

A.M.GHELANI & COMPANY
CHARTERED ACCOUNTANTS

224, Champaklal Industrial Estate,
Sion-Koliwada Road, Sion (East),
Mumbai - 400 022.
Tel : 2402 4909 / 8739
Fax : 2407 1138
E-mail : amghelaniandco@gmail.com

AJIT M. GHELANI
B.Com (Hons), F.C.A., GRAD. C.W.A.

CHINTAN A. GHELANI
B.Com (Hons), F.C.A., C.S

INDEPENDENT AUDITOR'S REPORT

To

The Members of

MONARCHY HEALTHSERVE PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **Monarchy Healthserve Private limited ("the Company")** which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and statement of cash flows for the year ended on that date, and a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Independence requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made 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 standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management discussion and Analysis, Business responsibility Report, Corporate Governance and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained 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.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance



A.M.GHELANI & COMPANY

CHARTERED ACCOUNTANTS

with INDAS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 Standalone 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 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

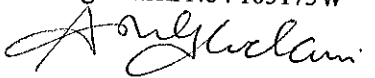
relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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.
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.
 - 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;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with 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 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:
In our opinion and the best of our information and according to the explanations given to us, Company has not paid any remuneration to director; hence the provisions of section 197 are not applicable on the Company.
 - h. 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 as amended, in our opinion and to the best of our information and according to explanations given to us:
 - i. The Company does not have any pending litigations as on the reporting date.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, 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;

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that 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 (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

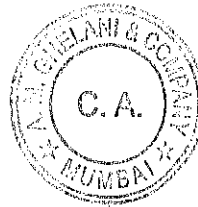
For A.M. Ghelani & Company
Chartered Accountants
Registration No : 103173W



Ajit M. Ghelani

Partner

Membership No. : 012576



ICAI UDIN No :- 23012576BGXXNE8220

Place : Mumbai

Dated : 29th May 2023

A.M.GHELANI & COMPANY
CHARTERED ACCOUNTANTS

Annexure "A" referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our report of even date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of company's Property, Plant and Equipment and Intangible Assets:-
- (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.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable property.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3 (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services tax, Cess on account of any dispute, which have not been deposited.

A.M.GHELANI & COMPANY
CHARTERED ACCOUNTANTS

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix) (a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under 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 balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (b) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (c) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under 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 private placement or preferential allotment of shares or fully or partly convertible debentures during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) 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. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. Hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly the reporting under clause 3(xvi)(d) of the Order is not applicable to the company.
- xvii. The Company has incurred cash losses of Rs.87.25 Lakhs in the financial year and of Rs.81.83 Lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.

- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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.
- xx. The provisions of Section 135 of the Companies Act is not applicable to the Company and accordingly the reporting under clause 3(xx) (a) and 3 (xx) (b) are not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For A. M. Ghelani & Company
Chartered Accountants
Registration No : 103173W



Ajit M. Ghelani
Partner
Membership No. : 012576

ICAI UDIN No :-
23012576BGXXNE8220

Place : Mumbai
Dated : 29th May 2023



Annexure – “B” referred to in Paragraph 2(f) under the heading Report on other legal and regulatory requirements of our report of even date

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

We have audited the internal financial controls over financial reporting of the **MONARCHY HEALTHSERVE PRIVATE LIMITED** (“the Company”) as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No: 103173W



Ajit M. Ghelani
Partner
Membership No. : 012576



ICAI UDIN No :- 23012576BGXXNE8220

Place : Mumbai
Dated : 29th May 2023

Monarchy Healthserve Private Limited

CIN: U74999MH2007PTC167204

Balance Sheet as at 31st March, 2023

(Rs. In Lakh)

Particulars	Note no.	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	0.39	0.52
Intangible Assets	5	2,022.11	2,106.36
Deferred tax assets (Net)	6	0.39	0.41
(A)		2,022.89	2,107.29
Current Assets			
Financial assets			
- Cash and Cash Equivalents	7	1.11	2.33
Other Current Assets	8	1.57	5.90
(B)		2.68	8.23
TOTAL (A + B)		2,025.57	2,115.52
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	5.09	5.09
Other Equity	10	1,901.96	1,989.21
(A)		1,907.05	1,994.30
Non - Current liabilities			
Financial Liabilities			
- Borrowings	11	42.00	42.00
Current liabilities			
Financial Liabilities			
- Short Term Borrowings	12	32.93	9.70
- Trade Payable	13	-	-
- Micro & Small Enterprises		9.67	6.25
- Others		0.36	2.16
Provisions	14	0.36	2.16
Other Current Liabilities	15	33.56	61.11
(B)		118.52	121.22
TOTAL (A+B)		2,025.57	2,115.52

