



Zenlabs Ethica Ltd.

CIN NO. : L74900CH1993PLC033112, GSTIN NO. : 03AAFCS6226G1ZL

Regd. Office : Plot No. 194-195, 3rd Floor, Industrial Area, Phase-II, Chandigarh -160 002

Tel. : 0172-465 1105, Fax : 0172-265 6855

E-mail: queries@zenlabsethica.com, Website : www.zenlabsethica.com

The General Manager
Corporate Relationship Department
BSE LIMITED
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai -400 001
Maharashtra

Date: 06th September, 2024

Subject.: Submission of Annual Report of the Company for the Financial Year 2023-24

Ref: ZENLABS ETHICA LIMITED (SCRIP CODE .: 530697)

Respected Madam /Sir,

In compliance with the provisions of Regulation 34(1)(a) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed the Annual Report of the Company along with the Notice of Annual General Meeting for the year 2023-24.

In compliance with Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended, read with applicable Circulars of the MCA and SEBI, the Annual Report for the Financial Year (FY) 2023-24 comprising the Notice of the AGM, the financial statements for the FY 2023-24, along with Board's Report, Auditors' Report and other document required to be attached thereto, is being sent to all the members of the Company whose email addresses are registered with the Company/ Depository Participant(s).

In compliance of the aforesaid Regulation, a copy of the annual report along with the notice of the AGM for the FY 2023-24, being sent to the shareholders through electronic mode, are attached herewith.

The same is also been made available on the website of the Company at the link www.zenlabsethica.com

You are requested to kindly take the same on your record.

Thanking You

Yours Truly
For ZENLABS ETHICA LIMITED

MANJU BALA
COMPANY SECRETARY AND COMPLIANCE OFFICER



ZENLABS ETHICA LIMITED
31st ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
31.03.2024

About Zenlabs

ZENLABS ETHICA LIMITED is one of the top 10 pharmaceutical contract manufacturing companies in India that develops, markets and exports a wide range of branded drugs including Gastrointestinal disorders, Anti-Diabetics, Anti-Hypertensive Drugs, Anti-Infective, Soaps & Anti Bacterial Drugs, Nutraceuticals, etc. Zenlabs Ethica Ltd. boasts of a comprehensive global network. The company has been launched in collaboration with Zenlabs Pharmaceutical Inc, Canada. Its strength lies in quality, affordable and branded drugs aimed at enhancing the quality of life of people.

The company offers more than 600 products across therapeutic segments, making it a leader among pharmaceutical companies in India. Success has been forthcoming with judicious utilisation of resources and a thoroughly planned approach to everyday business operations. Riding on this success, it has forayed into diversified segments like Neurology and Cytrics



ZENLABS ETHICA LIMITED

31st ANNUAL REPORT

2023-2024

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31st ANNUAL GENERAL MEETING



Date

Monday, 30th September, 2024



Time

11.30 A.M.



Location

Plot No.194-195, 3rd Floor, Industrial Area, Phase II, Ram Darbar, Chandigarh-160002



ZENLABS ETHICA LIMITED

CORPORATE INFORMATION



BOARD OF DIRECTORS

Mr. SANJEEV KUMAR

Managing Director & Chief Executive Office (CEO)

Mr. SANJAY DHIR

Whole Time Director (Executive Director)

Mrs. HIMIJYOTI

Non-Executive Director

Mr. ANURAG MALHOTRA

Independent Director

Mr. KULDEEP SINGH

Independent Director



Mr. ADARSH SHARMA
Chief Financial Officer

Ms. MANJU BALA
Company Secretary and
Compliance Officer



STATUTORY AUDITORS

M/s. N KUMAR CHHABRA & CO., CHARTERED ACCOUNTANTS, CHANDIGARH (Registration No.000837N)

SECRETARIAL AUDITORS

JASPREET DHAWAN & ASSOCIATES, COMPANY SECRETARIES
CP NO. 8545
H. No. 705, Phase- 10, Sector- 64, Mohali- 160062, Punjab



REGISTRAR & TRANSFER AGENT

BIGSHARE SERVICES PVT. LTD
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093

Regd. Office: Plot No. 194-195, 3rd Floor, Industrial Area, Phase II, Ram Darbar, Chandigarh-160002, India

Website: <http://www.zenlabsethica.com>

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN THAT THE 31st ANNUAL GENERAL MEETING OF THE ZENLABS ETHICA LIMITED WILL BE HELD ON MONDAY, THE 30st DAY OF SEPTEMBER, 2024 AT 11:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO. 194-195, 3RD FLOOR, INDUSTRIAL AREA, PHASE II, RAM DARBAR, CHANDIGARH-160002, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

Item no. 1 – To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 together with the Report of the Board of Directors and the Statutory Auditors thereon.

To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2024 (including the Balance Sheet as at March 31, 2024; Statement of Profit and Loss for the year ended March 31, 2024; Cash Flow Statement for the year ended March 31, 2024; Statement of changes in Equity for the year ended March 31, 2024 along with summary of significant accounting policies and the accompanying notes forming an integral part of the financial statements) along with the Report of the Board of Directors and the Statutory Auditors’ Report thereon, as placed before the meeting, be and are hereby, received, considered and adopted.”

Item no. 2 – To re-appoint Mr. Sanjay Dhir (DIN: 02452461), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

To consider and if thought it, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution.**

“RESOLVED THAT pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company, be and is hereby accorded to re-appoint Mr. Sanjay Dhir (DIN: 02452461) who retires by rotation in this meeting, as Director, liable to retire by rotation.”

SPECIAL BUSINESS:

Item no. 3 –To re-appoint Mr. Sanjeev Kumar (DIN: 01154896) as Managing Director of the Company for the period of 5 (five) years with effect from September 01, 2024.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and based on the recommendations of the Nomination & Remuneration Committee and approval of the Board of Directors of the Company in their meeting held on August 07, 2024, the consent of the members of the Company, be and is hereby accorded to re-appoint Mr. Sanjeev Kumar (DIN: 01154896) as the Managing Director of the Company for a period of 5 years with effect from September 01, 2024, on such terms and conditions as may be mutually agreed between the Board of Directors and Mr. Sanjeev Kumar from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby severally authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be usual, expedient or proper to give effect to the aforesaid resolution.”

