



Somerset

Therapeutics Limited
(formerly Wintac Limited)

**ANNUAL
REPORT**

2022-2023

BOARD OF DIRECTORS

Dr. K. Paranjothy	Chairman
Shri R.A. Thirumoorti	Director
Mr. Arshad Kagalwalla	Director
Mr. K.P. Murali	Whole-Time Director
Shri Sunil B. Gundewar (up to 27.3.2023)	Manager & C.O.O
Shri B.P. Thyagaraj (up to 16.11.2022)	V.P. Finance & Secretary
Ms. Kamala P.T (form 16.12.2022)	Secretary
Mr. Krupendra V.S	Chief Financial Officer

BANKERS

State Bank of India
SSI Peenya Branch, Bangalore

AUDITORS

B.K. Ramadhyani & CO LLP,
4B, Chitrapure Bhavan
No 68, 8th Main, 15th Cross
Malleshwaram, Bangalore – 560 055.

SHARE TRANSFER AGENT

Canbank Computer Services Ltd.,
No. 218, J.P. Royale, I Floor, II Main,
Sampige Road, (Near 14th Cross),
Malleshwaram, Bangalore – 560003.
Phone No. : 080-23469661 / 9662

**REGISTERED OFFICE &
MANUFACTURING UNIT**

54/1, Boodihal Village, Nelamangala Taluk,
Bangalore District, Karnataka - 562 123
Phone No. : 080-67086500

CORPORATE IDENTITY NUMBER (CIN)

U85110KA1990PLC011166

NOTICE TO THE MEMBERS

Notice is hereby given that the 33rd Annual General Meeting (AGM) of the Members of Somerset Therapeutics Limited (formerly Wintac Limited) will be held at Hotel Ragi Roti, Budihal, Nelamangala, Bangalore-562123 on Tuesday, the 26th September 2023 at 10.00 am to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon.
2. To consider appointment of a Director in place of Mr.Arshad Kagalwalla (DIN 08858893) who retires by rotation and being eligible offers himself for re-appointment.

By Order of the Board of Directors
For Somerset Therapeutics Limited
(formerly Wintac Limited)

Date : 10.08.2023

Place: Bangalore

KRUPENDRA V.S
CHIEF FINANCE OFFICER

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing Proxy (in the form attached to the Notice) should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before commencement of the Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a member.
4. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member entity.
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. A member shall be entitled, during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 'three days' of notice in writing is given to the Company.
7. In compliance with the provisions of Section 108 of the Companies Act 2013 and the Rule 20 of Companies (Management and Administration) Rules 2013 (Amendment Rules 2015) members are provided with the facility to cast their vote electronically, through the remote e-voting facility being provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The remote e-voting period commences on **23.09.2023** (9:00 a.m. IST) and ends on **25.09.2023** (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on **19.09.2023**, (Cut-off date) may cast their votes electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he shall not be allowed to change it subsequently. The process and manner for e-voting is as under:

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual members holding securities in demat mode

Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual members holding securities in demat mode is given below:

Type of members	Login Method
<p>Individual <u>members</u> holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>

<p>Individual <u>members</u> holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Ease / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Ease/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Ease/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual <u>members</u> (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Members holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Members holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43</p>

B) Login Method for members other than Individual members holding securities in demat mode and members holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member/ Creditor’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for members other than Individual members are given below:

- (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- (c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those members whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- (a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- (b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for members

1. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@somersetlimited.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e., **19.09.2023** may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares of the cut-off date i.e., **19.09.2023** may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

Process for those members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@somersetlimited.com.
 2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to info@somersetlimited.com. If you are an Individual member holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting for Individual members holding securities in demat mode.
 3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
8. The facility for voting **by use of ballots** shall also be made available at the meeting and members attending the meeting who have not already cast their votes by remote e-voting shall be entitled to exercise their right at the meeting. Members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their votes again.
9. The Board of Directors of the Company have appointed Mr. M.V. Bhat, Practicing Company Secretary, as the Scrutinizer, for conducting both remote e-voting and Poll voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the purpose.

The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated Scrutinizer’s Report and submit the same to the Chairman. The results declared along with the consolidated Scrutinizer’s Report shall be placed on the website of the Company www.somersetlimited.com and on the website of www.canbankrta.com.

10. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on date of the Meeting i.e. 26.09.2023.
11. A copy of the Annual Report along with the Notice of the 33rd Annual General Meeting, stating the process and a manner of e-voting at the AGM, Attendance slip, and Proxy form are sent by electronic mode to all those members whose email address are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. In respect of members who have not registered their email address physical copies of the documents are sent by permitted-mode.
12. The Annual Report along with the Notice of the 33rd Annual General Meeting and other attachments would also be available on the Company's website at www.somersetlimited.com for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours on working days.
13. In case any member, holding shares in Physical Form, is desirous to receive communication from the Company in electronic form, they may register their email address on canbankrta@ccsl.co.in and members holding shares in Demat Mode, with their depository participant along with their folio no. and valid email address for registration respectively.
14. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting. Members/proxies should also bring the attached Attendance Slip, duly filled and hand it over at the entrance of the venue.
15. Members are requested to intimate immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar & Share Transfer Agent, M/s. Canbank Computer Services Ltd., Bangalore if the shares are held by them in physical form.
16. The Register of directors and key managerial personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
17. The Register of contracts or arrangements maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
18. Members who hold shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Members desirous of making a nomination are requested to send their requests in Form No. SH.13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
19. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, for consolidation into a single folio.
20. Pursuant to the provisions of Companies Act 2013, w.e.f. July 1, 2015 the companies are prohibited to distribute any gifts, gift coupons, or cash in lieu of gifts to members at or in connection with any general meeting, and accordingly no gifts shall be distributed and/or reimbursement of transport cost will not be provided to the members at the meeting.

By Order of the Board of Directors
For Somerset Therapeutics Limited

Date : 10.08.2023
Place: Bangalore.

KRUPENDRA V. S
CHIEF FINANCE OFFICER

Attendance Slip

Folio No./Client Id : _____

No of Shares : _____

Name and address of First/Sole Share holder :

I hereby record my presence at the 33rd Annual General Meeting of the Company to be held on 26.09.2023 at 10.00 am at Hotel Ragi Roti, Budihal Village Nelamangala, Bangalore-562 123.

Name of the Member/Proxy
(Block letters)

Signature of the Member/Proxy
(Block letters)

PROXY FORM

Name of the Shareholder(s): _____

Registered Address : _____

EmailID: _____ FolioNo./ClientID: _____ DPID: _____

I/We, being member(s) of Wintac Limited, holding _____ shares of the Company, hereby appoint:

A. Name _____ Signature _____
Address _____
E-mail ID _____
Or failing him _____

B. Name _____ Signature _____
Address _____
E-mail ID _____
Or failing him _____

C. Name _____ Signature _____
Address _____
E-mail ID _____

As my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the 33rd Annual General Meeting of the Company to be held on 26.09.2023 at Hotel Ragi Roti, Budihal, Nelamangala, at Bangalore-562123 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No	Resolutions	Vote (Please mention No. of shares)		
		For	Against	Abstain
1	Adoption of Financial Statements for the year ended March 31, 2023 and the Reports of the Directors and Auditors thereon			
2	Appointment of Mr.Arshad Kagalwalla as a Director liable to retire by rotation			

Signed this _____ day of _____ 2023.

Affix `
 1
 Revenue
 Stamp

Signature of the Shareholder

Signature of the Proxyholder(s)

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 33rd Annual Report on the business and operations of the Company for the Financial Year ended March 31, 2023.

1. Financial summary and Performance of the Company

₹ Lakhs

	For the year ended 31 st March 2022	For the year Ended 31 st March 2023
Revenue from Operations	13,560.61	17,426.49
Other Income	270.85	13.21
Total Revenue	13,831.46	17,439.70
Total Expenditure	12,301.55	16,602.60
Operating Profit/(Loss)	1,529.91	837.10
Interest	71.06	199.37
Profit/(Loss) before Depreciation	1,458.85	(637.73)
Depreciation	960.97	1,074.15
Profit/(Loss) before exceptional expenditure	497.88	(436.42)
Exceptional Expenditure	-	-
Profit/(Loss) before Tax	497.88	(436.42)
Deferred tax	50.47	(13.76)
Net Profit/(Loss) after Tax	447.41	(450.18)
Other comprehensive Income	13.07	17.09
Total comprehensive income for the period	460.48	(433.09)

2. Dividend & Transfer to Reserves

In view of the inadequate profits and carry-forward losses, no dividend is considered during the year under review and no amount is transferred to reserves.

3. Brief description of the Company's working during the year

The net sales during the year under review were ₹17,439.70 lakhs as compared to ₹13,831.46 lakhs during the previous year, a growth of 26%. The loss after tax during the year under review was ₹450.18 lakhs as compared to a net profit after tax was ₹447.41 lakhs during the previous year. The total comprehensive loss for the year was of ₹433.09 lakhs as compared to Total comprehensive income/profit ₹460.48 lakhs during the previous year.

4. Material changes and commitments affecting the financial position between the end of the financial year and the date of the report.

The Manufacturing facility at Nelamangala was re-inspected by USFDA Authorities during April 2022 and had issued some observations. The Company has provided the necessary response to the observations and is awaiting clearance from FDA. The warning letter issued in the year 2020 would be cleared if our response is accepted by FDA. FDA recently communicated that they are working on a re-inspection schedule which will be expected anytime.

5. The Company during the year has not provided any loans, guarantees or investments in terms of section 186 of the Companies Act 2013.

6. There are no other material orders by any Regulators, Courts or Tribunals during the year impacting the going concern status and the company's operations in future.

7. There is no application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the financial year.
8. The Company has no subsidiaries or associate companies.
9. Details in respect of adequacy of internal financial controls with reference to the Financial Statements. The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the 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 disclosures.

10. Fixed Deposits:

The details relating to deposits, covered under Chapter V of the Companies Act, 2013:

- | | |
|--|--------|
| a. accepted during the year; | : Nil |
| b. remained unpaid or unclaimed as at the end of the year; | : N.A. |
| c. whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- | : N.A. |
| i. at the beginning of the year; | : Nil |
| ii. maximum during the year; | : N.A. |
| iii. at the end of the year; | : Nil |

The Company has not accepted or renewed any deposits during the year which are not in compliance with the requirements of Chapter V of the Act.

11. The Company maintains the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.
12. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

13. Share Capital

During the year the Company has not issued any (i) equity shares with differential rights, (ii) Sweat Equity Shares (iii) Employee Stock Options and (iv) the company has not provided money for the purchase of its own shares by employees or by trustees for the benefit of employees.

14. Directors:

A. Changes in Directors and Key Managerial Personnel

Mr.Arshad Kagalwalla (DIN 08858893), a Director who retires by rotation and is eligible offers himself of re-appointment

Mr.Sunil B Gundewar, Manager & C.O.O, whose term as Manager resigned on 27.03.2023.

Mr. Thyagaraj B P retires as a Finance Vice President & Company Secretary resigned as Company Secretary of the Company from 16.11.2022.

Ms. Kamala P T is appointed as Company Secretary from 16.12.2022.

B. Declaration by Independent Director (s):

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act 2013.

C. Policy on Directors’ appointment and remuneration:

The Company’s policy is to have an appropriate mix of executive and independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2023, the Board consists of 4 Members, one of them is an Executive Director and three are Non-Executive Directors and two are Independent Directors. The Company has formulated a Remuneration Policy of Directors, Key Managerial Personnel, and others pursuant to the provisions of Section 178(3) of the Companies Act, 2013.