Significant Accounting policies and Notes on Financial Statements

1 to 34

As per our Report of even date

For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W

AJIT M. GHELANI
Partner
Membership no. : 012576

For and on behalf of the Board of Directors

Mukund Mehta
Director
DIN:00147876

Bhavin Mehta
Director
DIN:00147895

Mumbai
Dated: 29th May 2023
ICAI UDIN: 23012576BGXXNE8220

Monarchy Healthserve Private Limited

CIN: U74999MH2007PTC167204

Statement of Profit and Loss for the year ended 31st March 2023

(Rs. In Lakh)

Particular	Notes	2022-23	2021-22
Income			
Revenue from Operations:	16	-	44.91
Other income	17	0.31	0.004
Total Income		0.31	44.91
Expenses			
Purchases Cost		-	35.45
Employee benefit expenses	18	2.88	2.87
Other Expenses	19	0.26	3.97
Depreciation & Amortisation	5	84.39	84.44
Total Expenses		87.53	126.73
Profit / (Loss) before Tax		(87.22)	(81.82)
Less: Tax expense			
a) Current Tax		-	-
b) Deferred Tax	6	(0.03)	(0.02)
Profit / (Loss) for the year		(87.25)	(81.83)
Other comprehensive income		-	-
Total comprehensive income for the Year		(87.25)	(81.83)
Earning Per Share			
Basic and diluted earning per share (In Rs.)	22	(171.50)	(160.86)
(Face value Rs. 10 per share)			

Significant Accounting policies and Notes on Financial Statements

1 to 34

As per our Report of even date

For A. M. Ghelani & Company

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No. : 103173W

Mukund Mehta

Director

DIN:00147876

Bhavin Mehta

Director

DIN:00147895

AJIT M. GHELANI

Partner

Membership no. : 012576

Mumbai

Dated: 29th May 2023

Monarchy Healthserve Private Limited

CIN: U74999MH2007PTC167204

Cash Flow Statement for the year ended on 31st March, 2023

(Rs. In Lakh)

Particulars	For year ended 31st March, 2023		For the year ended 31st March, 2022	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(87.22)		(81.81)
<u>Adjustments for:</u>				
Depreciation & Amortisation	84.39	84.39	84.44	84.44
Operating profit / (loss) before working capital changes		(2.83)		2.62
<u>Changes in working capital:</u>				
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	3.42		4.48	
Other current Liabilities	(27.56)		(11.31)	
Provisions	(1.80)		0.00	
Short Term borrowing	23.23		-	
Other Current Asset	4.33	1.62	4.43	(2.40)
Cash generated from operations		(1.21)		0.22
Net cash flow from / (used in) operating activities (A)		(1.21)		0.22
B. Cash flow from investing activities				
Net cash flow from / (used in) investing activities (B)		-		-
C. Cash flow from financing activities				
Net cash flow from / (used in) financing activities (C)		-		-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(1.21)		0.22
Cash and cash equivalents at the beginning of the year		2.33		2.11
Cash and bank balance at the end of the year		1.11		2.33
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		0.13		0.13
(b) Balances with banks		-		-
(i) In current accounts		0.98		2.20
(ii) In earmarked accounts		-		-
		1.11		2.33

As per our report of even date

For A. M. Ghelani & Company

Chartered Accountants

Firm Registration No. : 103173W

Ajit M. Ghelani

AJIT M. GHELANI

Partner

Membership no. : 012576

Place :- Mumbai

Date : 29th May 2023

For and on behalf of the Board of Directors

Mukund Mehta

Mukund Mehta

Director

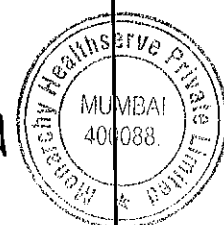
DIN:00147876

Bhavin Mehta

Bhavin Mehta

Director

DIN:00147895



Monarchy Healthserve Private Limited
Notes forming part of the financial statement as on 31st Mar 2023

Note 6 : Deferred Tax Assets		
Particulars	As at 31st March 2023	As at 31st March 2022
At the start of the year	0.41	0.43
Charges/(Credit) to Profit and Loss	-0.03	-0.02
At the end of the year	0.39	0.41
Deferred Tax Assets		
Related to Property, Plant and Equipment	0.30	0.32
Provision for Gratuity/Leave Encashment/Doubtful Debts	0.09	0.09
Total	0.39	0.41

Note 7 : Cash and Cash Equivalents		
Particulars	As at 31st March 2023	As at 31st March 2022
Cash on Hand	0.13	0.13
Balance with scheduled banks		
In current accounts	0.98	2.20
Total	1.11	2.33