Item no. 4 –To re-appoint Mr. Kuldeep Singh (DIN: 08454422) as an Independent Director of the Company for the 2 (second) term for the period of 5 (five) years.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 (‘the Act’), if any, read with Schedule IV to the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, the Articles of Association of the Company and based on the recommendation of the Nomination Remuneration Committee and the Board of Directors, Mr. Kuldeep Singh (DIN: 08454422), Non –Executive Independent Director of the Company, whose term of office as Independent Director of the Company expired on June 09, 2024 and who has given his consent for re-appointment as an Independent Director of the Company along with a declaration that he meets the criteria of independence under section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from June 10, 2024 to June 09, 2029 (both days inclusive), not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Item no. 5 –To re-appoint Mr. Sanjay Dhir (DIN: 02452461) as Whole Time Director of the Company for the period of 5 (five) years.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the members of the Company, be and is hereby accorded to re-appoint Mr. Sanjay Dhir (DIN: 02452461) as Whole time Director of the Company for a period of 5 (Five) years with effect from April 01, 2025 to March 31, 2030, liable to retire by rotation, on such terms and conditions as may be mutually agreed between the Board of Directors and Mr. Sanjay Dhir from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

On behalf of the Board
For **ZENLABS ETHICA LIMITED**

Date: September 04, 2024
Place: Chandigarh

Sd/-
Manju Bala
Company Secretary and Compliance Officer
M. No. A67831

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and such proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding 50 (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 shareholder.

The instrument of proxy as enclosed with the notice, in order to be effective, should be deposited at the registered office of the Company not less than Forty-Eight (48) hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/ authority, as applicable.

2. During the period beginning 24 hours before the time fixed for the commencement of the Annual General Meeting and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the company provided that not less than three days of notice in writing is given to the company.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the 31st Annual General Meeting of the Company as set out in the Notice is annexed hereto. Further, the relevant details with respect to item nos. 2, 3, 4 and 5 pursuant to regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on the General Meeting issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at the Annual General Meeting are also annexed hereto.
4. Please bring your copy of the annual report to the meeting as the Company would not provide, as a measure of austerity, any copy at the venue of the Annual General Meeting.
5. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the meeting.
6. All documents referred to in the notice along with Register of Directors and Key Managerial Personnel & Shareholding and Register of Contracts and Arrangements in which Directors are interested are open for inspection by the members at the registered office of the Company on all working days, during business hours up to the date of the Annual General Meeting and at the venue of meeting.
7. Members seeking any information with regard to the financial statements or any matter to be placed at the meeting are requested to write to the Company, at least ten (10) days before the meeting through e-mail on zenlabsethicaltd2019@gmail.com, and the same will be suitably replied by the Company.
8. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the 31st Annual General Meeting along with the Annual Report for financial year 2023-24 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories.

If your e-mail address is not registered with the Company/ Depositories, you may receive the Notice of the 31st Annual General Meeting along with the Annual Report for financial year 2023-24 by completing the process for registration of e-mail address as under:

- I. Those shareholders who have registered/not registered their e-mail address or registered an incorrect e-mail address and mobile numbers including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with M/s. Bigshare Services Private Limited, Registrar & Share Transfer Agent of the Company ("RTA") in case the shares are held in physical form.
- II. Shareholders who have or registered an incorrect email address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily get their email address and mobile number registered with the Company's RTA, by clicking the link: www.Bigshareonline.com for sending the Annual Report, Notice of AGM and e-voting notice.

9. Members can avail of the facility of nomination in respect of shares held by them in physical form, if any, pursuant to Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 in duplicate, duly filled in, to the R&T agent at the address mentioned at point no. 9 in the Notes. The prescribed form in this regard may also be obtained from the R&T agent at the address mentioned at point no. 9 in the Notes. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination.

The Company's Registrars & Transfer Agents for its share registry is M/s Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai 400093, Maharashtra, INDIA

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.

- a. **For shares held in electronic form:** to their Depository Participants (DPs)
- b. **For shares held in physical form:** to the Company/Registrar and Transfer Agents (RTA) in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023. In the absence of any of the required documents in a folio, on or after October 1, 2023, the folio shall be frozen by the RTA.

11. Members may note that the Notice of the 31st Annual General Meeting along with the Annual Report for financial year 2023-24 will also be available on website of the Company on the weblink <https://zenlabsethica.com>, website of the Stock Exchanges i.e., BSE Limited at www.bseindia.com and on the website of the CDSL evoting@cdsl.co.in

12. Non-resident Indian shareholders are requested to inform about the following to the Company and its ShareTransfer Agent or the concerned depository Participant, as the case may be, immediately of:

- a) The change in the residential status on return to India for permanent settlement.
- b) The particulars of the NRE Account with a Bank in India, if not furnished earlier.

13. Entry to the venue will be strictly regulated by the attendance slip which is annexed to the proxy form. Members are requested to produce the attendance slip duly signed along with photo identity proof i.e., PAN Card / Aadhar Card/ Driving License / Passport Copy, if any, at the entrance of venue.

14. Members, who hold shares in:

- a. Multiple DE-MAT accounts and/ or
- b. One or more folios in physical form are advised to consolidate their holdings in single DE-MAT account.

15. Members are requested to correspond with RTA for all matters relating to shareholding in the Company.

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

In compliance with Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 44 of the Listing Regulations, and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to "e-voting Facility Provided by Listed Entities", the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by the Central Depository Services (India) Ltd (CDSL) all the resolutions set forth in this Notice. The facility for voting will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM.

Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

- (i) The remote e-voting period begins on the Thursday 26th day of September, 2024 (9.00 a.m. IST) and ends on Sunday, the 29th day of September, 2024 (5.00 p.m. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday the 23rd September, 2024 (Record Date), may cast their vote electronically.
- (ii) The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently. Members have the option to cast their

vote on any of the resolutions using the remote e-voting facility, Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM

- (iii) A person who is not a member as on cut-off date i.e., Monday the 23rd September, 2024, should treat this Notice for information purpose only.
- (iv) A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, viz., Monday, the 23rd September, 2024, only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic voting system.
- (v) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date (record date) of Monday, the 23rd September, 2024.
- (vi) Since the company is required to provide members the facility to cast their vote by electronic means, shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date and not casting their vote electronically, may cast their vote at the AGM venue. Facility will be available at the venue.
- (vii) The company has appointed CS Jaspreet Singh Dhawan, Practicing Company Secretary, M/s Jaspreet Dhawan & Associates (FCS 9372; CP 8545) as the scrutinizer for conducting the e-voting process in a fair and transparent manner. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL/CDSL and RTA, and will also be displayed on the Company's website, www.zenlabsethica.com.
- (viii) The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (ix) Institutional shareholders (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 jaspreestdhawan1@gmail.com with a copy marked to evoting@cdsl.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.
- (x) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the User ID and Password by sending a request at evoting@cdsl.co.in. However, if he/ she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and Password for casting the vote. In case of individual shareholders holding securities in dematerialized mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in dematerialized mode.
- (xi) Voting will be provided to the members through e-voting and/or at the AGM venue by ballot paper. A member can opt for only one mode of voting i.e., either through e-voting or voting at the AGM. If a member cast votes by both modes, then voting done through e-voting shall prevail and the voting at AGM shall be treated as invalid.