15. The Board met six times during the financial year on 06.05.2022, 17.06.2022, 11.08.2022, 29.09.2022, 16.12.2022 and 29.03.2023. The intervening gap between any two meetings was within the period prescribed under the Companies Act 2013.

Name of the Directors	No. of Board Meetings entitled to attend	No. of Board Meetings attended
Dr. Parajothy K	6	5
Thirumoorti R A	6	6
Arshad K	6	6
Murali K P	6	6

16. **Audit Committee**

The Board has constituted an Audit Committee as required under Section 177 of the Companies Act 2013. The composition of the Audit Committee as on 31.03.2023 is as under:

- i. Dr.K.Paranjothy - Chairman (Independent and non-executive Director)
- ii. Mr.R.A.Thirumoorti - Member (Independent and non-executive Director)
- iii. Mr. Arshad Kagalwalla - Member (Non-Independent and non-executive Director)

The Company has established a vigil mechanism (Whistle Blower Policy & Vigil Mechanism) for Directors and employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company’s code of conduct. The Whistle Blower Policy & Vigil Mechanism is disclosed on the Company’s website.

The Audit Committee met four times during the financial year on 06.05.2022, 11.08.2022, 16.12.2022 and 29.03.2023.

Name of the Directors	No. of Committee Meetings entitled to attend	No. of Committee Meetings attended
Dr. Parajothy K	4	4
Thirumoorti R A	4	4
Arshad K	4	4

17. **Nomination and Remuneration Committee and Stakeholders Relationship Committee**

The Board has constituted a Nomination and Remuneration Committee. This Committee consists of three non-executive Directors and two of them are Independent Directors. The Chairman of the Committee is an Independent Director. The role of the Committee is to identify persons who are qualified to become Directors and recommend to the Board their appointment. The Committee also recommends to the Board a policy relating to the remuneration for the Directors and Key Managerial personnel, and criteria for performance evaluation of Directors. As part of the policy, Company strives to ensure that (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate senior management personnel required to execute the operations successfully

and (ii) remuneration is commensurate with the performance and efficiency and meets performance benchmarks. The remuneration policy of the Company is placed on the website of the Company www.somersetlimited.com.

Name of the Directors	No. of Committee Meetings entitled to attend	No. of Committee Meetings attended
Dr. Parajothy K	1	1
Thirumoorti R A	1	1
Arshad K	1	1

The Stakeholders Relationship Committee constituted by the Board reviews and ensured the redressal of investor grievances. The Committee consists of four non-executive directors and the Chairman of the Committee is an Independent Director.

The Stakeholder Relationship Committee met one time during the financial year on 11.08.2022.

Name of the Directors	No. of Committee Meetings entitled to attend	No. of Committee Meetings attended
Dr. Parajothy K	1	1
Thirumoorti R A	1	1
Murali K P	1	1

18. During the year the Company has not given any loans (other than loans to employees as per the policy of the Company), Guarantee, Security, Investments under section 186 of the Companies Act 2013.

19. Managerial Remuneration:

There was no employee employed during the year or part of the year drawing remuneration more than the limits specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

20. Particulars of contracts or arrangements with related parties:

The particulars of contract or arrangements entered by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under the third proviso thereto in the prescribed form AOC-2 appended to the Board's report.

21. Statutory Auditor:

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made there under M/s. B K Ramadhyani & Co LLP, Chartered Accountants (Firm Registration No.002878S/S200021), Bangalore were appointed as the Auditors of the Company at the 32nd Annual General Meeting held on 29th September 2022 for the period of 5 years i.e. to hold office from the conclusion of 32nd Annual General Meeting to the conclusion of 37th Annual General Meeting to be held during the calendar year 2027.

There are no qualifications, reservations or adverse remarks made by the Auditors in their report for the financial year ending March 31, 2022. No frauds have been reported by the Auditors in the Report under sub-section (12) of section 143 made by the Auditors for the financial year ending March 31, 2023.

22. Extract of the annual return:

The extracts of a copy of the annual return in Form MGT-7 prepared pursuant to section 92(3) of the Companies Act, 2013, and the Rules made thereunder as of March 31, 2022, are published on the Company's website.

23. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The details of the conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. Conservation of energy:

- (i) The steps taken and their impact on the conservation of energy;
 - AHU Modification Works to enhance energy efficiency.
 - Energy efficient motors for Air Handling Units.
 - Rainwater harvesting
- (ii) The steps taken by the company for utilising alternate sources of energy.
 - Installation of Briquette fired Boilers which are environmentally friendly and use briquette (agricultural by-product) as fuel instead of Diesel or Furnace Oil.
 - Steam hot water generator has been replaced with a Solar Hot water Generator.
- (iii) The capital investment on energy conservation equipment: ₹ 153.96 Lakhs.

B. Technology absorption:

- (i) Efforts made towards technology absorption;
 - Formulation development activities for the Export market i.e., USA are carried out. ANDA for 19 products developed in-house was filed for the USA market last year by our customer.
 - ANDA for 16 products developed in-house will be filed shortly for the USA market.
 - 13 products developed in-house are ready for execution of exhibit batches for the USA market.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
 - More Foreign Exchange revenue since the products are developed for the export market.
 - After approval of dossiers from respective Regulatory Agencies, regular commercial supplies is expected and ensure good growth in export business.
 - Technical capability of the personnel strengthened to handle additional products.
- (iii) in the case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - (a) the details of technology imported : Nil
 - (b) the year of import : N.A.
 - (c) whether the technology been fully absorbed : N.A.
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and : N.A.
- (iv) the expenditure incurred on R & D : ₹ 2386.72 Lakhs

C. Foreign exchange earnings and Outgo:

Foreign Exchange Earnings	: ₹ 17366.28 Lakhs
Foreign Exchange Outflows	: ₹ 5288.02 Lakhs

24. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, states that

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.

- b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the situation of the company at the end of the financial year, of the profit and loss and cash-flow of the company for that period.
- c. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The directors have prepared the annual accounts on a going concern basis.
- e. The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively and
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

25. Acknowledgements

The Board places on record its appreciation of the continued cooperation and support received from the various government authorities, shareholders, business associates, medical professionals, employees, depositors, and bankers.

For and on behalf of the Board of Directors

Date : 10.08.2023

Place : Bengaluru.

(Dr.K.PARANJOTHY)

Chairman

DIN: 02004861

Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL

2. Details of material contract or arrangement or transactions at arm's length basis

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount ₹ Lakh
Somerset Therapeutics, USA	Enterprise over which KMP have significant influence ("Enterprise")	Ongoing	1. Sales & Formulation Development fees 2. Reimbursement of Expenses 3. Purchase of Materials & Capital Goods	16,567.09 1,167.89 125.32
Odin Pharmaceuticals			1. Sales 2. Purchase of Materials	0.82 82.67
VEEGO Pharma LLC	Holding Company	1 Year	1. Guarantee by Letter of Credit for the Bank Borrowings of the Company. 2. External Commercial Borrowings	1,100.00 23,637.36

Appropriate approvals have been obtained for the related party transaction.

For Somerset Therapeutics Limited

Date : 10.08.2023

Place : Bengaluru.

(Dr.K.PARANJOTHY)

Chairman

DIN: 02004861

Annexure – II
Annual Report on CSR Activities for Financial Year 2022-23

- Brief outline on CSR Policy of the Company – The Company is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns including road safety, healthcare, environmental sustainability, promoting education, promoting sports and other rural development activities. The company shall make its endeavor to positively impact and influence the society for its sustainable development.
- Composition of CSR Committee

Sl.no	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr.K.Paranjothy	Chairman & Ind Dir.	1	1
2.	Mr. Arshad K	Non-independent & Non - Executive	1	1
3.	K. P. Murali	Non-Independent & Whole time Director	1	1

The details of Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company www.somersetlimited.com.

- The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 - Not applicable.
- Details of the amount available for set off in pursuance of Sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 - Nil
- Average net profit of the company as per section 135(5) - ₹ 530.19 Lakhs
- (a) Two percent of average net profit of the company as per section 135(5) - ₹ 10.60 Lakhs
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
 (c) Amount required to be set off for the financial year, if any - ₹ 8.83 Lakhs
 (d) Total CSR obligation for the financial year (7a+7b+7c) - ₹ 1.77 Lakhs
- (a) CSR amount spent for the financial year - ₹ 2.00 Lakhs
 (b) Details of CSR amount spent against ongoing projects for the financial year:

Sl No	Name of the Project	Item from the list of activity in Sh.VII to the Act	Local area(Y/N)	Location of Project		Project duration	Amount allocated for the project	Total Amount transferred to Unspent CSR Account as per sec 135(6)	Mode of Implementation Direct(Y/N)	Mode of Implementation-through Implementing Agency	
				State	Dist					Name	CSR Registration No
1	Nil		Yes	Karnataka	Tumkur	NA	₹ 2 Lakhs	Nil	Direct	Shree Siddagan-ga Math	NA

- Details of CSR amount spent against other than ongoing projects for the financial year- NA
- Amount spent in Administrative overheads - Nil
- Amount spent on Impact Assessment, if applicable - NA
- Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹2.00 Lakhs

(g) Excess amount for set off, if any

Sl.No	Particulars	Amount (₹ in Lakhs)
i	Two percent average net profit of the company as per section 135(5)	10.60
ii	Total amount spent for the Financial year	2.00
iii	Amount available for set off in the previous financial years	8.83
iii	Excess amount spent for the financial year [(i)(ii)-(i)]	0.23
Iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.23

8. (a) Details of Unspent CSR amount for the preceding three financial years - Nil
 (b) Details of CSR amount spent in the financial year for ongoing projects of the Preceding financial year(s) - Nil
9. In case of creation or acquisition of capital asset, furnish the details relating to the asset So created or acquired through CSR spent in the Financial Year - Nil
10. Specify the reason(s), if the company has failed to spend two percent of the average net Profit as per section 135(5) - NA

K.P. Murali
 (Whole Time Director)

Dr. K. Paranjothy
 (Chairman of CSR Committee)

Date: 10.08.2023
 Place: Bangalore

INDEPENDENT AUDITOR'S REPORT

To the Members of Somerset Therapeutics Limited (Formerly known as Wintac Limited) Report on Audit of the Standalone Financial Statements

Opinion:

We have audited the standalone Ind AS financial statements of Somerset Therapeutics Limited (formerly known as Wintac Limited) ("the Company") which comprise of balance sheet as at March 31, 2023 the statement of profit & loss, statement of changes in equity and the cashflow statement for the year then ended, and notes to Ind AS financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, losses, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern:

Attention of the members is drawn to Note 43 of the financial statements regarding the partial erosion of net-worth of the Company. The Company's net-worth is partially eroded due to accumulated losses. In view of the advances/ support received from the major customer, the management doesn't expect any constraints in cash flow which might affect companies ability to meet its liabilities. Thus, the management doesn't find any material uncertainty which may cast significant doubt on the Company's ability to continue as going concern. We have not modified our opinion in this regard.

Other Information [or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"]

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report but does not include the financial statements and our auditor's report thereon.

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

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

based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management's Responsibility for Standalone Ind AS Financial Statements:

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements:

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism through 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 ability of the Company 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements:

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act as amended from time to time.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with requirement of Section 197 (16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Company is in accordance with the provisions of Section 197 of the

Act. The remuneration paid to any director/ manager by the Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- (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, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed its pending litigations which would impact its financial position in note 4 (i) and Note 40 of the Ind AS financial statements.
 - (ii) The Company did not have any long-term contracts as required under the applicable law or accounting standards, and also not entered into any derivative contracts, accordingly no provision is required to be made in respect of material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv)
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
 - (v) The Company has not declared/ paid any dividend during the year.
 - (vi) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Date : 10.08.2023

Place : Bengaluru.

