P64,582,444	P44,624,745

Loans from a related party
The Company obtained loans from its parent company to finance various projects. These loans are denominated in US Dollar, carry interest at 7.13% per annum, and are unsecured.

The interest incurred and paid amounted to P2,477,703 and P2,150,513 in 2025 and 2024, respectively (see Note 13).

Loans from a local bank
Loan from a local bank represents 90 to 95 days loan from Citibank at prevailing market rate and payable on maturity dates, and are unsecured.

The interest incurred and paid amounted to P2,138,322 and P698,282 in 2025 and 2024, respectively (see Note 13).

10. Related Party Transactions

In the ordinary course of the business, the Company has the following transactions with its Parent Company:

		For the Years Ended March 31, 2025 and 2024		
		Transactions	Outstanding balance	Terms and conditions
Emcure Pharmaceuticals Ltd.				
Receivables				
2025			**P3,830,239**	The Company rendered marketing support services to the Parent Company. The total billed invoices are non-interest bearing, collectible within 180 days, and are expected to be settled in cash.
	Beginning balance	**P23,175,125**		
	Revenue	**25,457,755**		
	Collections	**(44,760,426)**		
	Foreign exchange gain	**(42,215)**		
	Balance	**P3,830,239**		
2024			P23,175,125	
	Beginning balance	P552,486		
	Revenue	43,303,075		
	Collections	(21,706,498)		
	Foreign exchange gain	1,026,062		
	Balance	P23,175,125		
Loan payable				See Note 9.
2025			**P38,782,444**	
	Balance at beginning of year	**P35,624,745**		
	Additions			
	Effect of exchange rate changes	**679,996**		
	Interest expense	**2,477,703**		
	Balance at end of year	**P38,782,444**		
2024			P35,624,745	
	Balance at beginning of year	P16,413,830		
	Additions	16,486,774		
	Effect of exchange rate changes	573,628		
	Interest expense	2,150,513		
	Balance at end of year	P35,624,745		

The Company provided short-term employee benefits to its key management personnel amounting to P10,704,380 and P10,652,840 in 2025 and 2024, respectively.

11. Revenues

This account consists of:

	Note	**2025**	2024
Sale of goods		**P123,469,629**	P75,196,457
Support services	*10*	**25,457,755**	43,303,075
		P148,927,384	P118,499,532

12. Cost of Sales

This account consists of:

	2025	2024
Goods	**P44,026,542**	P29,782,767
Free goods	**5,587,824**	3,042,091
Samples	**-**	3,656,645
Others	**1,300,025**	354,313
	P50,914,391	P36,835,816

	Note	**2025**	2024
Inventories, beginning		**P18,350,391**	P9,016,251
Purchases		**63,690,539**	46,169,956
Total goods available for sale		**82,040,930**	55,186,207
Inventories, ending	*5*	**(31,126,539)**	(18,350,391)
		P50,914,391	P36,835,816

13. Other Expense - net

This account consists of:

	Note	**2025**	2024
Interest income	*3*	**P2,394**	P1,384
Bank charges		**(148,003)**	(97,404)
Guarantee fee		**(288,718)**	-
Foreign exchange loss		**(612,131)**	(884,582)
Interest expense	*9*	**(4,616,025)**	(2,848,795)
Others		**(122,000)**	(80,000)
		(P5,784,483)	(P3,909,397)

14. Operating Leases

On October 28, 2021, the Company leases its office and parking space for a period of three (3) years December 25, 2021 until December 24, 2024; and renewable upon mutual agreement of both parties. The lease agreement requires rental deposit amounting to P491,726 which will be refunded to the lessee upon termination of the contract, less any unpaid rental obligations and liabilities, including damages to the leased premises that may arise at the end of the lease term.

October 14, 2024, the Company renewed its leases to its office and parking space for a period of three (3) years December 25, 2024 until December 31, 2027; and renewable upon mutual agreement of both parties. The lease agreement requires rental deposit amounting to P631,154 which will be refunded to the lessee upon termination of the contract, less any unpaid rental obligations and liabilities, including damages to the leased premises that may arise at the end of the lease term.

The Company has outstanding minimum lease commitments under its non-cancellable operating lease agreements, as follows:

	2025	2024
Within 1 year	**P2,318,524**	P -
Between 1 to 3 years	**4,327,917**	3,085,953
	P6,646,441	P3,085,953

Rent expense charged to profit or loss amounted to P1,977,034 and P1,904,463 in 2025 and 2024, respectively.

15. Income Taxes

The reconciliation of the income tax expense computed at statutory income tax rate to the actual expense shown in the statements of comprehensive income is as follows:

	2025	2024
Loss before income tax	**(P4,656,474)**	(P656,162)
Income tax using statutory rate	**(P1,164,119)**	(P164,041)
Income tax effects of:		
Non-deductible expenses	**1,256,933**	499,495
Interest income subjected to final tax	**(598)**	(346)
Movement of unrecognized deferred tax assets	**(16,626)**	246,890
	P75,590	P581,998

As at March 31, 2025 and 2024, deferred tax assets have not been recognized amounting to P239,889 and P256,515 in 2025 and 2024 because it was uncertain that future taxable profit will be available against which the Company can utilize the benefits therefrom.

16. Categories of Financial Instruments

The following table sets out the financial instruments at the end of the reporting period:

	2025	2024
Financial Assets at amortized cost:		
Cash	**P10,154,065**	P2,339,765
Receivables	**75,625,073**	72,182,999
Rental deposit	**1,242,088**	610,934
Financial Liability at amortized cost:		
Trade and other payables*	**P51,765,749**	P45,474,212
Loan payable	**64,582,444**	44,624,745

**Excluding due to government agencies.*

17. Material Accounting Policies

The accounting policies set out below have been applied in the preparation of these financial statements.

Cash
Cash includes cash on hand and in banks and are stated at face value. Cash in banks earns interest at the prevailing deposit interest rates.

Basic Financial Instruments
A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions. The Company classifies its financial instruments into the following categories: (a) basic financial instruments and (b) complex financial instruments. The Company does not hold complex financial instruments as at March 31, 2025 and 2024.

The Company's basic financial instruments consist of cash, receivables, rental deposit, trade and other payables and loan payable as at reporting date.

(a) Initial recognition and subsequent measurement

On initial recognition, a basic financial instrument is measured at transaction price (including transaction costs), unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument. Basic financial instruments are subsequently measured at amortized cost using the effective interest rate method.

(b) Impairment of financial instruments measured at cost or amortized cost

At each reporting date, the Company assesses whether there is objective evidence of impairment on any financial assets that are measured at cost of amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized in the statements of comprehensive income through profit or loss.

For an instrument measured at amortized cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. Where an asset is measured at cost less impairment, the

impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset in a sale at the reporting date.

(c) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the related assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized only when these are extinguished – that is, when the obligation is discharged, cancelled or has expired.

(d) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Inventories
Inventories are stated at the lower of cost and estimated selling price less costs to sell. Cost is determined using the weighted average method, and includes the purchase price, import duties, handling and other costs directly attributable to the acquisition of the inventories, and other costs incurred in bringing them to their existing location and condition.

An allowance is provided to reduce the carrying amount of inventories due to obsolescence and possible losses based on specific identification method. When inventories are sold, the related allowance is reversed in the same period.

When inventories are sold, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized.

Prepayments and Other Current Assets
Prepayments and other current assets represent expenses not yet incurred but already paid in cash. Prepayments and other current assets are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayments and other current assets are classified in the statements of financial position as current assets when the cost of goods or services related to the prepayments are expected to be incurred within one (1) year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as noncurrent assets.

Input Value-Added Tax
Input value-added tax (VAT) is stated at historical cost less provision for impairment, if any. Provision for unrecoverable input VAT, if any, is maintained by the Company at a level considered adequate to provide for potential uncollectible portions of the input VAT. The Company, on a continuing basis, makes a review of the status of the account designed to identify those that may require provision for impairment losses.

Property and Equipment
Items of property and equipment are initially measured at cost. After initial recognition, all items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of replacing a part of an item of property and equipment is recognized in the carrying

amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leasehold improvements are amortized over the estimated useful lives of the improvements or the term of the lease, whichever is shorter.

The estimated useful lives of property and equipment are as follows:

	Number of Years
Office equipment	3
Computer equipment	3
Furniture and fixtures	5
Leasehold improvement	3 or term of lease, whichever is shorter

The useful lives and depreciation and amortization methods are reviewed at each reporting date to ensure that they are consistent with the expected pattern of economic benefits from those assets.

If there is an indication that there has been a significant change in the depreciation and amortization method, useful life or residual value of an asset, the depreciation and amortization of that asset is reviewed and adjusted prospectively, if appropriate.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation and amortization is made in respect of those assets.