Note 8 : Other Current Assets		
Particulars	As at 31st March 2023	As at 31st March 2022
Rent Deposit and Other Advances	1.45	1.45
Balance With Government Authorities	0.11	4.44
Total	1.57	5.90

Note 9 : Equity Share Capital				
Amount in Lacs				
Particulars	As at 31st March 2023		As at 31st March 2022	
	Number		Number	
Authorised				
Equity shares of Rs.10 each with voting rights	52000	5.20	52000	5.20
12% non convertible Redeemable preference shares of Rs 10-each	420000	42.00	420000	42.00
Total	472000	47.20	472000	47.20
Issued, subscribed and paid up				
Equity shares of Rs.10 each with voting rights	50860	5.09	50860	5.09
Total	50860	5.09	50860	5.09

a Reconciliation of the number of shares outstanding and the amount of share capital as at March 31,2020 is set out below:

Equity Shares:-				
Particulars	As at 31st March 2023		As at 31st March 2022	
	Number		Number	
Number of Shares at the beginning of the year	50860	5.086	50860	5.086
Add: Shares issued during the year	0	0	0	0
Number of Shares at the end of the year	50860	5.086	50860	5.086

b Rights, Preferences and Restrictions attached to the shares Equity Shares

The Company has single class of equity shares having a par value of Rs. 10 each. 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 share holdings.

c Particulars of shareholders holding more than 5% of the aggregate shares in the company.				
	As at 31st March 2023		As at 31st March 2022	
	Number	%	Number	%
Equity Shares : KILITCH DRUGS(INDIA) LIMITED	50,859	99.998%	50859	99.998%
Preference Shares : KILITCH DRUGS(INDIA) LIMITED	4,20,000	100.00%	420000	100.00%

Note 10 : Other Equity		
Particulars	As at 31st March 2023	As at 31st March 2022
Securities Premium		
Opening Balance	4,158.00	4,158.00
(+) Profit / Loss for the year	-	-
Closing Balance	4,158.00	4,158.00
Profit & Loss Account		
Opening Balance	(2,168.79)	(2,086.95)
(+) Profit / Loss for the year	(87.25)	(81.83)
Closing Balance	(2,256.04)	(2,168.79)
Total	1,901.956	1,989.21

Note 11 : Long Term Borrowings		
Particulars	As at 31st March 2023	As at 31st March 2022
Non-convertible Redeemable Preference Shares		
12% non convertible Redeemable preference shares of Rs 10-each	42.00	42.00
Total	42.00	42.00

Note 12 :Short term Borrowings		
Particulars	As at 31st March 2023	As at 31st March 2022
Unsecured Loan [Repayable on Demand]		
Loan from Director		
Mukund.P.Mehta	32.93	9.70
Total	32.93	9.70

Note 13 :Trade payable		
Particulars	As at 31st March 2023	As at 31st March 2022
Micro & Small Enterprises		
Others	9.67	8.46
Total	9.67	8.46

Note 14 : Provisions		
Particulars	As at 31st March 2023	As at 31st March 2022
Provision for Gratuity	0.36	0.36
Total	0.36	0.36


Note 15 : Other Financial Liabilities		
Particulars	As at 31st March 2023	As at 31st March 2022
Advance from Holding Company - Kilitch Drugs India Ltd.	33.56	60.70
Total	33.56	60.70

Note 16 : Revenue from Operations:		
Particulars	As at 31st March 2023	As at 31st March 2022
Sales From Export / Local	-	44.91
Total	-	44.91

Note 17 : Other Income		
Particulars	As at 31st March 2023	As at 31st March 2022
Other Income	0.31	0.004
Total	0.31	0.004

Note 18 : Employee benefits expenses		
Particulars	As at 31st March 2023	As at 31st March 2022
Salaries & Bonus	2.88	2.87
Employee Cost LTA	-	-
Total	2.88	2.87

Note 19 : Other Expenses		
Particulars	As at 31st March 2023	As at 31st March 2022
Audit Fees	0.150	0.300
Bank Charges	0.014	0.021
Professional Fees	0.000	1.200
Software Expenses	0.000	0.271
Fees & Subscription Expenses	0.073	0.040
Profession Tax	0.025	0.025
Sundry Balance W/off / W Back	0.000	2.111
Total	0.262	3.97




Notes to the Financial Statements

for year ended 31st March, 2023

Note 1 - Corporate Information:

The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at 37/15, Ujagar Industrial Estate, W.T. Patil Marg, Deonar, Mumbai - 400088. These financial statements were approved and adopted by the Board of Directors of the Company in their meeting dated 29th May, 2023.

Note 2 - Basis of preparation of Financial Statements:

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes on Financial Statements and are applied consistently to all the periods presented.