For B.K.RAMADHYANI & CO LLP

Chartered Accountants

Firm Registration No. 002878S/S200021

(CA C R Deepak)

Partner

Membership No. 215398

UDIN: 23215398BGYCNJ7535

ANNEXURE-A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF SOMERSET THERAPEUTICS LIMITED (FORMERLY KNOWN AS WINTAC LIMITED)

1. (a) i. The Company has maintained proper records showing full particulars including quantitative details and location / situation of Property, Plant & Equipment (“PPE”).
ii. The Company has maintained records showing full particulars of intangible assets with its current location.
- (b) The Company has carried out physical verification of PPE during the year for majority of its assets excluding Intangibles and buildings. The discrepancies noticed have been duly adjusted in the books of accounts.
- (c) According to the information and explanation given to us by the Company, title deed of all immovable properties are held in the name of the Company except for those reported in Note 4 (i) of the Financial Statements.
- (d) Based on the information and explanation given to us by the Company, it has not revalued any of its PPE or intangible assets.
- (e) Based on the information and explanation given to us by the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
2. (a) Based on the information and explanation furnished by the Company, It has physically verified its inventories at the end of the year. The coverage and procedure of such verification by the Company is appropriate and there were no discrepancies noticed during such verification.
- (b) Based on the information and explanation furnished to us by the Company, It has been sanctioned working capital limits in excess of Rs. Five crores in aggregate during the year. There were certain differences in stock statements filed with such bank which are reported in Note 51 of the Financial Statements and these amounts are not material.
3. (a) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties.
- (b) The Company has not made any investments, given guarantees or securities which are prejudicial to in the interest of the Company. Accordingly, provisions of clause 3 (iii)(b) is not applicable.
- (c) The company has not granted any loans/ advances. Accordingly, the provisions of Clause 3 (iii)(c) is not applicable.
- (d) The company has not granted any loans/ advances. Accordingly, the provisions of Clause 3 (iii)(d) is not applicable.
- (e) The company has not granted any loans/ advances. Accordingly, the provisions of Clause 3 (iii)(e) is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
4. Based on the information and explanations given to us, the Company has not granted any loans, made investments and provided any guarantees.
5. The Company has not accepted any deposits as applicable under the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other provisions of the Act and rules framed under. Accordingly, the provisions of clause 3(v) of the said Order are not applicable.
6. To the best of our knowledge and explanations given to us, the Company has maintained the prescribed cost records under clause (d) of sub-section (1) of section 148 of the Act as the Company is engaged in manufacture of the pharmaceutical products.

7. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, Goods and Service Tax and any other statutory dues to the appropriate authorities as at March 31, 2023 concerned for a period of more than six months from the date they became payable except as under:

Name of the Statute	Nature of dues	Amount (₹ In lakhs)	Period to which the amount relates	Due date of payment	Date of Payment
The Employees Provident Fund and Other Miscellaneous Act, 1952	Employees Provident Fund	1.70	April 2022 to August 2022	15th of subsequent month	Paid ₹ 1.02 L in April-23

- (b) According to the records of the Company and according to the information and explanation given to us, there are certain dues outstanding on account of any disputes in respect of income tax, service tax, customs duty or excise duty or value added tax are as under:

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Amount paid under protest (₹ In lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Valuation of physician samples.	44.95	Nil	2005-06	CESTAT, Bengaluru
The Central Excise Act, 1944	Penalty demanded under 209A of the central excise rules	2.00	Nil		CESTAT, Ahmedabad
The Finance Act, 1994. (Service Tax)	Tax demanded on export of technical services.	335.14	33.51	2013-16	Tribunal
The Finance Act, 1994	Tax demanded under RCM on fees paid to USFDA	75.46	7.55		CCT(Appeals)
The Finance Act, 1994.	Tax demanded on cancellation of contract	26.44	1.98		Commissioner (Appeals)
The Central Sales Tax Act, 1956	Difference in sales tax for non-submission of statutory forms	2.33	1.75	2003-04	DCST- Navi Mumbai
The Goods and Service Act, 2017	Refund Order for wrongful deduction	19.82	19.82	2020-21	Commissioner Appeals GST
The Goods and Service Act, 2017	Refund Order for wrongful deduction	243.16	243.16	2021-22	Commissioner Appeals GST
The Goods and Service Act, 2017	Refund Order for wrongful deduction	59.46	59.46	2021-22	Commissioner Appeals GST

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Amount paid under protest (₹ In lakhs)	Period to which the amount relates	Forum where dispute is pending
The Goods and Service Act, 2017	Refund Order for wrongful deduction	24.16	24.16	2022-23	Additional Commissioner Appeals GST
The Central Excise Act,1944	Excise duty on sale of brands to Recon Health care pvt Ltd	400	Nil	2001-02	Supreme Court
Employees' Provident Funds & Miscellaneous Provisions Act,1952	Levy of damages for delay in remittance of PF dues	32.37	Nil	1996-2013	Tribunal
The Goods and Service Act, 2017	GST Refunds received and import of material and concession rates	62.13	62.13		Honorable High court of Karnataka

8. According to the information and explanation given to us, there are no transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessment in the Income Tax Act, 1961.
9. (a) According to the information and explanation furnished to us, the Company has not defaulted in the repayment of borrowings or in the payment of interest thereon.
 (b) Based on the information and explanation furnished to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 (c) Based on the information and explanation furnished to us by the Company it has not taken any term loan. Accordingly, the provisions of clause 3 (ix) (c) is not applicable.
 (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, provision of clause 3(ix)(e) of the Order is not applicable.
10. According to the information and explanation given to us, the Company has not raised by way of initial public offer or follow-on public offer or has made any preferential allotment or private placement of shares or debentures during the year.
11. (a) According to the information and explanation given to us, there are no frauds reported by the Company or any fraud on the Company by its officers or employees, has been noticed or reported during the year. Accordingly, the provisions of clause 3(xi) (a) of the said Order is not applicable.
 (b) According to the information and explanation given to us, 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 up to the date of this report.
 (c) Based on the information and explanation given to us, there are no whistle blower complaints received by the Company during the year and accordingly, provisions of the clause 3 (xi)(c) of the Order is not applicable.

12. The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the said Order are not applicable.
13. In our opinion and according to the information and explanation given to us and as represented to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. Based on the information and explanation furnished to us by the Company, the applicable laws do not mandate the company to require an Internal audit to be conducted. Accordingly, the provisions of Clause 3 (xiv) of the Order is not applicable.
15. As represented to us by the management and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the said Order are not applicable.
16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly the provisions of the clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred any cash loss during the year or in the immediately preceding previous year.
18. According to the information and explanation furnished to us by the Company, there is no resignation of statutory auditors during the year.
19. 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.
20. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.
21. The Company does not have any subsidiaries and the report is furnished for the stand-alone financial statements. Accordingly, the provisions of clause 3(xx) of the said Order are not applicable.

Date : 10.08.2023

Place : Bengaluru.

For B.K.RAMADHYANI & CO LLP

Chartered Accountants

Firm Registration No. 002878S/S200021

(CA C R Deepak)

Partner

Membership No. 215398

UDIN: 23215398BGYCNJ7535

ANNEXURE-B REFERRED TO IN PARAGRAPH 2 (f) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF SOMERSET THERAPEUTICS LIMITED (FORMERLY KNOWN AS WINTAC LIMITED)**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 Somerset Therapeutics Limited (formerly known as Wintac Limited) (“the Company”) as of March 31, 2023 in conjunction with our audit of the 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 (“the Act”).

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 Act, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls 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, in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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".

Date : 10.08.2023

Place : Bengaluru.

For B.K.RAMADHYANI & CO LLP

Chartered Accountants

Firm Registration No. 002878S/S200021

(CA C R Deepak)

Partner

Membership No. 215398

UDIN: 23215398BGYCNJ7535

BALANCE SHEET AS AT MARCH 31, 2023

(₹ Lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	11,627.15	10,020.02
(b) Capital work-in-progress	5	2,964.98	143.00
(c) Investment property	6	6.71	43.13
(d) Intangible assets	7	261.69	127.71
(e) Financial assets:			
Loans and advances	8	1,421.68	475.08
(f) Deferred tax assets (net)	9	740.26	760.60
(g) Other non-current assets	10	91.27	85.97
		17,113.74	11,655.51
(2) Current assets			
(a) Inventories	11	6,325.39	4,281.89
(b) Financial assets			
(i) Trade receivables	12	1,886.38	764.78
(ii) Cash and cash equivalents	13	596.92	7.06
(iii) Bank balances other than(ii) above	14	908.55	54.31
(iv) Loans and advances	15	181.12	106.58
(c) Other current assets	16	2,278.12	2,128.17
		12,176.48	7,342.79
Total assets		29,290.22	18,998.30
Equity and liabilities			
(1) Equity			
(a) Share capital	17	1,002.42	1,002.42
(b) Other equity	18	(447.98)	(14.85)
		554.44	987.57
(2) Share application money, pending allotment			
		-	-
(3) Non-current liabilities			
Financial liabilities:			
(a) Borrowings	19	23,637.36	13,417.86
(b) Other non-current liabilities	20	-	5.19
(c) Provisions	21	955.28	828.63
		24,592.64	14,251.68
(4) Current liabilities			
(a) Financial liabilities:			
i) Borrowings	22	270.92	492.12
ii) Trade payables			
payables to micro & small enterprises	23	784.98	163.93
payable to other than micro & small enterprises		838.42	1,548.31
(b) Other current liabilities	24	2,155.00	1,467.65
(c) Provisions	25	93.82	87.04
		4,143.14	3,759.05
Total equity and liabilities		29,290.22	18,998.30
Background and Significant accounting policies	1-3		

In Accordance with our Report attached

For and on behalf of the Board of directors of Somerset Therapeutics Limited

For B K Ramadhyani & Co. LLP

Chartered Accountants

Firm number: 002878S / S200021

DR. K PARANJOTHY

Director

DIN: 0200481

THIRUMOORTI R A

Director

DIN: 02157286

MURALI K P

Wholetime Director

DIN: 06519661

C R DEEPAK

Partner, M. No. 215398

Place : Bengaluru

Date : 10.08.2023

KRUPENDRA VS

Chief Financial Officer

KAMALA PT

Secretary

M.No: 37569

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Note	Current Year 2022-2023	Previous Year 2021-2022
Income			
Revenue from Operations	26	17,426.49	13,560.61
Other income	27	13.21	270.85
		17,439.70	13,831.46
Expenses			
Cost of materials consumed	28	7,500.07	6,446.92
Changes in inventories of finished goods and work-in-progress	29	675.68	(288.27)
Employee benefits expenses	30	4,418.32	3,601.35
Finance costs	31	199.37	71.06
Depreciation and amortisation expenses	32	1,074.15	960.97
Other expenses	33	4,008.53	2,541.55
		17,876.12	13,333.58
Profit/(loss) before exceptional items and tax		(436.42)	497.88
Exceptional items		-	-
Profit/(loss) before tax		(436.42)	497.88
Tax expenses			
Current tax		-	-
Prior year tax		-	-
Deferred tax		13.76	50.47
Profit/(loss) for the year		(450.18)	447.41
Other comprehensive income / (loss)			
i) Items that will not be reclassified subsequently to profit or loss			
a) Remeasurement of defined benefit plans		23.67	18.11
ii) Income tax relating to items that will not be reclassified to profit or loss		(6.59)	(5.04)
Other comprehensive income / (loss) for the year, net of tax		17.09	13.07
Total comprehensive income for the year		(433.09)	460.48
<u>Earnings per equity share of face value of ₹ 10 each</u>			
Basic (₹)		(4.49)	4.46
Diluted (₹)		(4.49)	4.46