(xii) **The details of the process and manner for remote e-voting / e-voting is explained herein below:**

In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

However, it has been observed that the participation by the public non-institutional shareholders /retail shareholders is at a negligible level.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"><li data-bbox="558 638 1417 793">1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab.<li data-bbox="558 827 1417 1108">2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<li data-bbox="558 1142 1417 1234">3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<li data-bbox="558 1268 1417 1482">4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) 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’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
Individual shareholders (Holding securities in demat mode) login through their Depository Participants	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility.</p> <p>II. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.</p> <p>III. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period</p>

Note: Members who are unable to retrieve user ID/password are advised to use *Forgot user ID and Forgot password option* available at respective websites.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 18002109911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022-48867000 and 022-24997000

- (xiii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (xiv) Click on “Shareholders” module.
- (xv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the

Company.

- (xvi) Next enter the Image Verification as displayed and Click on Login.
- (xvii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (xviii) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in <i>dd/mm/yyyy</i> format) as recorded in your Demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field.

- (xix) After entering these details appropriately, click on “SUBMIT” tab.
- (xx) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xxi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xxii) Click on the **EVSN (240902080)** for the relevant **ZENLABS ETHICA LIMITED** on which you choose to vote.
- (xxiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xxiv) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- (xxv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xxvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xxvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

- (xxviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxix) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xxx) **Additional Facilities for Non-Individuals Shareholders and Custodians for Remote E-voting only.**
- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@zenlabsethica.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the **cut-off date i.e., 23rd September, 2024** may follow the same instructions as mentioned above for e-Voting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like 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 Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. Or Contact at toll free no. 18002109911.

16. The shareholders can also access the Annual Report 2023-24 of the Company circulated to the Members of the Company and other information about the Company on Company’s website, i.e., www.zenlabsethica.com
17. Members are requested to come and occupy their seats at least 15 minutes before commencement of 31st Annual General Meeting. Due to security reasons, note that briefcase/ bags/eatables/electronic gadgets such as a mobile, laptop, camera, etc., will NOT be allowed along with members/proxies in the 31st Annual General Meeting venue during meeting hours. In case any member/proxy brings electronic gadgets or other items mentioned above the same has to be deposited with security outside the 31st AGM venue at the owners’ risk.
18. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company requesting the Company to consolidate their holdings in one folio.

19. As per Section 118(10) of the Companies Act, 2013 read with the Secretarial Standards for General Meeting Issued by Institute of Company Secretaries of India "NO GIFTS, GIFT COUPONS OR CASH IN LIEU OF GIFTS SHALL BE DISTRIBUTED TO MEMBERS AT OR IN CONNECTION WITH THE 31ST ANNUAL GENERAL MEETING".
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN to the RTA of the Company.
21. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or of staying abroad or demise of any member as soon as possible. Members are also advised not to leave their Demat accounts dormant for long. Periodical statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.
22. The attendance slip and route map showing prominent landmark is annexed to the notice. The route map has been uploaded on the website of the Company.

On behalf of the Board
For ZENLABS ETHICA LIMITED

Date: 04th September, 2024
Place: Chandigarh

Sd/-
Manju Bala
Company Secretary & Compliance Officer
M. No. A67831

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”) AND SECRETARIAL STANDARD II ON GENERAL MEETINGS:

ITEM NO. 3

To re-appoint Mr. Sanjeev Kumar (DIN: 01154896) as Managing Director of the Company for the period of five (5) years with effect from 01st September 2024.

Pursuant to the provisions of section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Schedule V thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (including any statutory modification or re-enactment thereof, for the time being in force) and Article of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company in their meeting held on August 07, 2024, the consent of the members of the Company is sought **for re-appointment of Mr. Sanjeev Kumar (DIN: 01154896) as the Managing Director of the Company for the period of 5 (five) years from September 01, 2024 to August 31, 2029** on such terms and conditions as may be mutually agreed between the Board of Directors and Mr. Sanjeev Kumar from time to time.

Mr. Sanjeev Kumar’s visionary guidance has been instrumental in driving company’s remarkable growth. Throughout his tenure, including the challenging times presented by the COVID-19 pandemic, he has exhibited exceptional leadership skills and a steadfast commitment towards Company’s progress. Under his astute leadership, the Company has achieved steady growth, marked by consistent expansion, strategic initiatives, and a relentless pursuit of excellence. His ability to navigate through uncertainties and make well-informed decisions has ensured the sustainability of Company’s operations. It would be therefore in the interest of the Company to re-appoint Mr. Sanjeev Kumar as Managing Director of the Company.

Mr. Sanjeev Kumar satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

A brief profile and additional information as required to be provided pursuant to the requirements of Regulation 36 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of the said Director, is provided in **Annexure – I** to this Notice and forms part of the Statement.

In view of the foregoing, it is therefore necessary for the shareholders to pass an ordinary resolution as set out at Item No. 3 of the Notice. Save and except Mr. Sanjeev Kumar, and his relatives to the extent of their shareholding interest, in the Company, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice.

The Board now recommends and proposes to pass the resolution as set out in Item no. 3 of the Notice as Ordinary Resolution.

ITEM NO. 4

To re-appoint of Mr. Kuldeep Singh (DIN: 08454422) as an Independent Director of the Company for the 2 (second) term of 5 (five) consecutive years

Pursuant to the provisions of Section 149, 150 and other applicable provisions of the Companies Act, 2013 (“the Act”), if any, read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors)

Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in accordance with the recommendations of the members of Nomination & Remuneration Committee and the Board of Directors, the Board proposed the re-appointment of Mr. Kuldeep Singh (DIN: 08454422) as an Independent Director of the Company for the 2 (second) term of 5 (five) consecutive years with effect from June 10, 2024 till June 09, 2029, not liable to retire by rotation.

Pursuant to the provisions of section 149(6) of the Companies Act, 2013 read with Schedule IV, the Board is of the opinion that the proposed appointee fulfills the conditions specified in the Act and the Rules made thereunder read with Regulation 16(1)(b) and that the said Director is independent of the management.

A brief profile and additional information as required to be provided pursuant to the requirements of Regulation 36 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of the said Director, is provided in **Annexure – I** to this Notice and forms part of the Statement.

The Board considers that the re-appointment of the said Director would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director of the Company. In terms of the provisions of Section 149 (13) of the Act, the said Director shall not be liable to retire by rotation.

Save and except Mr. Kuldeep Singh and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.4 of the Notice.

The Board now recommends and proposes to pass the resolution as set out in Item no. 4 of the Notice as Special Resolution.

ITEM NO. 5.