Note 3 - Significant Accounting policies:

a) Functional and presentation of currency: The financial statements are presented in Indian Rupees, which is the Company's functional currency.

b) Basis of measurement: The Financial Statements have been prepared on historical cost basis, except the following:

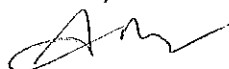
- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.
- Share Based Payments.

c) Use of Estimates: The preparation of the financial statements requires management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

d) Property, Plant and Equipment: Freehold land is carried at historical cost. Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any. 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value Depreciation is calculated using the Written down Value method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 proceeds with carrying amount. These are included in profit or loss.

e) Intangible assets: Identifiable intangible assets are recognised when the Company controls the asset & it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets are amortised over the period on straight line basis. The asset's useful life is reviewed at each financial year end.



Notes to the Financial Statements

for year ended 31st March, 2023


Amortisation methods and periods: Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of utilization of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

f) Impairment of Non – Financial Assets: The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used. The Company has obtained a Valuation/Estimation Report for its annual testing for Impairment of Goodwill and has recognised the impairment accordingly in the Statement of Profit and Loss.

g) Financial Instruments: A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

- i) **Initial recognition and measurement:** At initial recognition, the company measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.
- ii) **Subsequent recognition and measurement:** Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:
- **Debt instrument at amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
 - **Debt instrument at fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognized in the statement of profit & loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
 - **Debt instrument at fair value through profit and loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.



Notes to the Financial Statements

for year ended 31st March, 2023

- **Equity instruments:** All equity instruments are initially measured at fair value. Any subsequent fair value gain / loss is recognized through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

- **Investment in Subsidiary and Associates:** The Company has accounted for its Investment in subsidiaries and associates at cost.

iii) **Derecognition:** A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass-through' arrangement and either;
 - a) The Company has transferred substantially all the risks and rewards of the assets,
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

iv) **Trade receivables:** A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are measured at fair value less provision for impairment.

Financial Liabilities:

i) **Initial recognition and measurement:** All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) **Subsequent measurement:** The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit & loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

iii) **Loans and Borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit & loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

iv) **Trade and other payables:** These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

v) **Derecognition:** A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on

Notes to the Financial Statements

for year ended 31st March, 2023

substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

h) Impairment of Financial assets: The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortized cost.
- Financial asset measured at FVOCI debt instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

i) Cash and cash equivalents: Cash and cash equivalents includes cash on hand and at bank, deposits with banks and other short-term, highly 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.

j) Inventories: Inventories are valued at lower of cost or net realizable value. Cost is determined on FIFO basis. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k) Foreign currency transactions: The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non-monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non-monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the statement of profit & loss.

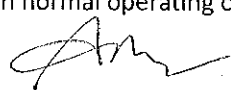
l) Classification of assets and liabilities as current and non-current: The Company presents assets and liabilities in Balance Sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,



Notes to the Financial Statements

for year ended 31st March, 2023

- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

m) Equity share capital: Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

n) Revenue Recognition: Revenue is recognized to the extent that it is probable that the future economic benefits will flow to the entity and it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of goods : Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of goods, it is probable that the economic benefit will flow the Company, the associated costs and possible return of goods can be estimated reliably, there is neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold and the amount of revenue can be measured reliably.

Provisions for chargeback, rebates, discounts and medical aid payments are estimated and provided for in the year of sales and recorded as reduction of revenue.

Sales Returns : With respect to established products, the Company considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors.

Interest income Interest income from debt instrument is recognized using effective interest rate method. The effective interest rate Notes to the Financial Statements for year ended 31st March, 2021 is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Dividends: Dividends are recognized when the right to receive the payment is established.

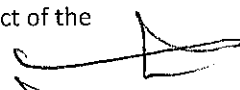
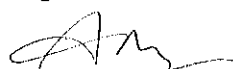
o) Employees benefits:

(i) Short-term Employee benefits: All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognized during the period in which the employees renders related services.

(ii) Post-employment benefits

a. Defined Contribution Plan The defined contribution plan is post-employment benefit plan under which the Company contributes fixed contribution to a government administered fund and will have no legal or constructive obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labor Welfare Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the statement of profit & loss in the period in which the employee renders the related services.

b. Defined benefit plan The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is Unfunded and Management has initiated a decision to be funded and managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the



Notes to the Financial Statements

for year ended 31st March, 2023

asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit & loss in subsequent periods. The expected return on plan assets is the Company's expectation of average long-term rate of return on the investment of the fund over the entire life of the related obligation. Plan assets are measured at fair value as at the Balance Sheet date. The interest cost on defined benefit obligation and expected return on plan assets is recognized under finance cost. Gains or losses on the curtailment or settlement of defined benefit plan are recognized when the curtailment or settlement occurs.