Property and equipment are derecognized upon disposal or when no economic benefits are expected from its use. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized on a net basis in profit or loss.

Impairment of Assets

Assets such as property and equipment are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When an impairment indicator is identified, the carrying value of the asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. If the recoverable amount cannot be estimated for an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generate cash inflows that are independent of the cash flows from other assets within the Company.

If an impairment indicator no longer exists or the recoverable amount has increased subsequently, the Company will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the asset that is higher had no impairment loss was recognized in the prior years.

Employee Benefits

Short-term benefits
The Company recognizes a liability, net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Related Party Relationships and Transactions
Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Equity

Share capital
Capital stock is classified as equity when there is no obligation to the transfer of cash or other assets. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Deficit
Deficit includes all the accumulated losses of the Company.

Revenue Recognition
Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from sale of goods
Revenue from sale of goods is recognized when the entity has transferred to the buyer the significant risks and rewards of the ownership of goods and the entity neither has a continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Rendering of services
Revenue is recognized when the related services have been performed in accordance with the terms and conditions of the agreement.

Interest income
Interest income from bank deposits is recognized on a time proportion basis that reflects the effective yield on the asset and is presented net of final tax.

Cost and Expense Recognition
Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statements of financial position as an asset.

Costs and expenses in the statements of comprehensive income are presented using the function of expense method. Expenses are costs attributable to administrative and general activities of the Company.

Operating Leases
A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership to the lessee. The Company, as a lessee, recognizes lease payments under operating leases (excluding costs for services such as insurance and maintenance) as an expense on a straight-line basis over the term of the lease.

Foreign Currency Transactions
Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Resulting exchange differences arising on the settlement of or on translating such monetary assets and liabilities are recognized in profit or loss.

Income Taxes
Income tax expense for the year comprises current tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. The Company measures a current tax liability (asset) at the amount it expects to pay (recover) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted as of the reporting date, and any adjustment to tax payable in respect of previous years.

Provisions and Contingencies
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. The Company does not recognize a provision for future operating losses.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Period

The Company identifies events after the end of the reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

18. Supplementary Information Required by the Bureau of Internal Revenue (BIR)

Revenue Regulation No. 15-2010

On December 28, 2010, Revenue Regulation (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to the Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS for SMEs.

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

A. Value-added tax (VAT)

Output VAT declared and the revenues upon which the same was based for the year ended March 31, 2025 consists of:

	Gross amount	VAT
Output VAT:		
Vatable Sales	P76,762,968	P9,211,556
Zero Sales	25,457,755	-
Exempt Sales	48,087,686	-
Total	P150,308,409	P9,211,556

Movements in input VAT for the year ended March 31, 2025 is as follows:

Balance at beginning of the year	P559,566
Add: Current year's domestic purchases/payments for:	
a. Domestic purchases of capital goods not exceeding 1M	21,223
b. Domestic purchases of goods other than capital goods	3,342,104
c. Domestic purchases of services	2,886,274
d. Importation of goods	818,571
Less: Claims for output VAT credit	(5,729,961)
Balance at end of the year	P1,897,777

B. Creditable Withholding Taxes

Balance at beginning of the year	P40,524
Add: Tax withheld for income payments	1,179,537
Less: Tax credit used against current income tax	75,590
Balance at end of the year	P1,144,471

	Paid	Accrued	Total
Expanded withholding tax	P992,608	P79,961	P1,072,569
Withholding tax on compensation	6,289,080	673,513	6,962,593
	P7,281,688	P753,474	P8,035,162

C. All other local and national taxes

	Total
Business permits and licenses	P729,612
Others	216,488
	P946,100

The above local and national taxes are lodged under Taxes and Licenses account in direct costs and operating expenses in the Statements of Comprehensive Income.

D. Tax Contingencies

On February 10, 2025, a letter of authority has been received by the Company pertaining to all internal review taxes for the period from April 1, 2023 to March 31, 2024.

TILLOMED MALTA LTD.

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2025

Company Reg. No. C 102483

TILLOMED MALTA LTD.

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2025

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TILLOMED MALTA LTD.

COMPANY INFORMATION

Board of Directors:	Mr. Rudolf Bär - Chairman (resigned on 14 January 2025) Mr. Tajuddin Shaikh
Company Secretary:	Mr. Chetan Rajendra Sharma (appointed on 31 October 2024) Ms. Susan Gaynor Hide (resigned on 31 October 2024)
Company Registration Number:	C 102483
Registered Office:	Tower Business Centre 2nd Floor Tower Street Swatar Birkirkara BKR 4013 Malta
Bankers:	HSBC Bank Malta Plc 116, Archbishop Street Valletta VLT 1444 Malta
Auditors:	Baker Tilly Malta Level 5 Rosa Marina Buildings 216, Marina Seafront Pieta' PTA 9041 Malta

TILLOMED MALTA LTD.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Board of Directors:

Mr. Rudolf Bär - Chairman (resigned on 14 January 2025)
Mr. Tajuddin Shaikh

The director presents herewith the annual report annual report together with the audited financial statements of Tillomed Malta Ltd. (the "Company") for the year ended 31 March 2025.

Principal Activities

The principal activity of the Company, which has remained unchanged from the previous accounting year, is that of trading in pharmaceutical products.

Reporting Framework

The Company has elected to prepare its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Review of Business

In this first full year of operations, business has been very encouraging and the Company posted an operating profit. After accounting for finance costs, the Company registered a profit for the year. The director is confident that business activity will continue improving in the coming years.

Principal Risks and Uncertainties

The Company is mainly exposed to operational and market risk relating to the demand for pharmaceutical products. In order to manage and minimise the impact of these risks, the Company adopts a series of risk mitigation measures based on diversification, which include:

- Geographical diversification, where the Company markets its products in diverse territories within Europe.
- Product Portfolio Management: The Company aims at adding new products to its offerings on annual basis thereby, mitigating the risk associated on over-reliance on a few products.
- A wider customer base in order not to rely on a small number of key accounts but rather have a wider base of partners.

Future Business Developments

The director is not expecting the Company to affect any changes in its operations during the current year but will continue to trade in pharmaceutical products.

Regional Conflicts

Conflicts inevitably impact international stability and economies. The ongoing conflict in Ukraine and still high tensions in the Middle East present significant challenges worldwide. However. after a comprehensive review of the Company's operations, the director has assessed the situation and confirmed that there are no impacts resulting from these regional conflicts and it is not expected that these conflicts have an impact on the operations in the medium term going forward. Furthermore, there is no dependency on these regions for goods or services. The director is committed to continually monitor global developments. Should these conflicts begin to affect the Company's operations, the director is prepared to take necessary actions to mitigate any potential impact.

TILLOMED MALTA LTD.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Economic Outlook

The director is conscious of the impact caused by the very recent introduction of widespread tariffs by the USA. These measures and counter measures may lead to economic turbulence. The evolving situation is being monitored closely.

Results, Dividends and Reserves

The results for the year and the movement on the reserves are as set out on pages 8 and 10 of the financial statements respectively. No dividends were recommended or paid during the year. No final dividend is recommended.

Directors

The members serving on the Board of Directors and movements thereon are listed on page 2. In accordance with the Company's Articles of Association, the director at date of this report is to remain in office.

Auditors

Baker Tilly Malta have intimated their willingness to continue in office. A proposal to reappoint Baker Tilly Malta as auditors of the Company will be put to the General Meeting.

Approved by the sole director on 16 May 2025:

Mr. Tajuddin Shaikh
Director

TILLOMED MALTA LTD.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act") requires the directors to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company as at the end of the financial year and of the profit or loss of the Company for that year in accordance with the requirements of International Financial Reporting Standards as adopted by the EU.

In preparing these financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap. 386) enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed by the sole director on 16 May 2025:

Mr. Tajuddin Shaikh
Director

bakertilly

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216, Marina Seafront,
Pieta' PTA 9041
Malta

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TILLOMED MALTA LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion
We have audited the financial statements of the Company set out on pages 8 to 24 which comprise the statement of financial position as at 31 March 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and have been properly prepared in accordance with the Companies Act, 1995 (Chapter 386, Laws of Malta).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta,* and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The director is responsible for the other information. The other information comprises the director's report.

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.

With respect to the director's report, we also considered whether the director's report includes the disclosures required by Article 177 of the Companies Act (Cap. 386).

Based on the work performed, in our opinion:

- the information given in the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with the Companies Act (Cap. 386).

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the director's report and other information. We have nothing to report in this regard.