In Accordance with our Report attached

For and on behalf of the Board of directors of Somerset Therapeutics Limited

For B K Ramadhyani & Co. LLP

Chartered Accountants

Firm number: 002878S / S200021

DR. K PARANJOTHY

Director

DIN: 0200481

THIRUMOORTI R A

Director

DIN: 02157286

MURALI K P

Wholetime Director

DIN: 06519661

C R DEEPAK

Partner, M. No. 215398

Place : Bengaluru

Date : 10.08.2023

KRUPENDRA VS

Chief Financial Officer

KAMALA PT

Secretary

M.No: 37569

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(₹ Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before taxation and extraordinary item	(436.42)	497.86
Adjustments for:		
Depreciation	1,074.15	960.97
Other Comprehensive Income	23.67	18.11
Interest Income	(11.92)	(8.34)
Interest Expenses	199.37	71.06
Loss / (Profit) on Sale of Fixed Assets	27.68	(0.85)
	1,312.95	1,040.94
Operating Profit before Working Capital Changes	876.53	1,538.81
(Increase)/Decrease in trade receivables	(1,121.61)	892.32
(Increase)/Decrease in Inventory	(2,043.50)	(809.94)
Increase/(Decrease) in trade payables	(88.83)	281.42
(Increase)/Decrease in loans & advances	(1,021.15)	(397.25)
(Increase)/Decrease in current & non current assets	(151.93)	(613.50)
(Increase)/Decrease in provisions	133.43	123.60
(Increase)/Decrease in Current, non current liabilities	682.17	(12,070.40)
Net Cash from operating activities (A)	(2,734.90)	(11,054.95)
Taxes refunds/(Paid)	(3.34)	7.38
	(2,738.24)	(11,047.58)
B. Cash Flow From Investing Activities		
Purchase of fixed assets	(5,633.24)	(619.08)
Sale of fixed assets	4.74	25.13
(Increase) / decrease in other bank balances	(854.24)	(29.19)
Interest Received	11.92	8.34
Net Cash from Investing Activities (B)	(6,470.82)	(614.80)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in short term Borrowings	(221.20)	(120.95)
Increase/(Decrease) in long term Borrowings	10,219.50	11,859.71
Interest Paid	(199.37)	(71.06)
Net Cash from financing Activities (c)	9,798.93	11,667.70
Net Increase in cash and Cash Equivalents (A + B + C)	589.87	5.33
Cash and Cash Equipments at beginning of period	7.05	1.72
Cash and Cash Equivalents at End of Period	596.92	7.05

In Accordance with our Report attached

For and on behalf of the Board of directors of Somerset Therapeutics Limited

For B K Ramadhyani & Co. LLP

 Chartered Accountants
 Firm number: 002878S / S200021

DR. K PARANJOTHY
 Director
 DIN: 0200481

THIRUMOORTI R A
 Director
 DIN: 02157286

MURALI K P
 Wholetime Director
 DIN: 06519661

C R DEEPAK

 Partner, M. No. 215398
 Place : Bengaluru
 Date : 10.08.2023

KRUPENDRA VS
 Chief Financial Officer

KAMALA PT
 Secretary
 M.No: 37569

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Statement of changes in equity for the year ended March 31, 2023

A. Equity share capital:

Current Reporting Period:	
Particulars	₹ in Lakhs
As at March 31, 2023	
Balance at the beginning of the current reporting period	1,002.42
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	1,002.42
Changes in Equity Share Capital during the current year	-
Balance at the end of the current reporting period	1,002.42
Previous Reporting Period:	
Particulars	₹ in Lakhs
As at March 31, 2022	
Balance at the beginning of the current reporting period	1,002.42
Changes in Equity Share Capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	1,002.42
Changes in Equity Share Capital during the current year	-
Balance at the end of the current reporting period	1,002.42

B. Other equity

Current Reporting Period:					₹ in Lakhs
Particulars	General Reserve	Securities Premium	Capital reserve on forfeiture of shares	Retained earnings	Total
As at March 31, 2022	409.84	5,098.63	0.56	(5,523.88)	(14.85)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated Balance at beginning of Current reporting period	409.84	5,098.63	0.56	(5,523.88)	(14.85)
Profit/(loss) for the year	-	-	-	(450.18)	(450.18)
Other Comprehensive income	-	-	-	17.09	17.09
As at March 31, 2023	409.84	5,098.63	0.56	(5,956.97)	(447.94)

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Previous Reporting Period:					₹ in Lakhs
Particulars	General Reserve	Securities Premium	Capital reserve on forfeiture of shares	Retained earnings	Total
As at March 31, 2021	409.84	5,098.63	0.56	(5,984.36)	(475.33)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated Balance at beginning of Current reporting period	409.84	5,098.63	0.56	(5,984.36)	(475.33)
Profit/(loss) for the year	-	-	-	447.41	447.41
Other Comprehensive income	-	-	-	13.07	13.07
As at March 31, 2022	409.84	5,098.63	0.56	(5,523.88)	(14.85)

Notes:
Nature and purpose of reserves:
(a) Capital Reserve:

The company recognises profit and loss on forfeiture of the Company's own equity instruments to capital reserve.

(b) Securities Premium:

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 57 of the Act.

(c) General Reserve:

General reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As general reserve is created by a transfer from one component of equity to another and is not a item of other comprehensive income. Items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

(d) Retained earnings:

Retained earnings is accumulated profits/ (losses) of the Company.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

1 BACKGROUND:

Somerset Therapeutics Limited formerly known as Wintac Limited (“the Company”) was incorporated on the August 23, 1990. The Company carries on the business of development and manufacturing of sterile pharmaceuticals formulations. The Company’s shares were delisted from December 28, 2020. The financial statements of the Company is approved by the Board of Directors on August 10, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES:**2.1 Basis of Preparation:**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The standalone financial statements of the Company are prepared and presented in accordance with Ind AS.

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded off to the nearest thousands, unless otherwise stated.

2.2 Summary of significant accounting policies:**a) Use of estimates:**

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively.

b) Current versus non-current classification:

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised 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 treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- 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/ liabilities are classified as non-current assets/ liabilities.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

c) Property, Plant and Equipment:

- (i) Property, Plant and Equipment (“PPE”) are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- (ii) Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in income statement as and when incurred.
- (iii) Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the income statement for the period during which such expenses are incurred.
- (iv) An item of PPE and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.
- (v) Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the income statement.
- (vi) Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.
- (vii) Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

d) Depreciation:

Depreciation on tangible assets is provided on straight line method by amortizing the depreciable amount of an asset over its residual useful life. The residual useful life is determined as per Part ‘C’ of Schedule II of the Act.

Intangible assets are amortised over their useful life as estimated by the management in accordance with Ind AS - 38. Assets costing less than Rs.5,000 are fully depreciated in the year of addition.

e) Investment Property:

- (i) Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

- (ii) The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in income statement as and when incurred.
- (iii) Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation based on guidance value.
- (iv) Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in income statement in the period of de-recognition.

f) Impairment :**(1) Financial Asset:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(2) Non-financial asset:

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) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or 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 value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Leases:

Where the Company is Lessee:

- (a) The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

- (i) the contact involves the use of an identified asset
 - (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease
 - (iii) the Company has the right to direct the use of the asset.
- (b) At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.
- (c) Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.
- (d) Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.
- (e) The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Where the Company is Lessor:

Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease including lease income on fair value of refundable security deposits, unless the lease agreement explicitly states that increase is on account of inflation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

h) Inventories:

- (i) Inventories are valued at lower of cost and net realizable value. Stock of stores are valued at cost. Cost is determined on Weighted Moving average basis.
- (ii) Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a FIFO basis.
- (iii) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i) Revenue Recognition:

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

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

The Company collects taxes such goods and service tax etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

The following specific recognition criteria must also be met before revenue is recognized:

(i) **Sale of Goods:**

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

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

(ii) Income from services is recognised on rendering of services.

(iii) Interest income, including income arising from other financial instruments measured at amortised cost, is recognized using the effective interest rate method.

j) Employee Benefits:

(i) *Short term employee benefits:*

The employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, leave travel allowance, short term compensated absences etc. and the expected cost of bonus are recognised in the period in which the employee renders the related service.

(ii) *Long term employee benefits:*

(a) **Defined Contribution Plans:**

The Company has contributed to state governed provident fund scheme, employee's state insurance scheme and employee pension scheme which are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which employee renders the related service.

(b) **Defined Benefit Plans:**

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

k) Income Taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

(i) Current Income Tax:

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

(ii) Deferred Income Tax:

Deferred income tax is recognised using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(iii) Minimum Alternate Tax (MAT):

MAT paid in a year is charged to the statement of profit and loss as current tax. The

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward in the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under Deferred Tax Asset. Under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement' under non current assets. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

l) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Provisions and Contingent liabilities:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of 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 a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

n) Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Cash & Cash equivalents:

The Company considers all highly liquid financial instruments, which are readily

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iv) Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

(v) Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(vi) De-recognition of financial instruments:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

(vii) Fair value of financial instruments:

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy: All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

- ▶ 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(viii) Investments in subsidiary:

Investments in subsidiary is carried at cost.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

(a) Judgements:

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

(b) Estimates and assumptions:

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, are described below. 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.

Defined benefit plans - Gratuity

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity 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 and mortality rates. 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

4 Property, Plant and Equipment

Particulars	Land	Buildings	Plant and Equipment	Electrical installations	Office equipment	R & D Equipments	Computer Hardwares	Furniture & Fixtures	Vehicles	Total
Gross block										
Balance as at April 1, 2021	239.07	2,296.27	8,288.51	214.67	212.51	895.46	235.56	411.55	79.76	12,873.37
Additions for the year	-	138.38	467.62	0.34	3.86	60.89	35.71	1.94	-	708.72
Disposals/ Adjustments	-	-	(22.63)	(7.10)	-	(79.04)	(4.90)	-	-	(113.67)
Balance as at March 31, 2022	239.07	2,434.65	8,733.49	207.91	216.37	877.31	266.37	413.50	79.76	13,468.42
Additions for the year	36.41	1,677.77	456.01	35.72	22.25	275.68	56.52	8.05	105.13	2,673.54
Disposals	-	-	(9.97)	-	-	(0.61)	-	-	(10.43)	(21.02)
Adjustments due to FA Verification	-	-	(91.37)	(20.66)	(10.64)	(23.23)	(9.86)	(0.17)	-	(155.93)
Balance as at March 31, 2023	275.48	4,112.42	9,088.16	222.97	227.98	1,129.14	313.02	421.38	174.46	15,965.02
Accumulated depreciation										
Balance as at April 1, 2021	-	327.73	1,364.36	107.42	126.06	407.84	115.22	126.40	29.82	2,604.86
Additions for the year	-	107.15	589.60	32.03	23.62	79.26	49.19	42.35	9.74	932.94
Disposals/ Adjustments	-	-	(22.63)	(7.10)	-	(54.76)	(4.90)	-	-	(89.40)
Balance as at March 31, 2022	-	434.88	1,931.33	132.35	149.68	432.34	159.51	168.75	39.56	3,448.41
Additions for the year	-	169.48	612.02	20.57	32.74	84.39	56.18	42.14	16.48	1,034.00
Disposals	-	-	(5.25)	-	-	(0.04)	-	-	(10.43)	(15.72)
Adjustments due to FA Verification	-	-	(64.98)	(20.46)	(10.63)	(22.70)	(9.86)	(0.17)	-	(128.81)
Balance as at March 31, 2023	-	604.37	2,473.12	132.46	171.78	493.99	205.83	210.72	45.61	4,337.87
Net Block										
Balance as at March 31, 2022	239.07	1,999.77	6,802.16	75.55	66.69	444.97	106.85	244.75	40.20	10,020.02
Balance as at March 31, 2023	275.48	3,508.05	6,615.04	90.50	56.20	635.16	107.19	210.66	128.85	11,627.15

(i) In respect of factory land at Boodihal Village, two suits have been filed against the Company disputing the sale of 6.5 Acres of land, effected in the year 1995-96. The original cost of said land is ₹19.48 Lakhs. The Company does not expect any adverse impact from the above two suits.