(iii) Other long-term benefits The Company has other long-term benefits in the form of leave benefits. The present value of the other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the statement of profit & loss as income or expense. Gains or losses on the curtailment or settlement of other long-term benefits are recognized when the curtailment or settlement occurs.

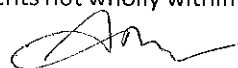
p) Borrowing Cost: General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for such capitalization. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

q) Income Taxes:

Current Income Tax: Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

Deferred Tax: Deferred Tax is provided, using the Balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Deferred Tax liabilities are recognized for all temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognized in the statement of profit & loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

r) Provisions and contingencies: Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using the government securities' interest rate for the equivalent period. Unwinding of the discount is recognized in the Notes to the Financial Statements for year ended 31st March 2021 Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which 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



Notes to the Financial Statements

for year ended 31st March, 2023

events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

s) Earning per share: Basic earning per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Note 4 - Use of Significant Accounting estimates, judgments and assumptions

In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which have significant effect on the amounts recognized in the financial statements:

(a) Depreciation and useful lives of Property, Plant and Equipment: Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

(b) Impairment of Goodwill: Goodwill is tested for Impairment on an annual basis and whenever there is an indication that the recoverable amount of a CGU is less than its carrying amount based on a number of factors including operating results, economic conditions etc. The Goodwill impairment test is performed at the level of CGU based on the market related information and estimates. The Management obtains an Estimation/Valuation Report for the same and this being a technical matter, the said Report and the Management's perception related to the said Impairment has been relied upon by the auditors. The Impairment/amortization of Goodwill has accordingly been recognized/accounted as such in the financial statements.

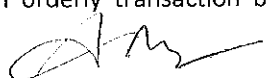
(c) Recoverability of trade receivables: Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

(d) Defined Benefit plans: The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(e) Provisions: Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgments to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(f) Impairment of financial assets: The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgments are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. They are continuously evaluated.

(g) Fair Value measurement: The Company measures financial instrument such as certain investments, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value



Notes to the Financial Statements

for year ended 31st March, 2023

measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 5 : Property, Plant and Equipment						(In Lakhs)
Particulars	Furniture & Fixtures	Computer	Office Equipment	Electrical Installation	Goodwill [on Merger]	Total
Gross Block						
As at 01/04/2021	1.99	0.39	0.32	1.86	4,212.73	4,217.29
Additions	-	-	-	-	-	-
Disposals/transfers	-	-	-	-	-	-
As at 31/03/2022	1.99	0.39	0.32	1.86	4,212.73	4,217.29
Additions	-	-	-	-	-	-
Disposals/transfers	-	-	-	-	-	-
As at 31/03/2023	1.99	0.39	0.32	1.86	4,212.73	4,217.29
Accumulated Depreciation						
As at 01/04/2021	1.70	0.38	0.31	1.46	2,022.11	2,025.96
Depreciation Charge/Amortisation for the year	0.078	0.003	0.003	0.10	84.25	84.44
As at 31/03/2022	1.78	0.38	0.32	1.56	2,106.36	2,110.40
Depreciation Charge/Amortisation for the year	0.058	0.002	0.002	0.076	84.26	84.40
As at 31/03/2023	1.83	0.38	0.32	1.64	2,190.62	2,194.80
Net Block						
As at 31/03/2022	0.22	0.0045	0.0039	0.30	2,106.36	2,106.89
As at 31/03/2023	0.17	0.0028	0.0021	0.22	2,022.11	2,022.50

Notes to the Financial Statements

for year ended 31st March, 2023

Note 6 : Deferred Tax Assets		
Particulars	As at 31st March 2023	As at 31st March 2022
	Amount (Lakh)	Amount (Lakh)
At the start of the year	0.41	0.43
Charges/(Credit) to Profit and Loss	(0.03)	(0.02)
At the end of the year	0.39	0.41
Deferred Tax Assets		
Related to Property, Plant and Equipment	0.30	0.32
Provision for Gratuity/Leave Encashment	0.09	0.09
Provision for Doubtful Debtors	-	-
Total	0.39	0.41

Note 7 : Cash and Cash Equivalents		
Particulars	As at 31st March 2023	As at 31st March 2022
	Amount (Lakh)	Amount (Lakh)
Cash on Hand	0.13	0.13
Balance with scheduled banks		
In current accounts	0.98	2.20
Total	1.11	2.32

Note 8 : Other Current Assets		
Particulars	As at 31st March 2023	As at 31st March 2022
	Amount (Lakh)	Amount (Lakh)
Rent Deposit	1.45	1.45
Balance With Government Authorities	0.11	4.44
Total	1.57	5.89