Baker Tilly Malta trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Baker Tilly Malta is registered as a civil partnership of Certified Public Accountants authorised to provide audit services in Malta in terms of the Accountancy Profession Act. A list of the partners, as well as the principals authorised to sign reports on behalf of the firm is available at www.bakertilly.mt

bakertilly

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TILLOMED MALTA LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Responsibilities of the Director
The director is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with IFRSs, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director 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 the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

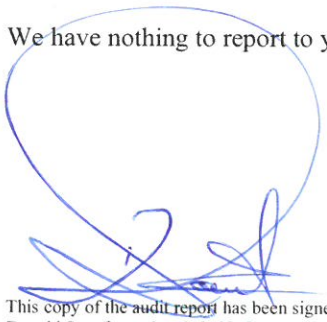
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TILLOMED MALTA LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Other Legal and Regulatory Requirements
Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.



This copy of the audit report has been signed by
Donald Sant for and on behalf of
Baker Tilly Malta
Registered Auditors
Level 5
Rosa Marina Building
216, Marina Seafront
Pieta' PTA 9041
Malta

16 May 2025

TILLOMED MALTA LTD.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025	2024
		Euro	Euro
Revenue	4	**29,610,857**	8,802,097
Cost of Sales		**(27,577,207)**	(8,409,307)
Gross Profit		**2,033,650**	392,790
Selling and Distribution Overheads		**(813,507)**	(29,810)
Administrative Overheads		**(300,300)**	(115,554)
Operating Profit	5	**919,843**	247,426
Finance Costs	6	**(261,341)**	(28,644)
Profit before Taxation		**658,502**	218,782
Tax Expense	7	**(230,476)**	(76,574)
Profit for the Year		**428,026**	142,208
Total Comprehensive Income for the Year		**428,026**	142,208

The notes on pages 12 to 24 form an integral part of these financial statements.

TILLOMED MALTA LTD.

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2025

	Note	2025 Euro	2024 Euro
ASSETS			
Inventories	8	**2,429,840**	1,593,789
Trade and Other Receivables	9	**16,954,794**	7,841,260
Cash and Cash Equivalents	10	**760,461**	702,709
Total Current Assets		**20,145,095**	10,137,758
Total Assets		**20,145,095**	10,137,758
EQUITY			
Share Capital	11	**501,200**	501,200
Retained Earnings		**568,334**	140,308
Total Equity		**1,069,534**	641,508
LIABILITIES			
Interest Bearing Borrowings	12	**10,550,078**	5,619,110
Total Non-Current Liabilities		**10,550,078**	5,619,110
Trade and Other Payables	13	**8,295,007**	3,800,566
Income Tax Payable	7	**230,476**	76,574
Total Current Liabilities		**8,525,483**	3,877,140
Total Liabilities		**19,075,561**	9,496,250
Total Equity and Liabilities		**20,145,095**	10,137,758

The notes on pages 12 to 24 form an integral part of these financial statements.

The financial statements on pages 8 to 24 were approved and authorised for issue by the sole director on 16 May 2025:

Mr. Tajuddin Shaikh
Director

TILLOMED MALTA LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	Total	Share Capital	Retained Earnings/ (Losses)
	Euro	Euro	Euro
Balance at 1 April 2024	**641,508**	**501,200**	**140,308**
Comprehensive Income for the Year			
Profit for the Year	**428,026**	-	**428,026**
Balance at 31 March 2025	**1,069,534**	**501,200**	**568,334**
Balance at 1 April 2023	(700)	1,200	(1,900)
Contributions by Owners of the Company			
Issue of Ordinary Shares	500,000	500,000	-
Comprehensive Income for the Year			
Profit for the Year	142,208	-	142,208
Balance at 31 March 2024	641,508	501,200	140,308

The notes on pages 12 to 24 form an integral part of these financial statements.

TILLOMED MALTA LTD.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025	2024
		Euro	Euro
Cash Flows from Operating Activities			
Profit for the Year		**428,026**	142,208
Adjustment for:			
Inventory and Samples Write-offs		**377,505**	196,933
Interest Expense		**255,219**	19,110
Tax Expense		**230,476**	76,574
		1,291,226	434,825
Changes in:			
Inventories		**(1,213,555)**	(1,790,722)
Trade and Other Receivables		**(5,927,056)**	(2,744,220)
Trade and Other Payables		**1,190,308**	539,617
Movement on Related Companies Accounts		**(2,497,795)**	(5,090,117)
Movement on Ultimate Parent Company Account		**2,615,449**	3,252,126
Cash Generated/(Lost) from Operations		**(4,541,423)**	(5,398,491)
Taxes Paid		**(76,574)**	-
Net Cash from/(used in) Operating Activities		**(4,617,997)**	(5,398,491)
Cash Flows from Financing Activities			
Issue of Share Capital		**-**	500,000
Movement on Related Company Loans		**5,534,911**	5,015,167
Movement on Parent Company Loans		**(603,943)**	603,943
Interest Paid		**(255,219)**	(19,110)
Net Cash from/(used in) Financing Activities		**4,675,749**	6,100,000
Net Movement in Cash and Cash Equivalents		**57,752**	701,509
Cash and Cash Equivalents at Beginning of Year		**702,709**	1,200
Cash and Cash Equivalents at End of Year	10	**760,461**	702,709

The notes on pages 12 to 24 form an integral part of these financial statements.

1. Reporting Entity

Tillomed Malta Ltd. (the "Company") is a limited liability company domiciled and incorporated in Malta. The Company's registered office is at Tower Business Centre, 2nd Floor, Tower Street, Swatar, Birkirkara BKR 4013, Malta.

2. Basis of Preparation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (the "applicable framework"), which standards were issued by the International Accounting Standards Board (IASB). All references in these financial statements to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU. They have also been drawn up in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta), to the extent that such provisions do not conflict with the applicable framework.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis.

2.3 Functional and Presentation Currency

These financial statements are presented in Euro (€), which is the Company's functional currency.

2.4 Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the opinion of the director, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult to reach, subjective or complex to a degree which would warrant their description as significant and critical in terms of the requirements of IAS 1 (revised).

2.5 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2. Basis of Preparation *(Contd.)*

2.6 New Standards and Interpretations

A number of amended standards became applicable for the current period and have been applied as necessary. The impact of the adoption of these revisions on the Company's accounting policies and on the financial results are insignificant.

Certain new standards, amendments and interpretations to existing standards have been published by the date of the authorisation for issue of these audited financial statements but are not mandatory for the Company's accounting period starting 1 April 2024. The Company may early adopt these revisions to the requirements of IFRSs as adopted by the EU. The Company's director is of the opinion that there are no requirements that will have a significant impact on the financial statements in the period of initial application.

3. Significant Accounting Policies

The accounting policies set out below have been applied throughout the year presented in these financial statements.

3.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the Company's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year. and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.2 Revenue

Sale of Goods
Revenue arises from the sale of pharmaceutical products including profit sharing arrangements on same. Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenues are shown net of value added tax, returns, rebates and discounts.

3.3 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost comprises all costs of purchases, costs of conversion and other costs in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated selling expenses. Inventory write downs and samples are included in "cost of sales".

3. Significant Accounting Policies *(Contd.)*

3.4 Receivables

Receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortized cost using the effective interest method, less expected credit loss allowance.

Receivables are written off or provided for where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure by the debtor to abide by the credit terms or failure to engage in a repayment program with the Company for the settlement of amounts due.

Expected credit loss allowances on receivables are presented as net expected credit losses within operating profit. Subsequent recoveries of amounts previously written off or provided for are credited against the same line item.

3.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits at call with financial institutions, other short-term liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.6 Impairment of Financial Assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets at amortized cost, namely trade and other receivables, amounts due by related parties, cash at bank and short-term investments.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit plant,(i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company measures loss allowances for trade receivables without a significant financing component and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

3. Significant Accounting Policies *(Contd.)*

3.6 Impairment of Financial Assets *(Contd.)*

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset. In the case of interest-free short-term financial assets, such as trade receivables, ECLs are not discounted.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of comprehensive income.

Write-off
The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off on its financial assets based on whether there is a reasonable expectation of recovery and with reference to its historical experience of recoveries.

The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.7 Borrowings

Borrowings comprise funds acquired in order to assist with the financing of the Company's operations. Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least one year after the reporting date. If not, they are presented as non-current liabilities. Any interest payable is recognised as an expense as this accrues in profit or loss, using the effective interest method.

3. Significant Accounting Policies *(Contd.)*

3.8 Trade and Other Payables

Trade and other payables comprise obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities, if payment is due within one year or less. If not, they are presented as non-current liabilities. The carrying amount of trade and other payables are considered to be the same as their fair values due to their short-term nature.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefit will be required to settle the obligation.

3.10 Share Capital

Ordinary shares are classified as equity.

3.11 Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised in the profit and loss on a straight-line basis over the term of the lease.