(ii) Portion of factory land at Boodihal Village, Nelamangala Taluk measuring 76,000 Sqft which had been given on lease to Bangalore Pharmaceuticals & Research Laboratories Pvt. Ltd was terminated and the Company has utilized the same for it's own use. Accordingly the same has been grouped during the year as PPE from Investment property.

(iii) The Company has not revalued any of its PPE as at the end of the year.

(iv) There are no proceedings initiated nor there are any proceedings pending against the Company for holding any benami transaction (prohibition) Act, 1988 as at the end of the year.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹in Lakhs

PARTICULARS	As at March 31, 2023	As at March 31, 2022
5 Capital work in progress		
Opening balance	143.00	335.79
Addition during the year	5,067.22	811.87
Amount capitalised during the year	2,245.25	(1,004.66)
Closing balance	2,964.98	143.00

Ageing report for Capital work in progress as at March 31, 2023

Particular	Less than 1 Year	1 to 2 Years	2 to 3 Years	3 Years & above
Building	136.44	38.57	-	-
Computers-Network	153.85	-	-	-
Plant and Machinery	2,399.81	60.00	-	-
Furniture and Fixtures	4.12	-	-	-
Computer Software	159.66	-	-	-
Office Equipment	12.53	-	-	-
Grand Total	2,866.41	98.57	-	-

Ageing report for Capital work in progress as at March 31, 2022

Particular	Less than 1 Year	1 to 2 Years	2 to 3 Years	3 Years & above
Building	38.57	-	-	-
Computers-Network	26.85	-	-	-
Plant and Machinery	70.06	-	-	-
Furniture and Fixtures	4.12	-	-	-
Computer Software	3.40	-	-	-
Office Equipment	-	-	-	-
Grand Total	143.00	-	-	-

There are no suspended projects lying in CWIP as at the end of the current year and previous year.

6 Investment property

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Gross block		
Balance as at April 01, 2021	43.13	43.13
Additions for the year	-	-
Disposals/ Adjustments	-	-
Balance as at March 31, 2022	43.13	43.13
Additions for the year	-	-
Disposals/ Adjustments	36.41	-
Balance as at March 31, 2023	6.71	43.13

Additional Information:

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Profit/(Loss)		
i. Rental Income derived from Investment Property	-	10.56
ii. Direct Operating expenses including repairs and maintenance	-	-
iii. Profit/(Loss) arising from Investment Property before depreciation	-	10.56
(b) Fair value of Investment Property based on valuation made by an		
i. Fair value of investment property based on guidance value	373.92	587.65

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹in Lakhs

7 Intangible assets

Particulars	Software	Accreditation	Total
Gross Block			
Balance as at April 1, 2021	117.83	49.77	167.60
Additions for the year	103.15	-	103.15
Disposals/ Adjustments	-	-	-
Balance as at March 31, 2022	220.97	49.77	270.74
Additions for the year	174.13	-	174.13
Disposals/ Adjustments	-	-	-
Balance as at March 31, 2023	395.11	49.77	444.88
Accumulated depreciation			
Balance as at April 1, 2021	65.24	49.77	115.00
Additions for the year	28.03	-	28.03
Disposals/ Adjustments	-	-	-
Balance as at March 31, 2022	93.26	49.77	143.03
Additions for the year	40.15	-	40.15
Disposals/ Adjustments	-	-	-
Balance as at March 31, 2023	133.42	49.77	183.18
Net block			
Balance as at March 31, 2022	127.71	0.00	127.71
Balance as at March 31, 2023	261.69	0.00	261.69

Notes: The company has not revalued any of its intangibles as at the end of the year and previous year.

₹in Lakhs

PARTICULARS	As at March 31, 2023	As at March 31, 2022
8 LOANS AND ADVANCES		
Unsecured Considered Good		
Trade payable capital advances	1,345.63	399.03
Security deposits	76.05	76.05
	1,421.68	475.08
9 TAX EXPENSES		
Deferred Tax		
(a) Deferred Tax Asset:		
1. On account of unabsorbed depreciation under the Income Tax Act, 1961	1,137.66	1,137.66
2. Impact of expenditure charged to the statement of P&L in the current year but allowed for tax purposes in subsequent years	291.86	254.74
	1,429.52	1,392.40
(b) Deferred Tax Liability:		
1. Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	689.27	631.81
2. Impact on IND AS adjustment	-	-
	740.26	760.60

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹in Lakhs

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) The Assessment of deferred tax asset is provisional and is subject to adjustments on Company filing its income tax return, assessment of returned income, outcome of appeals, etc.		
(b) In light of the Company since retaining the regulatory approval for sales to US markets, regulatory approvals available for export to European markets and the current valuation of the Company, the Management is virtually certain that the Company will be able to earn taxable income in subsequent years to absorb deferred tax asset comprising carry forward depreciation.		
(b) Tax Expenses		
Relating to Origination and Reversal of temporary differences	13.76	50.47
OCI Section		
Deferred tax related to items recognised in OCI during the year	(6.59)	(5.04)
(c) <i>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:</i>		
Profit/(loss) before income tax expense	(436.42)	497.88
Applicable tax rate in India	27.82%	27.82%
Computed tax charge	(121.41)	138.51
Adjustments:		
Items permanently disallowed under Indian Income Tax Act, 1961 (including Ind AS adjustments)	-	-
Temporary differences on which deferred tax expenses recognised (net)	-	-
Brought forward lossess setoff/ carried forward of losses	121.41	(138.51)
Short-provision for earlier years' taxes		
10 OTHER NON-CURRENT ASSETS		
Taxes Refundable:		
Income Tax	42.70	39.37
Value added tax	5.21	5.21
Appeals Pre-deposit	43.37	41.39
	91.27	85.97
11 INVENTORIES		
Raw materials and components	710.06	380.97
Other Consumables	1,018.87	549.77
Packing materials and components	3,822.61	2,257.39
Work-in-progress	202.14	-
Semi Finished Goods	178.38	397.06
Finished goods	66.54	504.97
Stores and spares	326.79	191.73
	6,325.39	4,281.89
12 TRADE RECEIVABLES		
(a) Unsecured Considered Good agewise		
Debts Less than 6 months	1,886.38	755.50
Debts 6 months to 1 Year	-	9.28
Debts 1 year to 2 Years	-	-
Debts 2 years to 3 Years	-	-
Debts more than 3 Years	-	-
	1,886.38	764.78
(b) There are no disputed trade receivables.		
(c) There are no unbilled trade receivables.		

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

		₹in Lakhs	
PARTICULARS	As at March 31, 2023	As at March 31, 2022	
13 CASH AND CASH EQUIVALENTS			
(i) Balance with Banks:			
- In Deposit Account	-	-	
- In Current Account	596.56	6.72	
(ii) Cash on Hand	0.36	0.34	
	596.92	7.06	
14 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS:			
Balance with Banks:			
In Deposit Account - BG Deposits	908.55	54.31	
	908.55	51.31	
15 LOANS AND ADVANCES			
Other Loans and Advances Recoverable in Cash or Kind or for value to be Received - Unsecured, Considered Good			
Imprest and other advances to staff	1.63	0.23	
Others	165.57	94.55	
Security Deposits	17.80	11.80	
Less: Provision for Dobutfull advances	-	-	
Others	(3.88)	-	
	181.12	106.58	
16 OTHER CURRENT ASSETS			
Prepaid Expense	196.28	129.26	
Input Tax Credits	1,517.11	1,420.36	
Taxes Refundable			
Goods & Service Tax (GST)	564.72	330.10	
Others	-	248.45	
	2,278.12	2,128.17	
17 SHARE CAPITAL			
(a) Authorized			
Equity Shares of ₹10/- each - Number of Shares - 2,50,00,000	2,500.00	2,500.00	
(b) Issued, suubscribed & fully paid up			
Equity Shares of ₹10/- each - Number of Shares - 1,00,24,242	1,002.42	1,002.42	
	1,002.42	1,002.42	

Terms/ rights attached to equity shares

(a) The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

(b) Reconciliation of Number of Shares

Particulars	Numbers	Numbers
Equity share outstanding at the beginning of the year	1,00,24,242	1,00,24,242
Equity share issued during the year	-	-
Equity share redeemed during the year	-	-
	1,00,24,242	1,00,24,242

(c) Details of shares held by each shareholder holding more than 5% equity shares

	No of Shares	%of Holdings
Equity Shares	95,56,722	65,56,722
VEEGO Pharma LLC (formerly known as Gavis Pharma LLC)	95.34%	95.34%

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Numbers	₹ in Lakhs
(d) Equity Share Capital		
Issued, Subscribed and fully paid-up share capital		
Equity share of ₹10 each:		
As at April 01, 2021	1,00,24,242	1,002.42
Issued during the year	-	-
As at April 01, 2022	1,00,24,242	1,002.42
Issued during the year	-	-
As at April 01, 2023	1,00,24,242	1,002.42
Equity Share Holding of Promotors		

Shareholder's Name	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of year	% of the Total Shares during the year	% Change
	Nos.	Nos.	Nos	% Holding	% Change
As at March 31, 2023					
Veego Pharma LLC	95,56,722	-	95,56,722	95.34%	0.00%
As at March 31, 2022					
Veego Pharma LLC	93,92,101	1,64,621	95,56,722	95.34%	1.65%

18 OTHER EQUITY

₹ in Lakhs

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Reserve & Surplus		
(a) Capital Reserve on forfeiture of equity shares:		
Balance at the beginning of the year	0.56	0.56
Balance at the end of the year	0.56	0.56
(b) Securities Premium Account		
Balance at the beginning of the year	5,098.63	5,098.63
Balance at the end of the year	5,098.63	5,098.63
(c) General Reserve		
Balance at the beginning of the year	409.84	409.84
Balance at the end of the year	409.84	409.84
(d) Surplus in statement of profit & loss		
Balance at the beginning of the year	(5,523.92)	(5,984.36)
Net profit / (net loss) for the year	(433.09)	460.48
Balance at the end of the year	(5,957.01)	(5,523.88)
	(447.98)	(14.85)

19 LONG TERM BORROWINGS

Unsecured

External Commercial Borrowing from Related Party	23,637.36	13,417.86
	23,637.36	13,417.86

Additional Information:

(a) Repayable at the end of five years. Ie - 30-11-2026

(b) ECB carries an interest of 0.52% repayable at the end of Tenure of 5 years.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