Note 9 : Share Capital				
Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount (Rs)	Number	Amount (Rs)
Authorised				
Equity shares of Rs.10 each with voting rights	52,000	5.20	52,000	5.20
Total	52,000	5.20	52,000	5.20
Issued, subscribed and paid up				
Equity shares of Rs.10 each with voting rights	50,860	5.08	50,860	5.08
Total	50,860	5.08	50,860	5.08

a Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2022 is set out below:

Equity Shares:-

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Amount (Rs)	Number	Amount (Rs)
Number of Shares at the beginning of the year	50,860	5.08	50,860	5.08
Add: Shares issued during the year	-	-	-	-
Number of Shares at the end of the year	50,860	5.08	50,860	5.08
Number of Shares at the end of the year	50,860	5.08	50,860	5.08

b Rights, Preferences and Restrictions attached to the shares Equity Shares

Notes to the Financial Statements

for year ended 31st March, 2023

The Company has single class of equity shares having a par value of Rs. 10 each. 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 shareholdings.				
c.Particulars of shareholders holding more than 5% of the aggregate shares in the company.	As at 31st March 2023		As at 31st March 2022	
	Number	%	Number	%
Equity Shares : KILITCH DRUGS(INDIA) LIMITED	50,859	99.998%	50,859	99.998%
Preference Shares : KILITCH DRUGS(INDIA) LIMITED	4.20	100.00%	4.20	100.00%

% Changes in Promoter holding

Particulars of shareholders	As at 31st March 2023		As at 31st March 2022	
		%		%
Equity Shares : KILITCH DRUGS(INDIA) LIMITED		99.998%		99.998%

Note 10 : Other Equity		
Particulars	As at 31st March 2023	As at 31st March 2022
	Amount (Lakh)	Amount (Lakh)
Securities Premium	4158.00	4158.00
	-	-
Profit & Loss Account	4158.00	4158.00
Opening Balance	(2168.79)	(2086.95)
(+) Profit / Loss for the year	(87.2478)	(81.83)
Closing Balance	(2256.03)	(2168.78)
Total	1,901.966	1,989.21

Note:

1. Securities Premium: Security Premium reserve represents premiums received on preference shares issued and the same can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.
2. Profit and Loss Account: The balance lying in Profit and Loss can be utilised for purposes such as dividend payout, Issue of bonus shares etc.

Note 11 : Borrowings		
Particulars	As at 31st March 2023	As at 31st March 2022
	Amount (Lakh)	Amount (Lakh)
Non-convertible Redeemable Preference Shares		
12% non convertible Redeemable preference shares of Rs 10-each	42.00	42.00
Total	42.00	42.00

Note 12 :Short term Borrowings		
Particulars	As at 31st March 2023	As at 31st March 2022
	Amount (Lakh)	Amount (Lakh)

Notes to the Financial Statements

for year ended 31st March, 2023

Unsecured Loan [Repayable on Demand]		
Loan from Director		
Mukund.P.Mehta	32.93	9.70
Total	32.93	9.70

Note 13 :Trade payable		
Particulars	As at 31st March 2023	As at 31st March 2022
	Amount (lakh)	Amount (Lakh.)
Micro & Small Enterprises	-	-
Others	9.67	8.05
Total	9.67	8.05

Ageing

Less than 60 days	60 to 180 days	180 to 365 days	366 to 730 days	731 to 1460 days	Total
0.18	0.37	2.40		6.72	9.67

Note 14 : Provisions		
Particulars	As at 31st March 2023	As at 31st March 2022
	Amount (Lakh)	Amount (Lakh)
Provision for Gratuity	0.36	0.36
Provision for expenses		1.80
Total	0.36	2.16

Note 15 : Other Current Liabilities		
Particulars	As at 31st March 2023	As at 31st March 2022
	Amount (Lakh)	Amount (Lakh)
Statutory Dues	Nil	Nil
Advance from Holding Company	33.53	60.70
Outstanding Expenses	Nil	0.41
Total	33.53	61.11

Note 16 : Revenue from Operations:		
Particulars	2022-23	2021-22
	Amount (Lakh)	Amount (Lakh)
Sales From Export	Nil	44.91
Consultancy Charges of the Family Clinics	Nil	Nil
Total	Nil	44.91

Note 17 : Other Income		
Particulars	2022-23	2021-22
	Amount (Lakh)	Amount (Lakh)
FOREX GAIN/LOSS – UNREALISED	-	-
Other Income	0.31	0.004
Duty Drawback received		
Total	0.31	0.004