To re-appoint Mr. Sanjay Dhir (DIN – 02452461) as Whole Time Director of the Company for the period of 5 (five) consecutive years

Pursuant to the provisions of section 196, 197, and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Schedule V thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (including any statutory modification or re-enactment thereof, for the time being in force) and Article of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company in their meeting held on September 4, 2024, the consent of the members of the Company is sought for approving the re-appointment of Mr. Sanjay Dhir (DIN: 02452461) as Whole Time Director of the Company for the period of 5 (five) years with effect from April 01, 2025 till March 31, 2030 on such terms and conditions as may be mutually agreed between the Board of Directors and Mr. Sanjay Dhir from time to time.

Mr. Sanjay Dhir has been instrumental for the growth of the company and is responsible for new market development and new businesses. He has given valuable contributions in driving company’s business and has played a pivotal role in expanding Company’s market presence, fostering partnerships and driving operations of the Company to its new heights. It would be therefore in the interest of the Company to re-appoint Mr. Sanjay Dhir as Whole time Director of the Company.

The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of Directors.

Mr. Sanjay Dhir satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified

from being appointed as Director in terms of Section 164 of the Act.

Save and except Mr. Sanjay Dhir and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.5 of the Notice.

The Board now recommends and proposes to pass the resolution as set out in Item no. 5 of the Notice as Special Resolution.

**On behalf of the Board
For ZENLABS ETHICA LIMITED**

Sd/-

**Date: 04th September, 2024
Place: Chandigarh**

**Manju Bala
Company Secretary & Compliance Officer
M. No. A67831**

THE DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT, PERTAINING TO THE ITEM NO. 3, 4 & 5 OF THE NOTICE

(Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India)

Name of Director	Sanjay Dhir	Sanjeev Kumar	Kuldeep Singh
DIN No.	02452461	01154896	08454422
Date of Birth	19/02/1971	03/07/1969	14/07/1967
Date of First-appointment on the Board	11/08/2016	27/08/2008	10/06/2019
Experience and expertise in specific functional areas	Mr. Sanjay Dhir has extensive experience in leading operations of large organizations and possess expertise in developing and implementing business strategies for the company. Further, he possesses deep understanding of Consumer behaviour in diverse environments and conditions pertaining to core business areas of the Company. Having more than 20 years of experience in Pharmaceuticals Industries	He has vast expertise in Pharma industry, areas of Finance of the Company and has over three decades of experience in the corporate world, during which he forged the strengths of Zenlabs	Mr. Kuldeep Singh has more than 25 years of experience in the field Business Strategy, Marketing Management Business administration.
Directorships held in other (excluding foreign) Companies	1. Quixotic Pharma private limited 2. Preet remedies limited 3. Oasis Pharma and phytomolecules private limited 4. Hexford laboratories private limited 5. Zen labs India Private Limited	1. Oasis Pharma and Phytomolecules private limited. 2. Preet Remedies Limited 3. Ultra Chiron Healthcare Private Limited. 4. Ultra Chiron Pharmaceuticals Pvt Ltd. 5. Zen labs India Private Limited. 6. Quixotic Pharma Private Limited. 7. Quadriga Biotech Private Limited.	NIL

Memberships/ Chairmanships of Committees across public companies	NIL	NIL	NIL
Relationship with other Directors/ KMPs/ Manager	He is husband of Mrs. Himjyoti, Director and Promoter of the Company	NIL	NIL
Number of Board meetings attended during the year	Eight (8)	Eight (8)	Eight (8)

Board's Report

Dear Shareholders,

The Board of Directors is pleased to present the 31st Annual Report on the business and operations of your Company along with the audited statement of accounts and the Auditors' Report for the financial year ended March 31, 2024. The highlights of the financial results for the year under review are given below:

1. FINANCIAL RESULTS:

The Company's financial and operational performance for the year ended March 31, 2024 is summarized below:

(Rs. in Lakh)

<i>PARTICULARS</i>	<i>2023-24</i>	<i>2022-23</i>
<i>Operating Income</i>	<i>5856.31</i>	<i>6,688.64</i>
<i>Other Income</i>	<i>29.92</i>	<i>12.84</i>
<i>Total Income</i>	<i>5886.23</i>	<i>6,701.48</i>
<i>Less: Total Expenditure</i>	<i>5828.08</i>	<i>6,576.50</i>
<i>Profit before tax</i>	<i>58.15</i>	<i>124.98</i>
<i>Less: Provision for Tax</i>	<i>16.03</i>	<i>18.52</i>
<i>Profit after tax</i>	<i>42.12</i>	<i>48.93</i>
<i>Other Comprehensive Income</i>	<i>(0.17)</i>	<i>4.28</i>
<i>Total Comprehensive Income/expenses for the year</i>	<i>41.95</i>	<i>53.21</i>
<i>Balance of profit /loss for earlier years</i>	<i>319.35</i>	<i>282.41</i>
<i>Balance carried forward</i>	<i>361.30</i>	<i>319.35</i>
<i>Earning per equity share (nominal value of shares Rs. 10 each)</i>		
<i>Basic</i>	<i>0.65</i>	<i>0.75</i>
<i>Diluted</i>	<i>0.65</i>	<i>0.75</i>

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report.

Further, there has been no change in nature of business of the Company.

2. THE STATE OF THE COMPANY'S AFFAIRS:

Your company is one of the leading marketing companies, which is trading in wide range of branded drugs including GIT disorders, Anti-Diabetics, Anti-Hypertensive Drugs, Anti-Infective, Soaps & Anti-Bacterial Drugs, Nutraceuticals and more. Zenlabs Ethica Limited corporate sustainability is demonstrated through

- (a) fair, transparent and ethical governance,
- (b) engagement with marginalized and vulnerable communities,
- (c) adherence to and respect for all human rights,
- (d) reduction of impact of its operations on the environment and
- (e) promotion of employee well-being and safety.

In last three years, your company has optimized its business models, reshaped its portfolio, and expanded its footprint to strengthen its competitive position in key geographies. Throughout the pandemic, your company has up scaled our capabilities to ensure widespread availability of quality medicines. Your Company is committed to investing in talent to nurture an agile, innovation, and excellence-focused culture.

Management discussion and analysis report attached as Annexure-D to the Director's Report provides detailed analysis of the State of the Company's Affair, including the future prospects for the Company.

3. TRANSFER TO RESERVES:

During the financial year 2023-24 the Company has transferred INR 42.12 Lakh (Profit after tax) to the General Reserves.

4. DIVIDEND:

The Board of Directors of your company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the financial year ended March 31, 2024.

5. CHANGES IN SHARE CAPITAL, IF ANY:

During the year under review, there has been no change in the authorized, issued, subscribed and paid-up share capital share capital of the Company.