		₹ in Lakhs	
PARTICULARS	As at March 31, 2023	As at March 31, 2022	
20 OTHER NON-CURRENT LIABILITIES			
Security Deposits	-	5.19	
	-	5.19	
21 LONG TERM PROVISIONS			
Gratuity	617.43	554.16	
Earned leave	337.85	274.47	
	955.28	828.63	
22 SHORT TERM BORROWINGS			
Secured, considered good			
Cash credit from Bank	270.92	492.12	
	270.92	492.12	
23 TRADE PAYABLES			
(a) Payables to micro & small enterprises			
- Less than 1 Year	784.98	163.93	
- 1 year but less than 2 Years	-	-	
- more than 2 year but less than 3 Years	-	-	
- more than 3 years	-	-	
(b) Payables to other than micro and small enterprises			
- Less than 1 Year	838.42	1,548.31	
- 1 year but less than 2 Years	-	-	
- more than 2 year but less than 3 Years	-	-	
- more than 3 years	-	-	
	1,623.40	1,712.24	
(c) Additional Information:			
The details of amounts outstanding to Micro, Small and Medium Enterprises (“MSMED”) based on information available with the Company is as under:			
Principal amount due and remaining unpaid	784.50	163.45	
Interest due on above and the unpaid interest	0.48	0.48	
Interest remaining due and payable in the succeeding year until the dues are actually paid	-	-	
Interest paid	-	-	
Interest accrued and remaining unpaid at the end of the accounting year	0.48	0.48	
Above data has been furnished to an extent available with the Company.			
(d) There are no disputed trade payables			
(e) There are no unbilled trade payables			
24 OTHER CURRENT LIABILITIES			
Other payables			
Advance from customers	-	-	
Statutory liabilities	126.12	65.76	
Security deposits	0.30	0.30	
Due to one of the related party enterprises (see note (a) below)	163.21	881.59	
Others (see (b) below)	1,865.38	520.01	
	2,155.00	1,467.65	
(a) Towards reimbursement of cost of materials, equipment and services procured through these parties against production of Bills of original vender/ service provider.			
(b) Others include employee dues and accrued liabilities.			
25 SHORT TERM PROVISIONS			
Provision for Employee Benefits			
- Gratuity	72.86	65.69	
- Earned Leave	20.96	21.35	
	93.82	87.04	

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

PARTICULARS	Current Year 2022-2023	Previous Year 2021-2022
26 REVENUE FROM OPERATIONS		
Sale of products		
Formulations	14,727.88	11,246.77
Sale of services		
Formulation development	2,698.61	2,313.84
	17,426.49	13,560.61
A. Disaggregation of revenue:		
(i) Geographical location:		
(a) India	60.21	24.46
(b) Outside India	17,366.28	13,536.14
Total Revenue from customers	17,426.49	13,560.61
(ii) Contract balances:		
(a) Contract assets	1,886.38	764.77
(b) Contract liabilities	-	-
Total Revenue from customers	1,886.38	764.77
Trade receivables are generally non-interest bearing and are generally on terms of 45 to 60 days.		
(iii) There are no performance obligation pending as on March 31, 2023 or as on March 31, 2022.		
27 OTHER INCOME		
Interest Received		
From Tax refunds	-	1.11
From Deposits	8.77	4.40
From Others	3.15	2.83
Others Non Operative Income		
Lease rent	(7.28)	10.56
Custom duty draw back	-	0.05
Export incentive under MEIS	8.09	248.45
Unclaimed credit balances written back (including provision no longer required)	0.48	2.60
Profit on sale of property, plant & equipment (net)	-	0.85
	13.21	270.85
28 COST OF MATERIALS CONSUMED		
Raw materials (bulk drugs and other pharmaceuticals inputs)	1,713.21	1,555.00
Packing materials (ampoules, vials, bottles, labels, cartons, shippers etc.)	3,625.87	3,304.05
Consumables (tubings, filters, connectors etc.)	2,160.99	1,587.87
	7,500.07	6,446.92
29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Closing balance		
Finished Goods	97.29	504.97
Semi-Finished Goods	129.06	397.06
	226.35	902.03
Opening Stock		
Finished Goods	504.97	314.52
Semi-Finished Goods	397.06	299.24
	902.03	613.76
	675.68	(288.27)

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

PARTICULARS	₹ in Lakhs	
	Current Year 2022-2023	Previous Year 2021-2022
30 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	3,832.33	3,167.27
Contribution to Provident and Other Funds	392.43	280.99
Staff Welfare	193.55	153.09
	4,418.32	3,601.35
31 FINANCE COST		
Interest on borrowings	123.82	51.71
Interest on financial liability	2.31	0.55
Interest on Statutory Dues	73.24	18.81
	199.37	71.06
Depreciation	1,034.00	932.94
Amortisation	40.15	28.03
	1,074.15	960.97
33 OTHER EXPENSES		
Dues, Publications & Subscriptions	4.10	4.64
Auditor's remuneration	8.22	6.48
Commission paid	0.10	-
Communication expense	22.43	23.13
Director's sitting fees	0.43	0.15
Outward freight	10.45	1.23
Insurance	83.89	90.92
Legal and professional charges	62.28	102.06
Loss on sale / discarding of property, plant & equipment (net)	27.68	-
Loss on sale of Scrips	10.56	-
Impairment of assets	-	-
Covid expenses	0.01	55.91
Miscellaneous expenses	199.26	196.35
Net gain or loss on foreign currency transaction and translation	1,223.61	342.79
Power	961.16	853.17
Advances / Debtors written off	-	3.11
Provision for doubtful Advances / Debtors	3.88	-
Rent	18.93	15.86
Repairs and maintenance :		
Machinery	655.15	422.69
Buildings	187.14	96.81
Others	346.27	167.45
Rates and Taxes	73.44	66.03
Travelling Expense	57.67	49.50
Vehicle Maintenance	51.88	43.25
	4,008.53	2,541.52
Details of Remuneration to Auditors		
As Auditor	6.00	4.50
For taxation matters	2.00	1.50
For other services	0.22	0.48
	8.22	6.48

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

PARTICULARS	Current Year 2022-2023	Previous Year 2021-2022
34 EARNINGS PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH		
Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.		
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.		
Basic & Diluted		
Profit/ (Loss) after tax	(450.18)	447.40
Weighted average number of equity shares for basic EPS (No.)	1,00,24,242	1,00,24,242
Nominal value of equity shares	10.00	10.00
Earnings per share	(4.49)	4.46
35 VALUE OF IMPORT CALCULATED ON CIF BASIS		
Raw Materials & Consumables	562.88	279.70
Packing Materials	2,228.22	1,217.47
Spares	167.49	-
Capital Goods	2,257.09	133.95
	5,215.70	1,631.13
36 BREAK UP OF CONSUMPTION		
Raw Materials & Consumables		
Imported	169.59	382.55
Indigenous	3,704.62	2,760.33
	3,874.20	3,142.88
Packing Materials		
Imported	1,325.26	1,506.33
Indigenous	2,300.61	1,797.73
	3,625.87	3,304.06
37 EARNINGS IN FOREIGN CURRENCY		
From Export of Goods calculated on FOB Basis	14,667.66	11,222.31
Formulation Development Fees	2,698.61	2,313.84
	17,366.28	13,536.14
38 EXPENDITURE IN FOREIGN CURRENCY		
Traveling expenses	0.17	0.38
Analytical Charges	17.68	7.10
USFDA Fees & Renewals	26.93	20.43
Finance Charges	6.38	-
Machinery Rental Charges	16.96	-
Software Expenses	4.18	-
	72.32	27.91
39 Details of non-resident Shareholdings:		
Number of non-resident share holders	14	13
Number of shares held by non-resident shareholders	95,68,503	95,67,502

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023
40 CONTINGENT LIABILITY AND COMMITMENTS

₹ Lakhs

(a) Claims Towards Taxes

Nature of Case	Forum where case is being adjudicated	Amount	Amount paid against dispute	Remarks
<u>Company in Appeal</u>				
Central Excise				
1 Valuation of physician samples for the period Jan 2005 to Dec 2006	CESTAT, Bengaluru	44.95 (44.95)	- -	(with interest as applicable)
2 Penalty under rules 209A of the Central Excise Rules	CESTAT, Ahmedabad	2.00 (2.00)	- -	
3 Claim of service tax on export of technical services	Tribunal	335.14 (335.14)	33.51 (31.89)	(with interest and penalty as applicable)
4 Claim of service tax on USFDA fees under RCM	Tribunal	75.46 (75.46)	7.55 (7.55)	
5 Claim of service tax on cancellation of contract	Commissioner Appeals	- (26.44)	- 1.98	Appeal allowed by the Commissioner CT of Appeals on 11th April, 2023.
VAT / Sales tax				
6 Appeal against order of rectification passed by AO for assessment year 2001-02	DCST- Navi Mumbai	2.33 (2.33)	1.75 (1.75)	
Good and Service Tax				
7 Appeal filed against refund order for wrongful deduction of certain refund amount for the period July 2020 to October 2020	Commissioner Appeals GST	19.82 (19.82)	19.82 (19.82)	
8 Appeal filed against refund order for wrongful deduction of certain refund amount for the period November 2020 to March 2021	Commissioner Appeals GST	243.16 (243.16)	243.16 (243.16)	Appeal was filed in September 2021
9 Appeal filed against refund order for wrongful deduction of certain refund amount for the period April 2021 to August 2021	Commissioner Appeals GST	59.46 (59.46)	59.46 (59.46)	Appeal was filed in April 2022
10 Appeal filed against refund order for wrongful deduction of certain refund amount for the period September 2021 to March 2022.	Additional Commissioner Appeals GST	24.16	24.16	Appeal was filed in September 2022
Income Tax				
11 Appeal against order passed by AO for the assessment year 2021-22	Commissioner of Income Tax	6.44 -	3.02 -	
12 Appeal against order passed by AO for the assessment year 2022-23	Commissioner of Income Tax	96.73 -	3.59 -	
Provident Fund				
13 Appeal against levy of damages for delay in remittance of Provident fund dues for the period 04.04.1996 to 24.12.2013	Tribunal	32.37 (32.37)	- -	
<u>Department in Appeal</u>				
Central Excise				
14 Central excise on sale of brand to Recon Health Care Pvt. Ltd.	Supreme Court of India	400.00 (400.00)	- -	Liability if any will be on account of the purchaser which is now merged with Cadila Healthcare Limited

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Nature of Case	Forum where case is being adjudicated	Amount	Amount paid against dispute	Remarks
(b) Others				
1 A petition by an ex employee claiming re-instatement in service	High Court	Not Ascertained		
2 GST Intelligence wing has issued a Summons to the Company seeking information on the GST Refunds received by the Company and Import of Materials at concessional rates. The Company has filed a writ petition before the Hon'ble Karnataka High Court to avert any actions by the GST Authorities and the matter is pending before the High Court.	High Court	62.13	62.13	The company has paid the GST with interest on materials imported under Advance Licences and has filed a writ petition in the Karnataka High Court challenging the claim of interest by the GST department.
3 Bank Guarantee issued by the Company		336.98 (199.98)		
(c) Other Commitments				
Estimated amount of contract remaining to be executed on capital account not provided for	High Court	3,023.11	347.10	

Figures in brackets indicates the amount relating to the year 2021-22

in some of the cases an unfavourable order may lead to further costs by way of interest and penalty.

41. (a) Defined benefit plan - Gratuity

The Company makes contribution determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has an obligation under law to make the specified contribution and the contribution are charged to profit and loss account. The amount recognised as an expense towards contribution to the provident fund during the year aggregated to ₹ 198.07 lakhs (Previous year: ₹ 160.60 lakhs)

(b) Defined benefit plan - Gratuity

The Company operates defined gratuity plan for its employees. Under the plan, every employee who has completed atleast five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amount recognised in the balance sheet.

Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2023

₹ Lakhs

Gratuity	1-Apr-22	Expense charged to profit or loss			Benefits paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-23
		Service cost	Net interest expense	Sub-total included in profit or loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Defined benefit obligation	632.75	100.50	46.27	146.78	(39.73)	-	-	2.99	(27.74)	(24.75)	-	715.06
Fair value of plan assets	12.91	-	(1.41)	(1.41)	(39.73)	(1.41)	-	-	(1.07)	0.34	51.25	24.77
Net liability/(Asset) - Gratuity	619.85	100.50	47.68	145.37	-	1.41	-	2.99	(26.66)	(25.08)	(51.25)	690.30

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Changes in the defined benefit obligation and fair value of plan assets - Year ended March 31, 2022 ₹ Lakhs

Gratuity	1-Apr-21	Expense charged to profit or loss			Benefits paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-22
		Service cost	Net interest expense	Sub-total included in profit or loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Defined benefit obligation	555.50	84.60	38.98	123.58	(26.57)	-	-	(25.64)	5.88	(19.76)	-	632.75
Fair value of plan assets	8.33	-	(0.79)	(0.79)	(26.57)	0.79	-	-	(1.64)	(0.85)	32.00	12.91
Net liability - Gratuity	547.17	84.60	39.77	122.79	-	(0.79)	-	(25.64)	7.52	(18.90)	(32.00)	619.85

The major categories of plan assets of the fair value of the total plan assets are as follows:

PARTICULARS	31.03.2023	31.03.2022
Fund Managed by Insurer	100%	100%

The principal assumptions used in determining pension and post-employment benefit obligations for the company's plans are shown below:

PARTICULARS	31.03.2023	31.03.2022
Discount rate	7.52%	7.55%
Future salary benefit levels	14%	14%

A quantitative sensitivity analysis for significant assumption for Gratuity plan is as shown below: ₹ in Lakhs

Assumptions	31.03.2023				31.03.2022			
	Discount Rate		Further Salary Increase		Discount Rate		Further Salary Increase	
	-1.0%	1.0%	-1.0%	1.0%	-1.0%	1.0%	-1.0%	1.0%
Sensitivity Level	₹	₹	₹	₹	₹	₹	₹	₹
Impact on defined benefit obligation - Gratuity	815.14	631.55	659.64	766.90	718.35	561.58	582.63	679.90
% change compared to base due to sensitivity	14.00%	-11.68%	-7.75%	7.25%	13.53%	-11.25%	7.45%	-7.92%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan - gratuity in future years:

PARTICULARS	31.03.2023	31.03.2022
Within the next 12 months	38.38	49.16
Between 2 and 5 years	82.10	84.17
Above 5 years	92.49	78.27
Total expected payments	212.96	211.60

(C) Other long-term benefit plans Leave benefits

An actuarial valuation of leave benefits is carried out every year by an independent actuary. Based on that, the Company is carrying a liability of ₹ 358.81 Lakhs. (March 31, 2022: ₹295.82 lakhs).

The principal actuarial assumption used in determining the liability for leave benefits is given below:

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Discount rate	7.52%	7.55%
Attrition rate	10.00%	10.00%
Salary escalation	14.00%	14.00%
Retirement age	58 years	58 years

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

42 SHARE BASED PAYMENT:

During the Previous year, the shareholders of the Company at the Annual General Meeting held on August 10, 2017 have approved an Employee Stock Option Scheme. However, the Company has not issued any options as at March 31, 2023 and accordingly, recognition of expense in this respect and requisite disclosures are not applicable.

43 In view of the advances/ support received from the major customers, the management doesn't expect any constraints in cash flow which might affect companies ability to meet its liabilities. Accordingly, despite of the Company's net worth has partially eroded, the management doesn't find any material uncertainty which may cast significant doubt on the Company's ability to continue as going concern.

44 SEGMENT REPORTING:

(i) Manager of the Company has been identified as the Chief Operating Decision Maker ("CODM") as defined in Ind AS 108, Operating Segments. The Company is engaged in the business of manufacturing of goods and all its other activities revolve around this business. The CODM reviews the performance of the Company as one entity. Accordingly, the Company has not identified any different segments. The Company has earned ₹17426.49 lakhs (Previous year ₹ 13560.61 lakhs) from the business of development and manufacturing of pharmaceuticals formulations.

(ii) The Company operates only in India and exports its products to its parent company, hence no geographical segments has been disclosed.

(iii) The Company earns its 95.07% (Previous Year 92.13%) of revenue from operations has been earned from single customer.

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:**Financial Risk Management**

The Company has exposure to the following type of risks from financial instruments:

- Credit risks
- Liquidity risks
- Market risks

Risk management framework

The company's principal financial liabilities comprise borrowing trade and other payable and other financial and performance guarantee contracts. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantee to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents that derive its value directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's risk management is carried out by the management under the policies approved by the board of directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis. and assessed for impact on financial performance. The Board of Directors reviews and agrees policy for managing each of these risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument will not meet its contractual obligations under a financial instrument or customer contract,

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing/financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Company has no significant concentration of credit risk with any counterparty.

The carrying amount of financial instruments represents the maximum exposure to credit risk.

Trade receivables

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references before making sales to a new customer. The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may affect the credit risk of its customer base, including the default risk associated with the industry and the country in which the customers operate. The Company limits its exposure to credit risk from trade receivables by establishing a payment term for its customers.

The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At year end, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the statement of profit and loss.

Specific allowance for loss is also been provided by the management based on expected recovery on individual customers.

Movement in impairment losses is as follows:

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	-	-
Add: Additional ECL provision	-	-
Less: Utilisation/reversals	-	-
Balance as at the end of the year	-	-

Credit risk on cash and cash equivalents is limited as the Company primarily invests in deposits with banks.

Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt instruments at an amount in excess of expected cash outflows on financial liabilities at any point of time.

Exposure to liquidity risk

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

Non-derivative financial liabilities: ₹ in Lakhs

As at March 31, 2023	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	23,908.28	-	-	23,908.28
Trade payables	1,623.40	-	-	1,623.40
Other financial liabilities	-	-	-	-
Total non-derivative financial liabilities	25,531.67	-	-	25,531.67
As at March 31, 2022				
Borrowings	13,909.98	-	-	13,909.98
Trade payables	1,712.24	-	-	1,712.24
Other financial liabilities	-	-	-	-
Total non-derivative financial liabilities	15,622.22	-	-	15,622.22

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency (INR) of the Company. The Company’s exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials, exports of finished goods. The currency in which these transactions are primarily denominated are USD and Euro. The Company uses cross currency interest rate swaps to hedge its currency risk with respect to borrowings.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Foreign Currency	Amount in foreign currency (Lakhs) March 31, 2023	Amount in Rupees (Lakhs) March 31, 2023	Amount in foreign currency (Lakhs) March 31, 2022	Amount in Rupees (lakhs) March 31, 2022
Trade Receivables	USD	22.92	1,883.92	9.96	754.79
Trade Payables	USD	3.88	318.97	12.34	935.77
Advance to Vendors	USD	1.36	111.84	0.04	3.05
Capital Advances	USD	9.12	741.75	-	-
Capital Advances	EUR	5.60	456.08	-	-
Trade Payables	EUR	0.05	3.74	-	-
Advance to Vendors	EUR	-	-	0.03	2.51
Capital Advances	GBP	0.09	8.79	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and JPY against Indian rupee at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Impact On Profit after Tax

₹ in Lakhs

PARTICULAR	As at March 31, 2023	As at March 31, 2022
USD sensitivity:		
INR/USD increase by 5% (March 31, 2022 - 5%)	120.93	(8.90)
INR/USD decrease by 5% (March 31, 2022 - 5%)	(120.93)	8.90
GBP sensitivity:		
INR/GBP increase by 5% (March 31, 2022 - 5%)	0.44	-
INR/GBP decrease by 5% (March 31, 2022 - 5%)	(0.44)	-
Euro sensitivity:		
INR/Euro increase by 5% (March 31, 2022 - 5%)	22.62	0.13
INR/Euro decrease by 5% (March 31, 2022 - 5%)	(22.62)	(0.13)

(b) Interest-rate risk

The Company's main interest rate risk arises from long-term borrowings with fixed rates which expose the Company to cash-flow interest rate risk. The Company's policy is to maintain most of its borrowings at fixed rate.

The Company's investment in fixed rate bank deposits and fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

Exposure to interest rate risk:

The interest rate profile of the Company's interest bearing financial instruments as reported to management is as follows:

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Fixed rate instruments

Financial assets	908.55	54.31
Financial liabilities	23,637.36	13,417.86

Variable rate instruments

Financial assets	-	-
Financial liabilities	-	-

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Impact on Profit

Interest rates - increases by 100 basis points(March 31,2023-100 bps)	-	-
Interest rates - decreases by 100 basis points(March 31,2023-100 bps)	-	-

Price risk

The company invests primarily in Fixed Deposits with Scheduled banks. Hence it is not exposed to any price risk.

46 BORROWING COST DISCLOSURE:

The amount of borrowing cost capitalised during the year Nil (Previous Year Nil)

47 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.”

48 The Code on Social Security 2020 (“the Code”) relating employee benefits, during the employment and post employment, has received presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are yet to be issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

Additional Disclosures:

- (i) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- (iii) The Company has not been declared as wilful defaulter by any bank or nancial institution or government or any government authority.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

- (iv) The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (v) The Company does not have transactions or balances with struck off companies.
- (vi) The Company has title deeds for all its immovable property
- (vii) The Company has complied with the number of layers prescribed under section 2(87) the act read with the Companies (Restriction on number of layers) Rules, 2017.

Recent amendments to Standards:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

Ind AS 12 - Income Taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The amendments are not expected to have a material impact on the Company.

49 GOVERNMENT GRANT (IND AS 20):

The Company has been awarded two government grant amounting to Rs 8.09 lakhs (Previous year: Rs. 248.45 lakhs), relating to MEIS Scripts and Duty Drawback amounting to Rs Nil (Previous year : 0.05 lakhs) has been included in other operating income. Under the MEIS Scheme, import of goods at a concessional rate of duty, which has been netted off against purchases. Under the concessional rate of duty scheme, import of goods is allowed at a concessional rate of customs duty provided the imported goods are used in the manufacture of pharmaceuticals. Under the Dutydrawback Scheme, certain amount on FOB are refunded by the Government on the exportation of the goods.

50 CORPORATE SOCIAL RESPONSIBILITY (‘CSR’) EXPENDITURE:

Consequent to the requirements of Section 135 and Schedule VII of the Companies Act, 2013, the Company is required to contribute 2% of its average net profits during the immediately three preceding financial years in pursuance of its Corporate Social Responsibility Policy.