Notes to the Financial Statements

for year ended 31st March, 2023

Note 18 : Employee benefits expenses		
Particulars	2022-23	2021-22
	Amount (Lakh)	Amount (Lakh)
Salaries & Bonus	2.88	2.87
Employee Cost LTA	-	-
Total	2.88	2.87

Note 19 : Other Expenses		
Particulars	2022-23	2021-22
	Amount (Lakh)	Amount (Lakh)
Professional charges [incl. Testing/Laboratory charges]		
FOREX GAIN / LOSS - UNREALISED		
Freight, Clearing & Forwarding Charges – Exports		
Audit Fees	0.15	0.30
Bank Charges	0.01	0.02
Electricity Charges		
Office Expenses		
Printing & Stationery		
Rent Rates and Taxes		
Fees & Subscription Expenses	0.07	0.04
Profession Tax	0.03	0.025
Professional Fees		1.20
Reserve for Doubtful Debts		
Conveyance		
Sundry Balance W/ off / W back		2.11
Software Expenses		0.27
Total	0.262	3.97

20. Considering the nature of the operations of the company, in the opinion of the management, there are no separate reportable segments in accordance with the requirement of the Ind AS 108 - Operating Segments.

21. In view of the Ind As 24 "Related Parties Disclosures", the disclosure in respect of related party transactions for the year ended on 31st March 2023 is as under:

RELATIONSHIPS	
Category I : Holding company of the Company	
Kilitch Drugs India Ltd	

Category II : Key Managerial Personnel	
Key Person	Designation
Mukund Prataprai Mehta	Director

Category III : Enterprise over which Key Managerial Personnel are able to exercise significant Control	
Name	Relationship
NBZ Healthcare LLP	Directors are partners
Kilitch Estro Biotech PLC	Subsidiary of Holding Company

a)	Transactions during the year:			
	TRANSACTIONS	Category I	Category II	Category III
1	Advance received (Net)	27.15 (11.55)	-	-

Notes to the Financial Statements

for year ended 31st March, 2023

b) The following balances were due from / to the related parties as on 31-03-2023

Sr.No.	TRANSACTIONS	Category I	Category II	Category III
1	Loans and Advances (Payables)	33.54 (60.11)	32.93 (9.70)	-

Note: Figures in brackets indicates previous year figure.

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through banking channel.

Compensation of key management personnel:

The remuneration of director and other member of key management personnel during the year was as follows:

Particulars	2022-23	2021-22
Short-term benefits	-	-
Other long term benefits	-	-

22. EARNING PER SHARE (EPS)

Basic as well as Diluted EPS	2022-23	2021-22
Net Profit after Tax (Amount in Lakh)	(87.22)	(81.83)
Weighted Average No. of Equity Shares for Basic EPS	50,860	50,860
Nominal Value of Equity Shares (Rs)	10	10
Basic Earnings Per Share (Rs)	(171.50)	(160.86)
Diluted Earning Per Share (Rs)	(171.50)	(160.86)

23. CONTINGENT LIABILITIES :-

There are no contingent liabilities.

24. The Auditors' Remuneration includes:

Particulars	2022-23	2021-22
Audit fees	0.15	0.30
Total	0.15	0.30

25. The Company's Board, out of abundant caution and as a prudent practice in line with the standard accounting practices has not made any impairment provision against its investments for the financial year 2022-23

26. The balances in respect of Trade Receivables & Payables, loans and advances, as appearing in the books of accounts are subject to confirmations by the respective parties and adjustments/reconciliation arising there from, if any.

27. Corporate Social Responsibility:

The company is not required to spend any amount pertaining to CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII due to incurring losses during previous Financial Year

28. The previous year figures have been regrouped, reworked, rearranged and reclassified, wherever Necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

29. Fair Value of Financial Assets and Liabilities:

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Carrying Value

Notes to the Financial Statements

for year ended 31st March, 2023

Financial assets designated at amortised cost				
- Cash & cash Equivalents	1.11	1.11	2.32	2.32
Total	1.11	1.11	2.32	2.32
Financial liabilities designated at amortised cost				
Borrowings	74.93	74.93	51.70	51.70
Trade payables and others	9.67	9.67	6.25	6.25
Total	42.60	42.60	15.95	15.95

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The following methods and assumptions were used to estimate the fair values:

- Fair value of the Equity Shares are based on price quoted on stock exchange.
- Fair value of investment in unquoted equity shares are considered same as carrying value as the same are recently acquired.
- Fair value of Financial Assets & Financial Liability (except which are show at their fair value) are carried at amortised cost is not materially different from its carrying cost.