As on 31st March 2024, the authorized share capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- (Rupees Ten) each and paid-up share capital is Rs. 6,51,00,150 (Rupees Six Crore Fifty-One Lakhs One Hundred Fifty only) divided into 65,10,015 (Sixty-Five Lakhs Ten Thousand Fifteen only) equity shares of Rs. 10/- (Rupees Ten only) each.

The detailed break-up of the share capital is furnished in Note-15 to the 'Notes to Accounts' of the Audited Financial Statements of the Company.

6. ANNUAL RETURN:

The Annual Return of the Company as on March 31, 2024 in Form MGT - 7 in accordance with Section 92(3) and Section 134(3)(a) of the Companies Act ,2013 as amended from time to time and the Companies (Management and Administration) Rules, 2014, will be made available on the website of the Company at [https:// www.zenlabsethica.com](https://www.zenlabsethica.com).

7. BOARD OF DIRECTORS OF THE COMPANY:

a) Composition of the Board of the Directors

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013. The Board of Directors comprised of 5 (five) Directors as on March 31, 2024. The names of the directors, their DIN, category of their directorship along with other relevant details are given hereunder: -

Name of the Director	DIN	Designation	Category
Mr. Sanjeev Kumar	01154896	Managing Director	Promoter
Mr. Sanjay Dhir	02452461	Whole-time Director	Promoter
Mrs. Himjyoti	02398927	Non-Executive Director	Promoter Group
Mr. Anurag Malhotra	07552713	Non-Executive Independent Director	Non-promoter
Mr. Kuldeep Singh	08454422	Non-Executive Independent Director	Non-promoter

***Note:** Mr. Hitesh Popatlal Oswal ceased to be Director of the Company with effect from 30th September, 2023.
Mr. Ashok Kumar Gupta ceased to be Director of the Company with effect from 18th October, 2023.

b) Meeting and attendance

During the financial year ended on March 31, 2024, the Board met 8 (Eight) times during the year under review. The details of such meetings are given below. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act. The Attendance of the Directors at the Board Meetings are as under:

Board Meeting	Mr. Sanjay Dhir	Mr. Sanjeev Kumar	Mrs. Himjyoti	Mr. Hitesh Popatlal Oswal*	Mr. Kuldeep Singh	Mr. Anurag Malhotra	Mr. Ashok Gupta*
01 st May 2023	P	P	P	P	P	P	P
24 th May 2023	P	P	P	P	P	P	P
28 th July 2023	P	P	P	P	P	P	P
04 th September 2023	P	P	P	P	P	P	P
06 th November 2023	P	P	P	-	P	P	-
06 th November 2023	P	P	P	-	P	P	-
15 th December 2023	P	P	P	-	P	P	-
29 th January 2024	P	P	P	-	P	P	-

***Note:** Mr. Hitesh Popatlal Oswal ceased to be Director of the Company with effect from 30th September, 2023.
Mr. Ashok Kumar Gupta ceased to be Director of the Company with effect from 18th October, 2023.

c) Directors retiring by rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sanjay Dhir, Whole-Time Director, is due to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors on the recommendation of the Nomination and Remuneration Committee ("NRC") has recommended his re-appointment.

Resolution seeking his re-appointment along-with his profile as required under Regulation 36(3) of the Listing Regulations forms part of the Notice of 31st Annual General Meeting.

d) Directors / Key Managerial Personnel appointed / resigned during the financial year under review and up to the date of this report:

During the period under review following changes took place in the composition of Board of directors and Key Managerial Personnel of company:

Name	DIN/PAN	Designation	Date of appointment/ change in designation /cessation	Nature of change
Mrs. Tanvi Chhabra	ARXPC9818N	Company Secretary and Compliance officer	28/04/2023	Cessation
Mr. Akshay Saxena	HFJPS0054F	Company Secretary and Compliance officer	28/07/2023	Appointment
Mr. Adarsh Sharma	AMYPS7789J	Chief Financial Officer (CFO)	28/07/2023	Appointment
Mr. Sanjay Dhir	AFFPD9015E	Chief Financial Officer (CFO)	28/07/2023	Cessation
Mr. Hitesh Popatlal Oswal	06715966	Additional Director	30/09/2023	Cessation
Mr. Ashok Kumar Gupta	07330108	Non-Executive Independent Director	18/10/2023	Cessation

After the closure of financial year and before the date of signing of Board report following changes took place in the Key Managerial Personnel of company:

Name	DIN/PAN	Designation	Date of appointment/ change in designation /cessation	Nature of change
Mr. Akshay Saxena	HFJPS0054F	Company Secretary & Compliance officer	19/07/2024	Cessation
Ms. Manju Bala	GBCPB1173G	Company Secretary & Compliance Officer	07/08/2024	Appointment

e) Declaration of Independent Directors:

The Independent Directors of your Company have submitted requisite declarations that they continue to meet the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulations 16(1) (b) and there is no change in the status of their Independence and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Independent Directors of your Company are in compliance with the requirements under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended).

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

f) Independent Directors Meeting and Board Evaluation

In order to ensure that the Board and Board Committees are functioning effectively and to comply with the statutory requirements, the annual performance evaluation of the Board, Board Committees and individual Directors was conducted during the year. The evaluation was carried out based on the criterion and framework approved by the Nomination and Remuneration Committee pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of Independent Directors held on January 01, 2024, performance of Non-Independent Directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

At the board meeting that followed the meeting of the Independent Directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual Directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the Independent Director being evaluated.

8. COMMITTEES OF THE BOARD:

a) Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with the rules made thereunder. The Committee comprises of members who possess financial and accounting expertise/exposure.

During the year under review, Meetings of the Audit Committee were held as follows:

Meeting	01 st Meeting	02 nd Meeting	03 rd Meeting	04 th Meeting
Date	24-05-2023	28-07-2023	06-11-2023	29-01-2024

Composition of the Committee and details of attendance of each Member at the Audit Committee Meetings are as follows:

S. No.	Name	Designation	Number of Meetings during the financial year 2023-24	
			Entitled to Attend	Attended
1	Mr. Ashok Kumar Gupta* (Chairman & Member)	Independent Director Non-Executive	2	2
2	Mr. Kuldeep Singh** (Chairman & Member)	Independent Director Non-Executive	2	2
3	Mr. Anurag Malhotra (Member)	Independent Director Non-Executive	4	4
3	Mr. Sanjay Dhir (Member)	Executive Director	4	4

Note: *Mr. Ashok Kumar Gupta ceased to be the Chairman & member of the Committee subsequent to his resignation from the post of Independent Director of the Company with effect from 18th October, 2023.

**Mr. Kuldeep Singh, Independent Director was appointed as a Chairman & member of the Committee with effect from 6th November, 2023.