3.12 Finance Income and Finance Costs

Finance cost comprises interest expense. Interest expense is recognised as this accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

(b) temporary differences relating to investments in subsidiaries, associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

3. Significant Accounting Policies *(Contd.)*

3.13 Tax *(Contd.)*

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

4. Revenue

	2025	2024
	Euro	Euro
Pharmaceutical Products	**29,610,857**	8,802,097

5. Operating Profit

The results from operating activities are stated after charging/(crediting) the following:

	2025	2024
	Euro	Euro
Auditors' Remuneration	**15,000**	7,000

5.1 Employee Information

The average weekly number of persons employed by the Company during the year was 3 (2024 – 1). Staff costs for the year comprised:

	2025	2024
	Euro	Euro
Salaries	**186,813**	46,955
Social Costs and Maternity Fund	**16,072**	5,142
	202,885	52,097

All staff employed were carrying out administrative duties.

6. Finance Costs

	2025	2024
	Euro	Euro
Loans Interest Payable	**260,751**	19,110
Realized Loss on Exchange	**590**	9,534
	261,341	28,644

7. Tax Expense

	2025	2024
	Euro	Euro
Current Taxation	**230,476**	76,574
Total Tax Charge	**230,476**	76,574

7.1 Reconciliation of Effective Tax Rate

The tax expense and the result of the accounting profit/(loss) multiplied by the applicable tax rate in Malta, the Company's country of incorporation, are reconciled as follows:

	2025	2024
	Euro	Euro
Profit before Taxation	**658,502**	218,782
Tax Using the Company's Domestic Tax Rate of 35%	**230,476**	76,574
Tax Expense for the Year	**230,476**	76,574

7.2 Tax Liability

The liability for taxation is made up as follows:

	Euro
Balance Brought Forward	76,574
Settlement Tax Paid	(76,574)
	-
Year of Assessment	
2026 – Provision	230,476
Taxation Due	**230,476**

7.3 Deferred Tax

No account for deferred taxation has been made in these financial statements on the basis that the Company does not have any tax timing differences.

8. Inventories

	2025	2024
	Euro	Euro
Pharmaceutical Products	**1,195,569**	417,750
Inventory in Transit	**1,234,271**	1,176,039
	2,429,840	1,593,789

9. Trade and Other Receivables

	2025	2024
	Euro	Euro
Trade Receivables	**6,380,227**	1,655,966
Trade Receivables from Related Companies	**8,283,518**	5,097,040
Accrued Income	**2,013,000**	1,060,280
Other Receivables	**215,456**	8,377
Prepayments	**43,389**	5,657
Other Taxes	**19,204**	13,940
	16,954,794	7,841,260

9.1 The amounts due from related companies under trade arrangements are unsecured, interest-free and repayable on demand.

9.2 The Company's exposure to credit risk related to trade receivables is disclosed in Note 15.3. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics. No expected credit loss allowance was considered necessary by the director on the balances receivable.

10. Cash and Cash Equivalents

	2025	2024
	Euro	Euro
Cash Balances	**85**	116
Bank Balances	**760,376**	702,593
Cash and Cash Equivalents	**760,461**	702,709

10.1 The Company's exposure to credit risk related to cash and cash equivalents is disclosed in Note 15.3. The director does not consider having any credit risk exposure with respect to bank balances as these are all held with highly-rated banking institutions.

11. Share Capital

	2025	2024
	Euro	Euro
Authorised		
1,000,000 Ordinary Shares of € 1 each	**1,000,000**	1,000,000
Issued and Fully Paid Up		
501,200 Ordinary Shares of € 1 each	**501,200**	501,200

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12. Interest Bearing Borrowings

	2025	2024
	Euro	Euro
Non-Current:		
Loans Advanced by Related Company	**10,550,078**	5,015,167
Loans Advanced by Parent Company	**-**	603,943
Total Interest Bearing Borrowings	**10,550,078**	5,619,110

12.1 The loans due to related and parent companies are unsecured, bear interest at the rate 2.6% per annum and have no fixed date of repayment. During the year, the Company repaid the loans advanced by the parent company.

13. Trade and Other Payables

	2025	2024
	Euro	Euro
Trade Payables	**1,631,417**	526,129
Trade Payables due to Related Company	**695,606**	6,923
Trade Payables due to Ultimate Parent Company	**5,867,575**	3,252,126
Accrued Expenses	**65,000**	8,900
Other Social Taxes	**35,409**	6,488
	8,295,007	3,800,566

13.1 The amounts payable to the related and ultimate parent companies under trade arrangements are unsecured, interest-free and repayable on demand.

13.2 The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

14. Fair Value Hierarchy

The Company's financial assets and liabilities are all measured at cost.

15. Financial Risk Management

15.1 Overview

The Company activities potentially expose it to a variety of financial risks, including fair value or cash flow interest rate risk, credit risk, liquidity risks and market risks:

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

15. Financial Risk Management *(Contd.)*

15.2 Risk Management Framework

The Board has overall responsibility for the establishment and oversight of the Company's risk management objectives and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details of these policies are set out below:

15.3 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from related companies receivables and credit sales to third parties. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Company has implemented credit reviews of new and existing customers before entering into contracts.

The director is of the opinion that the amounts receivable from the related companies are not subject to any credit risk.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Company's policy is to place cash with financial institutions of a high credit rating.

Exposure to Credit Risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting year was as follows:

	2025	2024
	Euro	Euro
Trade and Other Receivables	**8,671,276**	2,744,220
Trade Receivables from Related Companies	**8,283,518**	5,097,040
Cash and Cash Equivalents	**760,461**	702,709
	17,715,255	8,543,969

15.4 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

15. Financial Risk Management *(Contd.)*

15.4 Liquidity Risk *(Contd.)*

Exposure to Liquidity Risk
The following are the contractual maturities of financial liabilities:

	Within 12 Months	Between 1-2 Years	Between 2-5 Years	Over 5 Years
	Euro	Euro	Euro	Euro
31 March 2025				
Interest-Bearing Borrowings	-	-	-	**10,550,078**
Trade and Other Payables	**1,731,826**	-	-	-
Trade Payables due to Related Company	**695,606**	-	-	-
Trade Payables due to Ultimate Parent Company	**5,867,575**	-	-	-
	8,295,007	-	-	**10,550,078**
31 March 2024				
Interest-Bearing Borrowings	-	-	-	5,619,110
Trade and Other Payables	541,517	-	-	-
Trade Payables due to Related Company	6,923	-	-	-
Trade Payables due to Ultimate Parent Company	3,252,126	-	-	-
	3,800,566	-	-	5,619,110

15.5 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange currency financial instruments and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The overall effect of fluctuations in exchange rate at the reporting date on financial instruments such as trade receivables and payables are not considered by management to be material on the results of the Company.

15.5.1 Fair Value or Cash Flow Interest Rate Risk

The Company was not exposed to interest rate risk at the reporting date, since all borrowings were subject to fixed rates of interest.

15.5.2 Foreign Currency Risk

The Company was not exposed to currency risk at reporting date.

15.6 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board's objectives are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

16. Related Parties

16.1 Parent and Ultimate Controlling Party

The Company is a wholly owned subsidiary of Emcure Pharma UK Ltd. (the "Parent Company") bearing UK company registration No. 8283131 and whose registered office is at 220, Butterfield, Great Marlings, Luton, Betfordshire LU2 8DL, United Kingdom, and which is itself owned by Emcure Pharmaceuticals Limited (the "Ultimate Parent Company"), bearing Indian company registration No. U24231PN1981PLC024251 and whose registered office is at Plot No. P-1 & P-2, IT-BT Park, Phase-II, M.I.D.C. InfotechPark (Hinjawadi), Pune, Pune City, Maharashtra, 411057, India.

No single party has a controlling interest in the Company.

16.2 Related Party Transactions and Balances

	2025	2024
	Euro	Euro
Related Companies		
Sales to	**6,910,790**	5,137,386
Purchases and Recharges from	**(5,472,431)**	(152,031)
Reimbursement of Expenses Paid	**(399,363)**	(13,937)
Interest Charged by	**(251,276)**	(15,167)
Loan Advanced by	**5,534,911**	5,015,167
Net Funds Advanced by/(to)	**(2,497,795)**	(5,097,040)
Parent Company		
Interest Charged by	**(3,943)**	(3,943)
Loan Advanced by	**-**	603,943
Net Funds Advanced by/(to)	**(603,943)**	-
Ultimate Parent Company		
Purchases from	**(20,878,733)**	(9,063,928)
Net Funds Advanced by/(to)	**2,615,449**	3,252,126

Amounts due to and from related parties are disclosed in Notes 9, 12 and 13 to these financial statements.

The key management of the Company are considered to be the directors of the Company. The directors in office during the year 2024/2025 did not receive any remuneration.