The Company has constituted a CSR committee in accordance with the provisions of the Companies Act, 2013. The amount required to be spent towards the CSR activities as per Section 135 and the CSR activities undertaken by the Company is given below:

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Current Year	Previous Year
(a) Gross amount required to be spent by the Company during the year	10.60	7.69
(b) Amount spent during the year	2.00	16.53
(c) (Excess)/lower amount spent (a) - (b)	8.60	(8.84)
(d) Total of previous year shortfall/ (excess)	(8.83)	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities		
- Eradicating Hunger	-	-
- Promotion of education	2.00	16.53
- Promoting health care	-	-
- Rural development projects	-	-
- Animal Welfare	-	-
- Women empowerment	-	-
- Environment sustainability	-	-
- Contribution to IIT	-	-
- Protection of national heritage	-	-

- 51 There were certain differences between the monthly statements submitted to bank for drawing power of working capital limits. Details to the same are as under: ₹ in Lakhs

Name of Bank	Month	Particulars of Security offered	Amount as per books	Amount as per monthly statement	Diff	Reason for material discrepancies
State Bank Of India	Jun-22	Current assets - Inventory and book debts	5,383.24	5,374.35	8.90	
	Sep-22		6,658.28	6,638.54	19.74	
	Dec-22		6,501.01	6,506.90	(5.88)	
	Mar-23		6,424.68	6,421.07	3.61	

52 FAIR VALUE HIERARCHY MEASUREMENTS

The carrying value of financial instruments by categories is as follows: ₹ in Lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Carrying amount	Fair value through profit or loss	At Amortised Cost	Carrying Amount	Fair value through profit or loss	At Amortised Cost
Financial assets						
Cash and cash equivalents			596.92			7.06
Bank balances other than cash & cash equivalents			908.55			54.31
Trade receivables			1,886.38			764.78
Loans & Advances			1,602.80			581.66
Other financial assets						
Total			4,994.65			1,407.81

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

Financial liabilities		
Borrowings	23,908.28	13,909.98
Trade payables	1,623.40	1,712.24
Other financial liabilities		
Total	25,531.67	15,622.22

53 FAIR VALUE HIERARCHY:

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

₹ in Lakhs

Particulars	As at March 31, 2023				As at March 31, 2022			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets								
Measured at cost/ amortised cost								
Investments in equity instruments of:								
- Joint Venture	-			-	-			-
Cash and cash equivalents	596.92		596.92	7.06			7.06	
Bank balances other than cash & cash equivalents	908.55		908.55	54.31			54.31	
Trade receivables	1,886.38		1,886.38	764.78			764.78	
Loans & Advances	1,602.80		1,602.80	581.66			581.66	
Other financial assets	-		-	-			-	
Total	4,994.65		4,994.65	1,407.81			1,407.81	
Financial liabilities								
Measured at amortised cost								
Borrowings	23,908.28		23,908.28	13,909.98			13,909.98	
Trade payables	1,623.40		1,623.40	1,712.24			1,712.24	
Other financial liabilities	-		-	-			-	
Total	25,531.67		25,531.67	15,622.22			15,622.22	

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023
54 RELATED PARTY TRANSACTIONS:
(a) List of Related Parties

S.No.	Name of the Related Parties	Nature of Relation Ship
1	VEEGO Pharma LLC (Gavis Pharma LLC - USA)	Holding Company
2	Dr. Veerappan Subramanian Mr. R A Thirumoorti Dr. K Paranjothy Mr. K P Murali Mr. Arshad S Kagalwalla Mr. B P Thyagaraj (upto 16.11.2022) Ms. Kamala P T (From 16.12.2022) Mr. Sunil B Gundewar (Upto 27.03.2023) Mr. Krupendra V S	Key Managerial Persons ("KMP")
3	Mrs. Govindammal Subramanian Mrs. Anu Balasubramanian Mr. Ilango Subramanian	Relatives of KMP
4	Somerset Therapeutics, LLC Odin Pharmaceuticals Somerset Pharma, LLC Kali Capital LP Kali Management, LLC VGS Foundation, Inc	Enterprise over which KMP have significant influence ("Enterprise")

(b) Transaction with Related Party
₹ in Lakhs

Sl. No.	Particular	Relationship	Current Year	Previous Year
1	Sales & Formulation development fee - Somerset Therapeutics LLC - Odin Pharmaceuticals	Enterprise	16,567.09	12,493.05
		Enterprise	0.82	37.97
2	Purchase of Goods, Equipments and Services * - Somerset Therapeutics LLC - Odin Pharmaceuticals	Enterprise	125.32	156.84
		Enterprise	82.67	46.24
3	Advance Received / Amount Payable - Somerset Therapeutics LLC - Odin Pharmaceuticals	Enterprise	125.32	881.59
		Enterprises	37.01	-
4	Balance Receivable - Somerset Therapeutics LLC - Odin Pharmaceuticals	Enterprises	1,883.92	750.25
		Enterprises	-	4.54
5	(i) Guarantee by way of Standby Letter of Credit to SBI for the Working capital facilities extended to Company, and (ii) Borrowing in the form of ECB by the Company. (ii) Guarantee by VEEGO Pharma LLC (Gavis Pharma LLC - USA) (iii) ECB by VEEGO Pharma LLC (Gavis Pharma LLC - USA)	Holding Company	1,100.00	1,100.00
		Holding Company	23,637.36	13,417.86
6	Managerial Remuneration - K P Murali (Director) - Sunil B Gundewar (Manager) - B P Thyagaraj (V.P (Finance) & Secretary) - Krupendra V S (CFO) - Kamala P T (Secretary)			
		KMP	45.37	43.05
		KMP	88.02	85.99
		KMP	43.80	42.11
		KMP	20.20	28.20
		KMP	0.98	-

* Purchase of goods/equipments and services is by way of reimbursement of cost of goods and services procured on behalf of the company against production of bill of the original vendor/service providers.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023
55 Details of Key Ratios:
₹ in Lakhs

PARTICULARS	As at	
	31-Mar-23	31-Mar-22
a. Ratio	Current Ratio	
Numerator	Current Assets	
Denominator	Current Liabilities	
Current Assets (A)	12,176.48	7,342.79
Current Liabilities (B)	4,143.14	3,759.05
Current Ratio (C) = (A) / (B)	2.94	1.95
% Change from previous year	50.46%	
b. Ratio	Debt Equity Ratio	
Numerator	Total Debt [represents current and non-current borrowings]	
Denominator	Shareholders' equity [represents total equity]	
Total debt (A)	23,908.28	13,909.97
Shareholder's equity (B)	554.44	987.57
Debt equity ratio (C) = (A) / (B)	43.12	14.09
%Change from previous year	206.15%	
The Increase in the debt equity ratio is due to obtaining additional External Commercial Borrowings (ECB).		
c. Ratio	Return on equity [%]	
Numerator	Profit after tax	
Denominator	Average Shareholder's Equity	
Profit after tax for the year (A)	(450.18)	447.41
Closing shareholder's equity (B)	554.44	987.57
Average shareholder's equity [(opening + closing) / 2] (C)	771.00	757.27
Return on equity [%] (D) = (A)/(C) * 100	(0.58)	0.59
%Change from previous year	-198.83%	
The decrease in profitability is primarily due to non inclusion of Exchange differences arising on borrowings and Interest on borrowings in the cost plus billings made to its customer.		
d. Ratio	Trade receivables turnover ratio	
Numerator	Revenue from operations	
Denominator	Average trade receivables	
Revenue from operations (A)	17,426.49	13,560.61
Closing Trade Receivables	1,886.38	764.79
Average Trade Receivables [(opening + closing) / 2] (B)	1,325.58	1,210.94
Trade receivables turnover ratio (C) = (A) / (B)	13.15	11.20
% Change from previous year	17.39%	

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

PARTICULARS	As at	
	31-Mar-23	31-Mar-22
e. Ratio	Net profit ratio [%]	
Numerator	Profit after tax	
Denominator	Revenue from operations	
Profit after tax for the year (A)	(450.18)	447.41
Revenue from operations (B)	17,426.49	13,560.61
Net profit [%] (C) = (A) / (B) *100w	(2.58)	3.30
%Change from previous year	-178.30%	
The decrease in profitability is primarily due to non inclusion of Exchange differences arising on borrowings and Interest on borrowings in the cost plus billings made to its customer.		
f. Ratio	Trade Payables Turnover Ratio	
Numerator	Total Purchases	
Denominator	Average Trade Payables	
Total Purchases for the year (A)	9,543.57	6,754.83
Closing Trade Payables (B)	1,623.40	1,712.24
Average Trade Paybles (C)	1,667.82	1,516.07
Trade Payables Turnover (D) = (A) / (C) *100	5.72	4.46
%Change from previous year	28.43%	
g. Ratio	Return on capital employed [%]	
Numerator	Earning before interest and taxes	
Denominator	Capital Employed (Total equity, Total borrowings and Total lease liabilities)	
Profit after tax for the year (A)	(450.18)	447.41
Adjustments		
Add: Total tax expense (B)	13.76	50.47
Add: Finance costs & Depreciation (C)	1,273.52	1,032.03
Earnings before interest and tax (D) = (A) + (B) + (C)	837.10	1,529.90
Total equity (E)	554.44	987.57
Current and Non-current borrowing (F)	23,908.28	13,909.97
Current and Non-current lease liability (G)	-	-
Capital Employed (H) = (E) + (F) + (G)	24,462.72	14,897.54
Return on capital employed [%] (I) = (D) / (H) *100	3.42	10.27
% Change from previous year	-66.68%	

The change in return on capital employed is due to obtaining the External Commercial Borrowings (ECB)

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ in Lakhs

PARTICULARS	As at	
	31-Mar-23	31-Mar-22
h. Ratio	Debt Service Coverage Ratio	
Numerator	Operating Income	
Denominator	Total Debt to be serviced (Long term and short term borrowings)	
Profit after tax for the year+ Depreciation + Finance Costs (A)	837.10	1,529.91
Total Debt of the Co (B)	23,908.28	13,909.97
Debt Service Coverage (C) = (A) / (B) *100	3.50%	11.00%
%Change from previous year	-68.17%	
The change in debt service coverage ratios due to obtaining the E additional external Commercial Borrowings (ECB).		
i. Ratio	Inventory Turnover Ratio	
Numerator	Cost of Goods Sold	
Denominator	Average Inventory (Long term and short term borrowings)	
COGS(A)	8,175.75	6,158.65
Closing Inventory (B)	6,3w25.39	4,281.89
Average Inventory (C)	5,303.64	3,876.91
Inventory Turnover Ratio (D) = (A) / (C)	1.59	1.59
%Change from previous year	-2.96%	

Note: The following Ratios are not applicable:

j. Net Capital turnover Ratio

k. Return on Investment

56: The Income Tax Act, 1961 contains provisions for determination of arm's length price for international transactions between the Company and its associated enterprises. The regulations envisage taxation of transactions which are not in consonance with the arms length price so determined, maintenance of prescribed documents and information including furnishing of a report from an accountant before the due date for filing the return of income. For the year ended March 31, 2023, the Company is in the process of complying with the said regulations. Management believes that such transactions have been concluded on an arm's length basis and there would be no additional tax liability for the financial year under consideration as a result of such transactions.

57: Capital Management:

The Company's objectives of capital management is to maximize the shareholder value. In order to maintain or adjust the capital structure, the Company may adjust the return to shareholders, issue/ buyback shares or sell assets to reduce debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt as below.

- Equity includes equity share capital and all other equity components attributable to the equity holders
- Net Debt includes trade payables and other financial liabilities, less cash and cash equivalents

NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

PARTICULARS	₹ in Lakhs	
	As at 31-Mar-23	31-Mar-22
Other financial liabilities (non current & current)	23,908.28	13,909.97
Trade payables	1,623.40	1,712.24
Less: Cash and bank balances	(1,505.47)	(61.37)
Net debt (A)	24,026.20	15,560.84
Equity Share capital	1,002.42	1,002.42
Other Equity	(447.98)	(14.85)
Equity (B)	554.44	987.57
Equity plus net debt (C = A + B)	24,580.64	16,548.41
Gearing ratio (D = A / C)	97.74%	94.03%

The Company's capital management, amongst other things, aims to achieve the objective of maximising shareholders value.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

- 58.** The Manufacturing facility at Nelamangala was re-inspected by USFDA Authorities during April 2022 and had issued some observations. The Company has provided necessary response to the observations and is awaiting the clearance from FDA. The warning letter issued in the year 2020 would be cleared if our response is accepted by FDA.

In Accordance with our Report of even date

For and on behalf of the Board of directors of Somerset Therapeutics Limited

For B K Ramadhyani & Co. LLP

Chartered Accountants

Firm number: 002878S / S200021

DR. K PARANJOTHY

Director

DIN: 0200481

THIRUMOORTI R A

Director

DIN: 02157286

MURALI K P

Wholetime Director

DIN: 06519661

C R DEEPAK

Partner, M. No. 215398

Place : Bengaluru

Date : 10.08.2023

KRUPENDRA VS

Chief Financial Officer

KAMALA PT

Secretary

M.No: 37569