The Manager, Chief Financial Officer, Internal Auditors, Statutory Auditors and other senior executives of the Company attended the Audit Committee Meetings as invitees. The Company Secretary acts as the Secretary to the Audit Committee.

b) Nomination and Remuneration Committee

The composition, powers, role and terms of reference of the Nomination and Remuneration Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013. Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

During the year under review, Meetings of the Committee were held as follows:

Meeting	1 st Meeting	2 nd Meeting	3 rd Meeting
Date	20-06-2023	18-10-2023	06-11-2023

Composition of NRC and details of attendance of the Members at Meetings of the Committee are as follows:

Sr. No.	Name	Number of meetings during the financial year 2023-24	
		Entitled to Attend	Attended
1	Mr. Ashok Kumar Gupta* (Chairman & Member)	2	2
2	Mrs. Himjyoti ** (Chairman & Member)	1	1
3	Mr. Anurag Malhotra (Member)	3	3
4	Mr. Kuldeep Singh (Member)	3	3

Note: *Mr. Ashok Kumar Gupta ceased to be the Chairman & member of the Committee subsequent to his resignation from the post of Independent Director of the Company with effect from 18th October, 2023.

** Mrs. Himjyoti, Non-Executive Director was appointed as a Chairman & member of the Committee with effect from 6th November, 2023.

c) Stakeholder Relationship Committee

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013.

During the year under review, Meetings of the Committee were held as follows:

Meeting	1 st Meeting	2 nd Meeting	3 rd Meeting	04 th Meeting	05 th Meeting	06 th Meeting
Date	19-04-2023	03-02-2024	22-02-2024	27-02-2024	28-02-2024	20-03-2024

Sr. No.	Name	Number of meetings during the financial year 2023-24	
		Entitled to Attend	Attended
1	Mr. Anurag Malhotra (Chairman & Member)	6	6
2	Mr. Ashok Kumar Gupta (Member)*	1	1
3	Mr. Kuldeep Singh(Member)**	5	5
4	Mrs. Him jyoti (Member)	6	6

Note: **Mr. Ashok Kumar Gupta ceased to be the member of the Committee subsequent to his resignation from the post of Independent Director of the Company with effect from 18th October, 2023.

**Mr. Kuldeep Singh, Independent Director was appointed as a member of the Committee with effect from 6th November, 2023.

9. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Company's Policy on Director's appointment and remuneration and other matters provided in section 178(3) of the Companies Act, 2013 is available on the website of the Company and can be accessed at <https://www.zenlabsethica.com/policies/>.

10. STATUTORY AUDITORS:

Pursuant to Section 139 of the Companies Act, 2013, and rules made thereunder, M/s. N Kumar Chhabra & Co., Chartered Accountants, Chandigarh (Registration No.000837N), were appointed as Statutory Auditors of the Company in the 28th Annual General Meeting held on September 30, 2021 to hold the office from the conclusion of the said Annual General Meeting until the conclusion of the 33th Annual General Meeting to be held in year 2026.

Pursuant to 141 of the Companies Act, 2013 and relevant Rules prescribed thereunder, the Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

Statutory Auditor of the company have audited the accounts of your Company for the FY 2023-24 and their report is annexed together with the explanatory notes therein, which are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Pursuant to sub-section (3)(ca) of section 134 of the Companies Act, 2013, it is further declared that no frauds have been reported by the Auditors under sub-section (12) of section 143 of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

11. INTERNAL AUDITORS:

Pursuant to Section 138 of the Companies Act, 2013 read with applicable rules made thereunder, The Board of Directors appoint **M/s Anu & Associates, Chartered Accountants** as the Internal Auditors of your Company,

The Internal Auditors have reviewed the design and operating effectiveness of various process covering the surveillance, operational, statutory compliances, business development, administrative, human resource, financial & accounting aspects of your Company.

The Internal Auditors were satisfied with the management response on the observation and recommendations made by them during the course of their audit and have expressed satisfaction with the internal systems, controls and process followed by your Company.

12. SECRETARIAL AUDITOR & REPORT:

Pursuant to Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Jaspreet Dhawan & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for year ended March 31, 2024.

The Report of the Secretarial Audit is annexed herewith as **Annexure - A**. The said Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks and disclaimer.

13. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors, to the best of its knowledge and ability, confirm that:

- a. That in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures.
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that Period.
- c. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the Directors have prepared the Annual accounts on a going concern basis.
- e. That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. RESEARCH AND DEVELOPMENT:

As your Company is a trading company and not directly involved in any manufacturing activity, your Company is not directly involved in any Research and Development activities.

15. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company's operations do not involve high consumption of energy. The company has taken adequate measures regarding conservation of energy.

The details of the Foreign Exchange earnings and outgo are given as the part to the Notes to Account of the Financial statement.

16. DEPOSITS:

Your Company had not invited any deposits from the public, and as such, no amount on account of principal or interest related thereto was outstanding as on the date of the Balance Sheet i.e., March 31, 2024.

17. PARTICULARS OF EMPLOYEES:

The ratio of remuneration of each Director to the median employee's remuneration and other details in accordance with Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure B**.

18. BUY BACK OF SHARES:

During the year under review, your Company has not announced any scheme for buy back of shares from its shareholders.

19. CORPORATE GOVERNANCE:

The company falls under the exemption criteria as provided under Regulation 15(2)(a) of the SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015 as the Paid-up capital of the company was below Rs. 10 Crores and net worth was below Rs. 25 Crores as on the last day of the previous financial year.

As on 31st March, 2024, Company's Paid-up Capital is of Rs. 6,51,00,150/- (Rupees Six Crore Fifty-One Lakhs and One Hundred Fifty only) and Net worth INR 101,230,000/- (Indian Rupees Ten Crore Twelve Lakh

Thirty-Five Thousand Only).

Hence, compliance with Corporate Governance provisions as per Listing Obligations & Disclosure requirements (LODR) Regulations, 2015 are not applicable to company.

20. VIGIL MECHANISM POLICY:

The Board, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 has framed a "VIGIL MECHANISM".

Your Company believes in highest possible standards of ethical practices, moral and legal conduct of business operations and to maintain these standards, the Company encourages its Directors and employees to come forward and freely communicate their concerns about illegal or unethical practices/ behavior, actual or suspected, fraud or violation the appropriate authority so that timely and speedy investigations can be undertaken and corrective action could be taken if warranted.

This mechanism has been framed with a view to enable stakeholders, including Directors, individual employees of the Company to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievance as also to report to the management concerns about unethical behaviors, actual or suspected fraud.

The framework provides for (a) adequate safeguards against victimization of persons who use this Mechanism; and provides (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company.

Details of the VIGIL MECHANISM are made available on the Company's website www.zenlabsethica.com.