17. Operating Commitments

At the year end, the Company had an operational office lease commitment of approximately € 26,000 per annum and operational warehouses lease commitments of approximately € 276,000 per annum.

18. Capital Commitments

The Company did not have any commitments to purchase any property, plant and equipment at year end.

19. Contingent Liabilities

At year end, the Company did not have any contingent liabilities.

20. Regional Conflicts

Conflicts inevitably impact international stability and economies. The ongoing conflict in Ukraine and still high tensions in the Middle East present significant challenges worldwide. However. after a comprehensive review of the Company's operations, the director has assessed the situation and confirmed that there are no impacts resulting from these regional conflicts and it is not expected that these conflicts have an impact on the operations in the medium term going forward. Furthermore, there is no dependency on these regions for goods or services. The director is committed to continually monitor global developments. Should these conflicts begin to affect the Company's operations, the director is prepared to take necessary actions to mitigate any potential impact.

21. Economic Outlook

The director is conscious of the impact caused by the very recent introduction of widespread tariffs by the USA. These measures and counter measures may lead to economic turbulence. The evolving situation is being monitored closely.

22. Subsequent Events

The director has evaluated subsequent events since 31 March 2025 up to the date of approval of these financial statements and concluded that there were no other subsequent events which require disclosure in the financial statements.

23. Comparative Figures

Certain comparative figures have been adjusted to conform to the current year's presentation.

TILLOMED MALTA LTD.

SCHEDULE TO INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	Euro	Euro
Revenue		
Pharmaceutical Products	**29,610,857**	8,802,097
Cost of Sales		
Opening Inventories	**1,593,789**	-
Purchases	**28,790,762**	10,200,029
Inventory and Samples Write-offs	**(377,504)**	(196,933)
	30,007,047	10,003,096
Closing Inventories	**2,429,840**	1,593,789
	27,577,207	8,409,307
Gross Profit	**2,033,650**	392,790
Selling and Distribution Overheads		
Power and Fuel Costs	**46**	93
Product Registration	**53,246**	4,526
Quality Compliance Fees	**110,276**	-
Marketing Support Costs	**362,170**	-
Product Development Costs	**3,461**	-
Travelling and Entertainment	**8,481**	986
Warehouse Rents	**275,827**	24,205
	813,507	29,810
Administrative Overheads		
Accommodation Costs	**15,000**	12,000
Auditors' Remuneration	**15,000**	7,000
Bank Charges	**3,434**	295
Company Registration Fee	**765**	765
Computer Expenses	**16,518**	2,382
General Expenses	**-**	1,191
Legal and Professional Fees	**-**	9,089
Office Expenses	**3,918**	4,795
Office Rent	**25,959**	20,079
Printing and Stationery	**-**	738
Salaries and Social Costs	**202,885**	52,097
Staff Costs	**795**	1,318
Subscription Fees	**16,026**	-
Telecommunication Expenses	**-**	3,805
	300,300	115,554
Operating Profit	**919,843**	247,426

Mantra Pharma Inc.

Financial Statements

March 31, 2025 and March 31, 2024

KNAV Professional Corporation

Chartered Professional Accountants

55 York Street, Suite 401, Toronto Ontario M5J 1R7

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PARTNERS BEYOND BOUNDARIES

Independent Auditor's Report

To the Shareholder of Mantra Pharma Inc.

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Mantra Pharma Inc. ("Mantra" or "the Company"), which comprise the balance sheets as at March 31, 2025, and March 31, 2024, and the related statements of income, retained earnings, and cash flows, for the year ended March 31, 2025, and for the period November 06, 2023, to March 31, 2024, including a summary of significant accounting policies and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and March 31, 2024, and the results of its operations and its cash flows for the year ended March 31, 2025, and for the period November 06, 2023, to March 31, 2024, in accordance with Canadian accounting standards for private enterprises ("ASPE").

Basis for opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. 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 ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian ASPE, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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 relating 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 charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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 Canadian generally accepted auditing standards 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 Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

1) 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.

2) Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5) Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KNAV Professional Corporation

KNAV Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by the Chartered Professional Accountant of Ontario
55 York Street, Suite 401,
Toronto, Ontario M5J 1R7
Date: May 06, 2025

Mantra Pharma Inc.

Financial Statements

March 31, 2025 and March 31, 2024

Financial statements

Mantra Pharma Inc.

Financial Statements

March 31, 2025 and March 31, 2024

Balance sheets

(All amounts in Canadian dollars unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Current assets			
Cash & cash equivalents		452	224,545
Accounts and other receivables, net	3	11,899,046	11,128,385
Inventories	4	19,347,551	18,082,864
Prepaid expenses and other current assets	5	2,547,491	878,373
		33,794,540	**30,314,167**
Non current assets			
Property and equipments	7	1,850,361	1,357,304
Intangible assets	8	58,289,042	65,012,160
Intangible assets under development	9	1,829,357	221,153
Goodwill		25,541,010	25,541,010
		87,509,770	**92,131,627**
Total assets		**121,304,310**	**122,445,794**
LIABILITIES			
Current liabilities			
Bank indebtedness	2	3,996,340	6,017,154
Accounts payable and accrued liabilities	10	17,409,626	16,165,877
Income tax payable		503,220	79,223
Current portion of long-term debt	11	8,050,000	6,900,000
		29,959,186	**29,162,254**
Non current liabilities			
Long-term debt	11	29,900,000	37,950,000
Contingent consideration payable	14	40,887,916	38,406,101
Future income taxes	6	14,910,303	16,276,242
Deferred rental income		150,662	188,406
		85,848,881	**92,820,749**
Total liabilities		**115,808,067**	**121,983,003**
Shareholder's equity			
Share capital	13	100	100
Retained earnings		5,496,143	462,691
Total shareholder's equity		**5,496,243**	**462,791**
Total liabilities and shareholder's equity		**121,304,310**	**122,445,794**

(The accompanying notes are an integral part of these financial statements)

On behalf of the Board:

Jean-François LEPARTE — Director name

Director signature

Mantra Pharma Inc.
Financial Statements
March 31, 2025 and March 31, 2024

Statements of income

(All amounts in Canadian dollars unless otherwise stated)	Notes	For the year ended March 31, 2025	For the period November 06, 2023, to March 31, 2024
Revenue from operations	15	81,012,947	28,256,848
Cost of sales		37,185,150	12,709,619
Gross margin		**43,827,797**	**15,547,229**
Expenses			
Salaries and benefits		14,185,274	5,113,778
Research and development		38,455	8,993
Professional fees		2,919,949	1,402,227
Licensing and fees		804,286	224,942
Bank charges and interest		1,136,579	596,760
Advertising and promotions		1,879,723	743,324
Rent		766,255	302,873
Office		766,276	278,758
Insurance		126,710	94,928
Depreciation of property and equipment		384,420	138,957
Amortization of intangible assets		6,782,256	2,708,840
Travel		852,519	222,741
Phone		87,201	35,257
Provision for doubtful debts		43,956	12,194
Other		455,124	219,549
		31,228,983	**12,104,121**
Income before the undernoted items and income taxes		**12,598,814**	**3,443,108**
Other income (expenses)			
Foreign exchange gain (loss)		328	(4,661)
Other income		109,120	44,396
Unwinding of discount on contingent consideration payable		(2,481,815)	(950,101)
Interest on long-term debt		(2,906,422)	(1,536,205)
Income before income taxes		**7,320,025**	**996,537**
Income taxes			
Current		3,652,512	1,550,539
Future benefit		(1,365,939)	(1,016,693)
Net income		**5,033,452**	**462,691**

(The accompanying notes are an integral part of these financial statements)

On behalf of the Board:

Director signature

JEAN-FRANCOIS LETARTE

Director name

Statements of retained earnings

(All amounts in Canadian dollars unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the period November 06, 2023, to March 31, 2024
Retained earnings, beginning of year/period	462,691	-
Net income	5,033,452	462,691
Retained earnings, end of year/period	**5,496,143**	**462,691**

(The accompanying notes are an integral part of these financial statements)

Statements of cash flows

(All amounts in Canadian dollars unless otherwise stated)