Fair Value hierarchy:

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Note – 30. Financial Risk Management:

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

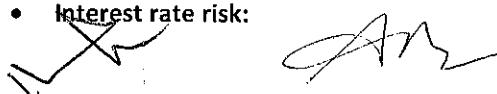
• **Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

• **Foreign currency risk:**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through purchases of goods or services from overseas supplier in foreign currency. The Company generally transacts in US dollar. The foreign exchange rate exposure is balanced by purchasing of goods or services in the respective currency. The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

• **Interest rate risk:**



Notes to the Financial Statements

for year ended 31st March, 2023

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as the Company has fixed rate of borrowings as at the respective reporting dates.

- **Commodity and Other price risk:**

The Company is not exposed to the commodity and other price risk.

- **Credit Risk:**

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

Trade and other receivables:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Company periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Company continues regular follow-up, engage with the customers, legal options / any other remedies available with the objective of recovering these outstanding. The Company is not exposed to concentration of credit risk to any one single customer since services are provided to vast spectrum and hence, the concentration of risk with respect to trade receivables is low. The Company also takes security deposits, advances, postdated cheques etc. from its customers, which mitigate the credit risk to an extent."

Cash and cash equivalents and other investments

The Company is exposed to counter party risk relating to medium term deposits with banks and investment in mutual funds. The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. "

Exposure to credit risk:

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31st March, 2023 and 31st March, 2022 is as follows:

Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):	As at 31/03/2023	As at 31/03/2022
Cash and cash equivalents	1.11	2.33

Capital Management:

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2023 and March 31, 2022

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

Particulars	As At 31-03-2023	As At 31-03-2022
Loans and Borrowings	-	-
Less: Cash and cash equivalents + Bank Deposits	1.11	2.32
Net Debt	(1.11)	(2.32)

Notes to the Financial Statements

for year ended 31st March, 2023

Total Capital	1,907.05	1,994.30
Capital + Net Debt	1,906.39	1,991.97
Gearing Ratio	-	-

Note -31.TAXATION:

Income tax related to items charged or credited to profit or loss during the year:			
		2022-23	2021-22
A	Statement of Profit or Loss		
1	Current Income Tax (Net of MAT Credit)	-	-
2	Deferred Tax expenses/ (benefits):		
	Relating to origination and reversal of temporary differences	(0.03)	(0.02)
	Total Income tax Expenses (1+2)	(0.03)	(0.02)

B	Deferred Tax Recognized in statement of profit and Loss relates to the following:		
		2022-23	2021-22
	Difference between book and Tax depreciation	0.30	0.32
	Expenses allowable on payment basis	0.09	0.09
	Deferred Tax Liabilities/ (Asset)	0.39	0.41
C	Particulars	2022-23	2021-22
	Reconciliation of deferred tax (liabilities)/assets-net:		
	Opening balance as on 1st April	0.41	0.43
	Tax expenses / (income) during the year	(0.025)	(0.02)
	Closing balance as on 31st March	0.39	0.41

32 Additional regulatory information required by Schedule III

Details of benami property held -

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

Borrowing secured against current assets

The company does not have borrowings from banks and financial institutions on the basis of security of current assets.

Wilful defaulter

Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Relationship with struck off companies

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

Compliance with number of layers of companies

The company has complied with the number of layers prescribed under the Companies Act, 2013.

Compliance with approved scheme(s) of arrangements

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

Utilisation of borrowed funds and share premium

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:

- 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

Notes to the Financial Statements

for year ended 31st March, 2023

- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- 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

Undisclosed income

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

Details of crypto currency or virtual currency

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

Valuation of PP&E, intangible asset and investment property

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.

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance
Current Ratio	2.68	76.51	0.04	0.10	(0.06)
Debt-Equity Ratio	32.93	5.09	6.48	1.91	4.57
Debt Service Coverage Ratio	0	32.93	-	0.97	(0.97)
Return on Equity Ratio	-87.25	5.09	-17.15	-16.08	(1.07)
Trade payables turnover ratio	0	7.96		6.08	(6.08)
Net capital turnover ratio	0	-73.83		-0.63	(0.63)
Net profit ratio	-87.25	0.31	-278.43	-1.82	(276.61)
ROI	-87.25	5.09	-17.15	-16.08	(1.07)

The previous year figures have been regrouped, reworked, rearranged and reclassified, whenever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Report of even date
For A. M. Ghelani & Company
Chartered Accountants
Firm Registration No. : 103173W



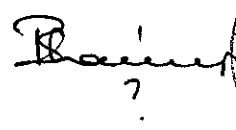
Ajit M. Ghelani
Partner
Membership no. : 012576
Place: Mumbai
Date: 29th May 2023



For and on behalf of the Board of Directors



Mukund Mehta
Director
DIN: 00147876



Bhavin Mehta
Director
DIN: 00147895