21. SUBSIDIARIES/ ASSOCIATES/JOINT VENTURES:

The Company has no subsidiary/Joint ventures/Associate Companies as per the provisions of Companies Act, 2013. Further, M/s Preet Remedies Limited holds 17,30,455 equity shares in M/s Zenlabs Ethica Limited. Therefore, our Company is associate company of M/s Preet Remedies Limited.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

None of the transactions with related parties entered by the Company during financial year under review, fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company and hence does not form part of this report.

The approval of the Audit Committee was sought for all transactions with related Parties'. Certain transactions which were repetitive in nature were approved through omnibus route.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Your Company has, during the year under review, not given any loans, guarantees or provided security and has not made any investments in any body-corporate as specified under Section 186 of the Companies Act, 2013.

24. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year i.e., March 31, 2024 and the date of this Report.

25. RISK MANAGEMENT POLICY:

The Company has adopted a Policy on Risk Management to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business.

In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In addition to above, the Audit Committee of the Board has additional oversight in the area of financial risks and controls. Major risk identified by the business and functions are systematically addressed through mitigating actions on a continuous basis.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review, there were no significant material orders passed by the Regulators / Courts and no litigation was outstanding as on March 31, 2024, which would impact the going concern status and future operations of your Company.

27. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

There are adequate systems of internal financial controls in the Company pursuant to provisions of Section 134(q) read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014. The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the companies Policies, the safeguarding of its assets, prevention and detection of frauds, and accuracy of the accounting records and timely preparation of financial disclosures.

The Company has appointed M/s Anu & Associates, Chartered Accountants, as Internal Auditors for the financial year 2023-24.

The Internal Auditor monitors and evaluates the efficiency and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committees of the Board.

28. CORPORATE SOCIAL RESPONSIBILITY:

The Provisions of Section 134(3) (o) and Section 135 of the Companies Act, 2013 read with Rule 8 of Companies (CSR Policy) Rules, 2014 regarding Corporate Social Responsibility do not apply to the Company for the period under review.

29. MAINTENANCE OF COST RECORDS & COST AUDIT:

Neither maintenance of cost records nor audit of cost records as required under Section 148 of the Act read with relevant rules made thereunder is applicable to the Company.

30. DISCLOSURES UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

Your Company is committed to provide a safe and secure environment to its women employees across its functions and other women stakeholders, as they are considered as integral and important part of the organization.

In terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (as amended) and Rules framed thereunder, your Company has duly adopted a Policy and has also complied with the provisions relating to the constitution of Internal Complaints Committee (ICC).

During the year under review, the Company has not received any complaint pertaining to sexual harassment.

Your Company has been conducting awareness campaign across the organization office premises to encourage its employees to be more responsible and alert while discharging their duties.

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report as per Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Board Report as per **Annexure C**.

32. STATEMENT REGARDING COMPLIANCE OF SECRETARIAL STANDARDS:

During the year under review, your Company has duly complied with the applicable provisions of the Revised Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS2) issued by the Institute of Company Secretaries of India (ICSI).

33. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016):

During the year under review, no Corporate Insolvency Resolution application was made or proceeding was initiated, by/against Zenlabs Ethica Limited under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended). Further, no application / proceeding by/against Zenlabs Ethica Limited under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended) is pending as on March 31, 2024.

34. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Your directors would like to express their appreciation for assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

**For and on behalf of the Board
ZENLABS ETHICA LIMITED**

**Date: 4th September, 2024
Place: Chandigarh**

**Sd/- Sanjeev Kumar
Managing Director
DIN: 01154896** **Sd/- Sanjay Dhir
Whole-Time Director
DIN: 02452461**

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Zenlabs Ethica Limited
CIN: L74900CH1993PLC033112
Plot No. 194-195, 3rd Floor
Industrial Area, Phase II, RamDarbar
Chandigarh-160002, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ZENLABS ETHICA LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanation and clarification given to us and the representations made by the management, We, hereby report that in our opinion, the Company has, during the audit year covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, forms and returns filed and other records made available to us and maintained by the company for the financial year ended on March 31, 2024 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under.
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **Not Applicable as the Company has not delisted/ proposed to delist its equity shares from any Stock Exchange during the financial year under review**;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

- g. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period);**
- h. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit Period).**

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India;
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015,

During the year under review, the Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards and Listing Agreement/Obligations mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had no events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Jaspreet Dhawan & Associates
Peer Review Cert. No. 1335/2021
Company Secretaries**

Sd/-
Jaspreet Singh Dhawan
FCS 9372
CP. No: 8545

UDIN- F009372F001049587

Date: 27/08/2024

Place: Mohali

*This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.*

'Annexure A' to the Secretarial Audit Report

To,
The Members
Zenlabs Ethica Limited
CIN: L74900CH1993PLC033112
Plot No. 194-195, 3rd Floor
Industrial Area, Phase II, RamDarbar
Chandigarh-160002, India

Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions or corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Jaspreet Dhawan & Associates
Peer Review Cert. No. 1335/2021
Company Secretaries**

Sd/-

Jaspreet Singh Dhawan

FCS 9372

CP. No: 8545

UDIN- F009372F001049587

Date: 27/08/2024

Place: Mohali

*This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.*

ANNEXURE B**{DISCLOSURE UNDER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014}**

- a) The ratio of remuneration of each director to the median remuneration of the employees;
Total remuneration given to employees during the year ended 31/03/2024: Rs. 1,01,45,000.

Remuneration given to directors:

S. No.	Name of Director's / KMP's	Remuneration as on 31/03/2024	% Change
1	Sanjeev Kumar Managing Director and CEO	49,80,000	No change
2	Sanjay Dhir Whole-Time Director	37,20,000	No change
3.	Ms. Tanvi Chhabra Company Secretary & Compliance Officer	70,000	No change
3	Adarsh Sharma Chief Financial Officer	9,75,000	No change
4.	Akshay Saxena Company Secretary & Compliance Officer	4,00,000	No change

- b) % increase in remuneration of each Director, KMP and of % increase in median remuneration of employees
% increase in remuneration of CMD: Nil
% increase in remuneration of KMP: Nil
% increase in remuneration of median: Nil
- c) Number of permanent employees on the rolls of the company as on 31st March, 2024 is 65 (including CMD).
- d) Justification of increase in managerial remuneration with that of increase in remuneration of other employees: There is no increase in the remuneration of Managing Director and Whole-Time Director during the year under review. The remuneration of the Managing Director and Whole-Time Director is revised by the Board generally only on the basis of the performance level of the Company, whereas employee salary is revised every year. The last revision of Managing Director and Whole-Time Director remuneration was made in the year NIL. Therefore, there is no increase made during the year 2023-24 as decided by the Nomination & Remuneration Committee and the Board.
- e) Affirmation that remuneration is as per remuneration policy of the Company.