	For the year ended March 31, 2025	For the period November 06, 2023, to March 31, 2024
Cash flows from operating activities:		
Net income	5,033,452	462,691
Items not involving cash:		
Unwinding of discount on contingent consideration payable	2,481,815	950,101
Amortization of intangible assets	6,782,256	2,708,840
Depreciation of property and equipment	384,420	138,957
Future income taxes	(1,365,939)	(1,016,693)
Deferred rental income	(37,744)	(15,202)
Loss on sale of assets	2,814	-
Unrealised exchange gain	(8,688)	-
Provision for inventory obsolescence	771,811	26,928
Provision for doubtful debts	32,322	12,194
Changes in assets and liabilities:		
Accounts and other receivables	(802,983)	(517,389)
Inventories	(2,036,498)	841,813
Prepaid expenses and other current assets	(1,660,430)	521,234
Accounts payable and accrued liabilities	1,243,749	2,900,386
Income taxes payable	423,997	(73,623)
Net cash flows provided by operating activities - A	**11,244,354**	**6,940,237**
Cash flows from investing activities:		
Purchase of property and equipments	(882,790)	(76,881)
Sale of property and equipment	2,499	-
Expenditure on intangible assets under development	(1,667,342)	(221,153)
Net cash flows used in investing activities - B	**(2,547,633)**	**(298,034)**
Cash flows from financing activities:		
Net movement of bank indebtedness	(2,020,814)	(6,793,502)
Repayment of long-term debt	(6,900,000)	(1,150,000)
Net cash flows used in financing activities - C	**(8,920,814)**	**(7,943,502)**
Net decrease in cash and cash equivalents-(A+B+C)	**(224,093)**	**(1,301,299)**
Cash and cash equivalents, beginning of year/period	224,545	1,525,844
Cash and cash equivalents, end of year/period	**452**	**224,545**

(The accompanying notes are an integral part of these financial statements)

Notes to financial statements

Mantra Pharma Inc. (the "Company") is a private entity which is primarily involved in marketing and distribution of prescription drugs, natural health products and markets professional training programs to healthcare professionals . The Company, in its current form, was created pursuant to an amalgamation under the laws of Quebec on November 6, 2023. On that date, 9501-2969 Québec Inc., a wholly owned subsidiary of Marcan Pharmaceuticals Inc. (the "Parent Company"), acquired Mantra Pharma Inc. and its related entities. Immediately following the acquisition, Québec Inc. and the acquired group were amalgamated to form the present Mantra Pharma Inc., as further described in Note 19.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. Basis of preparation

a. The financial statements of the Company have been prepared by the management in accordance with Canadian Accounting Standards for Private Enterprises ("GAAP" or "ASPE") to reflect the financial position, results of its operations and cash flows of the Company.

b. The financial statements are presented for the year ended March 31, 2025 and for the period November 06, 2023 to March 31, 2024. Comparative amounts presented in the financial statements are not comparable. The accounting policies have been applied consistently for the reporting periods presented in the financial statements.
All amounts are in Canadian dollars, unless otherwise stated.

c. Certain reclassifications and regroupings have been made in the financial statements of the prior year to confirm to the classifications used in the current year. These changes had no impact on the previously reported net income or retained earnings.

2. *Basis of measurement*

The financial statements have been prepared on a historical cost basis.

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3. *Use of estimates*

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Estimates include the allowance for doubtful debts, the allowance for inventory obsolescence, the useful lives of intangible assets and property and equipment, accrual for professional allowances and program fees, allowance for estimated returns and sales discounts, and valuation of future income taxes. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

4. *Accounting policies:*

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The Company's significant accounting policies are as follows:

(a) Inventories:

Inventories are measured at the lower of cost and net realizable value. Cost includes purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. The costs are assigned using the weighted average cost formula.

Inventories are written down to net realizable value when the cost of inventories is estimated to be greater than the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A provision for obsolescence is calculated based on historical experience, unless new information indicates historical experience is not relevant for a product. Management reviews the provision annually to assess whether it is adequate.

(b) Property and equipments:

Property and equipment ("PE") are stated at cost, less accumulated depreciation. Depreciation is provided on a pro-rata basis on the straight-line method ('SLM') over the estimated useful lives of the assets as determined by the management. Useful life of PE is as follows:

	Useful life
Machinery and equipment	3-15 years
Furniture and fixtures	5-10 years
Computer hardware	3-6 years
Computer software	3 years
Leasehold improvements	5 - 20 years

(c) Goodwill:

Goodwill is recognized on the acquisition of a business and represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired. Goodwill is not amortized; it is tested for impairment if events or changes in circumstances indicate that the asset may be impaired. The impairment test is carried out by comparing the carrying amount of a reporting unit with its fair value. When the carrying amount exceeds the fair value, an impairment loss is recorded in an amount equal to the excess, up to the carrying amount of the goodwill and is presented as a separate line item in the statement of income. Goodwill impairments are not reversed.

(d) Intangible assets:

Intangible assets resulting from a business acquisition are initially recorded at fair value. Separately acquired intangible assets are measured at cost.

For intangible assets with definite lives amortization is provided on a straight-line basis over their respective estimated useful lives.

	Useful life
Brands	10 years
Customer relationships	10 years
Product rights	10 years

The Company capitalizes payments to third parties that generally take the form of up-front payments and milestones for in-licensed products, compounds and intellectual property are capitalised since the probability of expected future economic benefits criterion is always considered to be satisfied for separately acquired intangible assets. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated intangible assets are expensed as incurred.

Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life along with all other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable.

(e) Impairment of long-lived assets:

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset (or asset group) exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposal. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. Impairments of long-lived assets are not reversed.

(f) Income taxes:

The Company uses the future income taxes method of accounting for income taxes. Under the future income taxes method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment. Refundable taxes that will be recovered on the payment of qualifying dividends are recognized as a future income tax asset.

A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized. Income tax expense or benefit is the sum of the Company's provision for the current income taxes and the difference between the opening and ending balances of the future income tax assets and liabilities.

(g) Revenue recognition:

Sale of goods

Revenue is recognized when the customer takes ownership and assumes risk of loss, collection of the related receivable is probable, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable.

Sales made under agreements allowing for rights of return are recognized at the time of sale to the customer or distributor. Estimated returns and allowances are recorded as a reduction of revenue at the time of revenue recognition. Estimates are based on historical experience and other relevant factors.

Sales discounts are recorded as a reduction of revenue at the time of revenue recognition to the extent they are estimated to occur based on historical experience and other relevant factors. Any additional discounts incurred are recorded when incurred.

Commission income

The Company is an exclusive dealer involved in marketing of products for which it earns commission income. Revenue from commission income is recognized at the time of sale to customer based on the agreed commission percentage.

Rendering of services

The Company is involved in rendering services related to its products to its customers. Revenue from services are recognized at the time they are rendered at an agreed price which is fixed or determinable.

(h) Related party transactions:

Monetary and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held-for-sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

(i) Foreign currency translation:

Foreign currency transactions and balances are translated using the temporal method. Under this method, monetary assets and liabilities are translated at year-end exchange rates and non-monetary assets and liabilities are translated at the exchange rates prevailing at the transaction date. Revenues and expenses are translated at the exchange rates prevailing at the transaction date. Any gains or losses arising from the translation of foreign currency are recognized in net income.

(j) Financial instruments:

Initial measurement

Financial assets and liabilities are initially measured at fair value, which is typically the transaction price. Related party transactions (excluding those solely with management in their capacity as such) - If the instrument has repayment terms, it is measured at the present value of undiscounted cash flows (excluding interest and dividends), less any previously recognized impairment by the transferor. If the instrument has no repayment terms, it is measured at the consideration exchanged between the parties. Transaction costs on financial assets and liabilities are expensed immediately for instruments subsequently measured at fair value and for those in related party transactions. They are capitalized for instruments measured at cost or amortized cost and amortized over the life of the instrument using the straight-line method where applicable.

Subsequent measurement

The Company subsequently measures its financial instruments as follows: Financial assets measured at amortized cost include cash and cash equivalents and accounts and other receivable. Financial liabilities measured at amortized cost include accounts payables and accrued liabilities, bank indebtedness, and long term debt. The Company does not hold equity instruments quoted in an active market and, therefore, does not apply fair value measurement post-initial recognition.

Impairment

For financial assets measured at cost or amortized cost, the Company assesses at each reporting date whether there is any indication of impairment. If there is a significant adverse change in the expected timing or amount of future cash flows, an impairment loss is recognized in income. If impairment indicators decrease or no longer exist, a previously recognized loss may be reversed to the extent of the improvement but not exceeding the carrying amount that would have been determined had no impairment been recognized. The Company maintains an allowance for doubtful accounts to reflect impairment losses on accounts receivable. Specific accounts are written off when deemed uncollectible.

(k) Leases:

Leases in which the Company obtains substantially all the risks and rewards of ownership are classified as capital leases. The Company records its capital leases as an acquisition of an asset and an assumption of an obligation. The asset value and the amount of the obligation, recorded at the inception of the lease, are the present value of the minimum lease payments. Each lease payment is allocated between the liability and interest expense so as to achieve a constant rate of interest on the recorded capital lease obligations. Equipment acquired under a capital lease is amortized over the term of the lease, or the expected useful life of the asset when the lease contains a purchase option. All other leases are accounted for as operating leases wherein rental payments are recognized in the statement of income on a straight-line basis over the terms of the leases. Lease inducements are accounted for as reductions of the lease expense over the term of the lease.
The Company does not have any leases that are classified as capital leases.

2. BANK INDEBTEDNESS

On November 6, 2023, the Company entered into a revolving credit facility with Canadian Imperial Bank of Commerce ("CIBC"), providing a borrowing capacity of $15,000,000 as following:

a. A $5,000,000 swingline credit facility, and
b. A $10,000,000 revolving credit facility
Both of the above-mentioned facilities bear interest at prime plus prevailing margin.

The Company also has an option to elect the Canada Overnight Repo Rate Average ("CORRA") as the benchmark interest rate for the revolving credit facility.

The range of interest rate for the year ended March 31, 2025, is as follows:
i. Swingline credit facility - 5.58% to 8.35%
ii. Revolving credit facility - 6.36% to 8.21%

As at March 31, 2025 and March 31, 2024, the Company's utilization of the revolving and swingline credit facilities was as follows:

	As at	
	March 31, 2025	**March 31, 2024**
Revolving credit facility	-	5,000,000
Swingline facility	3,996,340	1,017,154
Total bank indebtedness	**3,996,340**	**6,017,154**

Total interest expense recognized in "bank charges and interest" in the statements of income for the year ended March 31, 2025, was $ 279,710 (November 06, 2023, to March 31, 2024 – $258,234). The interest accrued as March 31, 2025, and March 31, 2024, classified under "accounts payable and accrued liabilities" amounted to $ Nil and $ 35,871, respectively.

The facility is secured by a corporate guarantee from Emcure Pharmaceuticals Limited ("Ultimate holding company").

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3. ACCOUNTS AND OTHER RECEIVABLES, NET

	As at March 31, 2025	As at March 31, 2024
Trade receivables	11,259,472	9,770,581
Trade and other receivables - Parent company	639,344	747,591
Trade and other receivables - Affiliate companies	230	621,847
	11,899,046	11,140,019
Allowance for doubtful debts	-	(11,634)
Total	**11,899,046**	**11,128,385**

	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year/period	11,634	-
Provision made during the year/period	43,956	12,194
Provision reversed during the year/period	(11,634)	-
Write-off during the year/period	(43,956)	(560)
Balance at the end of the year/period	**-**	**11,634**

4. INVENTORIES

	As at March 31, 2025	As at March 31, 2024
Finished goods	20,713,624	18,677,126
Allowance for inventory obsolescence	(1,366,073)	(594,262)
Total	**19,347,551**	**18,082,864**

The amount of inventory included in cost of sales for the year ended March 31, 2025 was $ 26,971,521 (November 06, 2023 to March 31, 2024 was $ 9,373,737).

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	642,083	253,559
Advance to suppliers	1,749,133	624,814
Others	156,275	-
Total	**2,547,491**	**878,373**

6. FUTURE INCOME TAXES

Significant components of the Company's net future income tax asset are as follows:

	As at March 31, 2025	As at March 31, 2024
Property and equipment	(261,052)	(449,642)
Intangible assets	15,433,616	17,228,222
Accounting reserves	(262,261)	(502,338)
Total	**14,910,303**	**16,276,242**

7. PROPERTY AND EQUIPMENT

Particulars	Cost	Accumulated amortization	Net book value as of March 31, 2025	Net book value as of March 31, 2024
Furniture and fixtures	712,168	142,381	569,787	604,389
Computer hardware	264,099	126,057	138,042	152,529
Computer software	634,144	152,178	481,966	200,194
Leasehold improvements	431,412	99,815	331,597	400,192
Capital work-in-progress	328,969	-	328,969	-
	2,370,792	**520,431**	**1,850,361**	**1,357,304**

The Company purchased computer hardware amounting to $ 78,610 for the year ended March 31, 2025 (for the period November 06, 2023, to March 31, 2024 - $ 39,091), and computer software amouting to $ 12,478 for the year ended March 31, 2025 (for the period November 06, 2023, to March 31, 2024 - $ Nil). The additions to capital work in progress amounted to $ 712,882 for the year ended March 31, 2025 (for the period November 06, 2023, to March 31, 2024 - $ Nil). The additions to computer software transferred from capital work in progress amounted to $ 383,913 during the year ended March 31, 2025 (for the period November 06, 2023, to March 31, 2024 - $ Nil). Additions to furniture and fixtures amounted to $ 76,220 for the year ended March 31, 2025 (for the period November 06, 2023, to March 31, 2024 - $ 37,790). Deletions to furniture and fixtures were $ 2,499 and the loss on the deletion was $ 2,814 for the year ended March 31, 2025 (for the period November 06, 2023, to March 31, 2024 - $ Nil). Additions to lease hold improvements were $ 2,600 for the year ended March 31, 2025 (for the period November 06, 2023, to March 31, 2024 - $ Nil). Depreciation expense for the year ended March 31, 2025 was $ 384,420 (November 06, 2023 to March 31, 2024 - $ 138,957).

8. INTANGIBLE ASSETS

Particulars	Cost	Accumulated amortization	Net book value as of March 31, 2025	Net book value as of March 31, 2024
Customer relationships	59,133,000	8,278,620	50,854,380	56,767,680
Brands	3,434,000	480,760	2,953,240	3,296,640
Product rights	5,213,138	731,716	4,481,422	4,947,840
	67,780,138	**9,491,096**	**58,289,042**	**65,012,160**

The additions to product rights transferred from intangible assets under development amounted to $ 59,138 during the year ended March 31, 2025 (for the period November 06, 2023, to March 31, 2024 - $ Nil).

Amortization expense for the year ended March 31, 2025 was $ 6,782,256 (November 06, 2023 to March 31, 2024 - $ 2,708,840).

9. INTANGIBLE ASSETS UNDER DEVELOPMENT

For intangible assets under development, ageing schedule as on March 31, 2025:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2025
Product development	1,667,342	162,015	-	-	1,829,357
Total	**1,667,342**	**162,015**	**-**	**-**	**1,829,357**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
Product development	221,153	-	-	-	221,153
Total	**221,153**	**-**	**-**	**-**	**221,153**

The additions to the intangible assets under development amounted to $ 1,667,342 for the year ended March 31, 2025 (for the period November 06, 2023 to March 31, 2024 -$ 221,153).

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10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at March 31, 2025	As at March 31, 2024
Accounts payable and accrued liabilities	12,809,257	12,811,714
Accounts payable - Parent company	4,193,041	3,066,511
Accounts payable - Ultimate holding company	407,328	287,652
Total	**17,409,626**	**16,165,877**

11. LONG-TERM DEBT:

On November 6, 2023, the Company entered into a term loan agreement with the CIBC for an aggregate principal amount of $46,000,000. The loan bears interest at the CIBC Prime Rate plus an prevailing margin and is repayable over 17 quarterly instalments, commencing November 6, 2023.

The Company also holds the option to designate the Canada Overnight Repo Rate Average ("CORRA") as the reference rate for borrowings for this loan, in lieu of the Prime Rate.

The Company recognized interest expense of $2,906,422 for the year ended March 31, 2025 (November 06, 2023 to March 31, 2024 -$1,536,205). The interest accrued as March 31, 2025, and March 31, 2024, classified under "accounts payable and accrued liabilities" amounted to $ Nil and $ 321,763, respectively.

The loan is secured by a corporate guarantee of the Ultimate holding company and all current and non-current assets of the Company.

	As at March 31, 2025	As at March 31, 2024
CIBC Loan	37,950,000	44,850,000
	37,950,000	**44,850,000**
Less : cash repayments required within 12 months	(8,050,000)	(6,900,000)
	29,900,000	**37,950,000**

As of March 31, 2025, the future maturities of the long term debt is as follows:

Financial Year	Amount
2025-26	8,050,000
2026-27	9,200,000
2027-28	20,700,000
	37,950,000

12. RELATED PARTY TRANSACTIONS

(a) Related parties

Name of the related party	Nature of relationship
Emcure Pharmaceuticals Limited	Ultimate holding company
Marcan Pharmaceuticals Inc	Parent company
9406-3401 Québec Inc.	Affiliate company
Financière JFL Inc.	Affiliate company
Gestion SBT Inc.	Affiliate company
Financière Picadco Inc.	Affiliate company
Placements Maxime Deslauriers Inc.	Affiliate company
Placements Olivier Paquet Inc.	Affiliate company
Gestion Extensio Inc.	Affiliate company

(b) Related party balances:

i. Accounts receivable *(included in trade and other receivables)*

	As at March 31, 2025	As at March 31, 2024
Marcan Pharmaceuticals Inc.	639,344	747,591
9406-3401 Québec Inc.	230	-
Financière JFL Inc.	-	17,145
Gestion SBT Inc.	-	17,145
Financière Picadco Inc.	-	16,800
Placements Maxime Deslauriers Inc.	-	4,200
Placements Olivier Paquet Inc.	-	4,200
Gestion Extensio Inc.	-	172
Balance receivable from erst-while shareholders	-	562,185
	639,574	**1,369,438**

ii. Accounts payable *(included in accounts payable and accrued liabilities)*

	As at March 31, 2025	As at March 31, 2024
Marcan Pharmaceuticals Inc.	4,193,041	3,066,511
Emcure Pharmaceuticals Limited	407,328	287,652
	4,600,369	**3,354,163**

(c) Related party transactions:

The following table summarizes the Company's significant related party transactions:

	For the year ended March 31, 2025	For the period November 06, 2023, to March 31, 2024
Purchases		
Marcan Pharmaceuticals Inc.	15,237,088	4,730,976
Commission income, net		
Marcan Pharmaceuticals Inc	1,719,856	677,107
Rent expense		
9406-3401 Québec Inc.	479,806	159,935
Reimbursement of expenses received		
Marcan Pharmaceuticals Inc	99,717	147,941
Financière JFL Inc.	600	14,762
Gestion SBT Inc.	600	14,762
Financière Picadco Inc.	3,100	14,762
Placements Maxime Deslauriers Inc.	-	3,653
Placements Olivier Paquet Inc.	-	3,653
Gestion Extensio Inc.	500	150
Reimbursement of expenses paid		
Marcan Pharmaceuticals Inc	951,959	59,176
9406-3401 Québec Inc.	159,203	50,657
Emcure Pharmaceuticals Limited	419,828	-
Corporate guarantee fees paid		
Emcure Pharmaceuticals Limited	701,840	287,652

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of considerations established and agreed to by the related parties.

13. SHARE CAPITAL:

	As at March 31, 2025	As at March 31, 2024
Authorized :		
Unlimited common shares, voting, participating		
Issued : 1,000 Class "A" common shares	100	100

9501-2969 Quebec Inc. was incorporated on October 16, 2023 with an initial investment of $ 100 from the Parent company. The Parent company received 1,000 common shares of 9501-2969 Quebec Inc. These shares were converted to common shares of the amalgamated entity upon amalgamation on the same day as discussed in Note 19.

14. CONTINGENT CONSIDERATION PAYABLE

As part of the purchase consideration for the acquisition completed on November 06, 2023 (refer to Note 19), the Company issued 24,000,000 Class "E" preferred shares to the selling shareholders. These shares are non-voting, non-dividend bearing, and are redeemable for cash based on the achievement of future financial performance targets, primarily tied to EBITDA and synergy thresholds for the fiscal year ending March 31, 2027, as specified in the purchase agreement.

Due to the conditional and cash-settled nature of these instruments, the preferred shares have been classified as a financial liability and initially recognized at their fair value of $37,456,000. As at March 31, 2025, the liability is measured at $40,887,916, based on a discount rate of 5.40%, and will accrete to an expected redemption value of $44,215,135 over time.

The increase in carrying value reflects the passage of time and the evolving probability of meeting performance conditions. For the year ended March 31, 2025, the Company recognized an accretion expense of $2,481,815 (2024 – $950,101).

15. REVENUE FROM OPERATIONS

	For the year ended March 31, 2025	For the period November 06, 2023, to March 31, 2024
Sale of products	72,966,660	25,501,613
Commission income	6,811,748	2,109,944
Rendering of services	1,234,539	645,291
Total	**81,012,947**	**28,256,848**

16. COMMITMENTS

The Company leases two office spaces under an operating lease which will expire in November 2029 and January 2031. The minimum aggregate rent payable for the next six years are:

FY 2025-2026	634,596
FY 2026-2027	634,596
FY 2027-2028	634,596
FY 2028-2029	634,596
FY 2029-2030	582,996
FY 2030-2031	479,796

The lease expenses for office space for the period ended March 31, 2025 was $766,255 (November 06, 2023 to March 31, 2024 was $302,873).

17. CONTINGENT LIABILITIES:

During the year ended March 31, 2024, a claim was made against the Company by a supplier (the plaintiff) in the amount of $187,817, representing unpaid invoices for products sold to the Company. In response, the Company made a partial payment of $81,226 during the period from November 6, 2023, to March 31, 2024, reflecting its assessment of the amount owed. Subsequently, the plaintiff issued a notice of intent to pursue legal action for the remaining balance of $106,591. On February 20, 2025, the Company entered into a settlement agreement with the plaintiff under which the matter was settled through a final payment of $42,500. As of March 31, 2025, there are no ongoing or new legal proceedings involving the Company.

18. FINANCIAL RISKS:

(a) Currency risk:

All of the Company's sales are in domestic currency. Some assets, liabilities, revenue, and expenses are exposed to foreign exchange fluctuations. The following amounts represent balances at period-end denominated in USD and EURO, which have been translated into Canadian dollars in the financial statements:

	As at March 31, 2025	As at March 31, 2024
Cash & cash equivalents - USD	159	180
Accounts payable and accrued liabilities - USD	580,215	172,652
Accounts payable and accrued liabilities - EURO	-	40,763

(b) Credit risk:

The Company is exposed to credit risk in the event of non-performance by customers but does not anticipate such non-performance. The Company monitors credit risk and credit reporting of customers as a regular basis. The maximum credit exposure is the fair value of accounts receivable.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements. The Company prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(d) Interest rate risk:

The Company has debts with variable interest rates based on CORRA and Prime plus a margin. As a result, the Company is exposed to interest rate risk due to fluctuations in the CORRA and Prime rates.

19. BUSINESS COMBINATION:

Marcan Pharmaceutical Inc. incorporated Québec Inc by investing $100 on October 16, 2023.

On November 06, 2023, Québec Inc. acquired entities namely (i) Holding JFL Inc., Gestion Nirdac Inc., Gestion Stéphane Turcotte Inc., Gestion Beflan Inc., Gestion Éléoraph Inc. (collectively 'Mantra Holdcos') (ii) Mantra Pharma Inc. ('Mantra') (iii) Mantra Distribution Inc. (Subsidiary of Mantra Pharma Inc.) and (iv) Myriad Pharma Inc. ('Myriad') (hereinafter referred to as "Acquired entities") pursuant to share purchase agreement dated November 06, 2023.

On November 06, 2023, Quebec Inc. amalgamated with the above-mentioned Acquired entities such that the such that the newly incorporated company Mantra Pharma Inc (the "Mantra")became the resulting amalgamated entity. As a result of the above-mentioned transaction the Mantra became a wholly-owned subsidiary of the Parent company on November 06, 2023.

This acquisition included the purchase of 100% of issued and outstanding shares of the Acquired entities for upfront cash consideration plus additional contingent consideration payable to the erst-while shareholders of Mantra in the form of preference shares, based on achievement of specific EBITDA levels of Mantra for the year ended March 31, 2026, or at the option of erst-while shareholders for the year ended March 31, 2027, pursuant to the share purchase agreement dated November 06, 2023.

Details of the purchase consideration, the net assets acquired, assets and liabilities recognised as a result of the acquisition are as follows:

Net assets acquired (at fair value)	**As at November 06, 2023**
Property and equipment	1,419,380
Customer relationships	59,133,000
Brand name	3,434,000
Licenses	5,154,000
Cash and cash equivalents	367,177
Trade and other receivables	10,273,333
Inventories	18,951,605
Prepaid expenses and other current assets	1,389,590
Trade payable and other liabilities	(13,834,273)
Deferred tax liabilities (net)	(17,292,935)
Total net identifiable assets acquired (A)	**68,994,876**
Cash consideration paid	57,079,886
Contingent consideration payable	37,456,000
Total Consideration (B)	**94,535,886**
Goodwill C = (B-A)	**25,541,010**

The goodwill is attributable to the workforce and the high profitability of the acquired business. In the event that certain pre-determined EBITDA levels are achieved by the Mantra, additional contingent consideration of $44,215,135 is estimated as the redemption amount for the 24,000,000 Class "E" preferred stock in 2026-27. The estimates are based on a calculation of the assumed probability-adjusted EBITDA of the acquired entities. The contingent consideration of $44,215,135 is further discounted at 5.40% amounting to $37,456,000 .

Pursuant to the above transaction, the Ultimate holding company guarantees the erstwhile shareholders of the Acquired entities in respect of the Parent company's obligations due in the fiscal year 2026-2027 for the Company's earn out payment obligations.

20. SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2025, up to the date the financial statements were available to be issued. Based on the evaluation the Company is not aware of any events or transactions that to require recognition or disclosure in the financial statements.