I Sanjeev Kumar, Managing Director of the company hereby affirm that all the employees including key managerial personal are paid remuneration as per the remuneration policy formulated by the company and approved by the Board. No employee is treated unfairly or denied any benefits as may be applicable and payable to him as per the company's payment of remuneration policy.

**On behalf of the Board
For Zenlabs Ethica Limited**

**Date: 4th September, 2024
Place: Chandigarh**

**Sd/-
Sanjeev Kumar
Managing Director
DIN: 01154896**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Introduction

Your company is one of the leading marketing companies, which is trading in wide range of branded drugs including GIT disorders, Anti-Diabetics, Anti-Hypertensive Drugs, Anti-Infective, Soaps & Anti-Bacterial Drugs, Nutraceuticals and more. Zenlabs Ethica Ltd corporate sustainability is demonstrated through (a) fair, transparent and ethical governance, (b) engagement with marginalized and vulnerable communities, (c) adherence to and respect for all human rights, (d) reduction of impact of its operations on the environment and (d) promotion of employee well-being and safety.

In last three years, your company has optimized its business models, reshaped its portfolio, and expanded its footprint to strengthen its competitive position in key geographies. Throughout the pandemic, we have upscaled our capabilities to ensure widespread availability of quality medicines. Your Company is committed to investing in talent to nurture an agile, innovation, and excellence-focused culture.

Management discussion and analysis report reflecting the performance and outlook including the future prospects for the Company is presented herewith.

(a) Industry Structure and development:

The global economy faced headwinds in FY 2023-24, as inflation rose due to energy price hikes and supply chain disruptions caused by the Russia-Ukraine war and COVID-19 related lockdowns in China. Key developed economies slowed down and central banks struggled to contain inflation despite raising interest rates. As a result, the global economy contracted. However, there were signs of recovery by the end of the year, with India leading the way by growing at a brisk pace and inflation easing to more comfortable levels.

While the industry is expected to return to pre-pandemic growth rates by 2025, uncertainties related to viral variants, vaccine distribution, economic and geopolitical factors may impact future growth.

(b) Opportunities and Threats:

The priorities of the industry are changing, concentrating more on re-organization of operations, development of new markets and marketing techniques, giving the organization's vision a global outlook and retaining and building upon customer relationships. Fragmented markets provide many opportunities for company to expand and increase market share. New markets allow company to expand their business and diversify their portfolio of products and services.

Changes to government rules and regulations can negatively affect the company. Politics can increase company's risk factors, because governments can quickly change business rules that negatively affect company's business. Political Risk has a significant impact; Volatile costs mean company has to plan for scenarios where costs skyrocket. Cautious planning leads to development delays that can negatively affect the company.

Pricing of several antibiotics, vaccines, anti-cancer drugs and many other important drugs has reduced effective from 11th November, 2022. The NLEM focuses on aspects such as safety, efficacy, availability, and affordability. It comprises of 384 drugs across 27 categories. While the 2022 list has 34 new drugs, 26 drugs from the 2015 list have been removed.

(c) **Segment wise or product-wise performance:**

The currently company is engaged in trading in a wide range of branded drugs including GIT disorders, Anti-Diabetics, Anti-Hypertensive Drugs, Anti-Infective, Soaps & Anti- Bacterial Drugs, Nutraceuticals and more.

(d) **Outlook:**

The focus for the forthcoming financial year for the Company will be continued delivery in progressing mode and grabbing the opportunities and trying to overcome challenges.

(e) **Risks and concerns:**

The Board of the Company has formed a risk management policy to frame, implement and monitor the risk management plan for the Company. The Board of Directors are responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. In compliance with the requirement of the Companies Act, 2013 and Listing Agreement guidelines, the Company has established a Whistle Blower Policy /Vigil mechanism Policy and the same is placed on the website of the Company.

In the opinion of Board, the rising costs and changing government policies and regulations are the key risk factors that may threaten the existence of the company.

(f) **Internal control systems and their adequacy:**

Internal Control and Audit is an important procedure and the Audit Committee of your Company reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Your Company has put in place an adequate internal Control System to safeguard all assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. The reports are reviewed by the Audit Committee of the Board. Wherever deemed necessary, internal control system are strengthened and corrective actions initiated.

(g) **Discussion on financial performance with respect to operational performance:**

During the year under review your Company has recorded a turnover of Rs. 5,856.31 Lakhs/-. However, the company reported profit of Rs. 42.12 Lakhs/- net profit after tax as against previous year profit of Rs. 48.93 Lakhs/-

(h) **Material developments in Human Resources / Industrial Relations front, including number of people employed:**

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right

talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development. There are currently 65 employees in the company.

(i) **Key Financial Ratios**

Ratio/Measure	Methodology	As on 31 st March, 2024	As on 31 st March, 2023	% Variance
Current Ratio (times)	Current assets/ Current liabilities	1.32	1.27	3.32%
Debt - Equity Ratio (%) ^{Note1}	(Non-current borrowings + Current borrowings + Non-current Lease liabilities + Current lease)/	1.47	0.60	143.73
Debt Service Coverage Ratio (Times) ^{Note2}	EBITDA/ (Interest expense +Borrowings)	1.29	1.58	-17.92%
Return on Equity (ROE) (%) ^{Note 3}	Net Profit after tax/ Average Shareholder's Equity	4.25	5.14%	-17.35%
Inventory turnover ratio (Times) ^{Note 4}	Revenue from operation/ Average Inventory	5.01	6.68	-24.96%
Trade receivables turnover Ratio ^{Note 5}	Revenue from operation/ Average Trade Receivable	2.79	3.15	-11.59%
Trade payables turnover ratio	Purchases of services and other expenses/ Average Trade Payables	2.64	2.52	4.72%
Net capital turnover ratio (Times)	Revenue from operation/ Average Working Capital	7.07	8.24	-14.18%
Net profit ratio (%) ^{Note 3}	Net Profit/ Revenue from operation	0.72%	0.73%	-1.69%
Return on Capital employed ^{Note 2}	Earning before interest and taxes/ Capital Employed	6.82%	8.37%	-18.52%
Return on investment (%)		7.15%	5.27%	35.57%

Explanation for change in the ratio by more than 25%

- 1 Due to increase in current borrowings.
- 2 Due to decrease in fixed deposits.

**On behalf of the Board
For Zenlabs Ethica Limited**

Date: 4th September,2024

Place: Chandigarh

***Sd/-*
Sanjeev Kumar
Managing Director
DIN: 01154896**

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Zenlabs Ethica Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of **Zenlabs Ethica Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

Basis for Opinion

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

Emphasis of Matters

Attention is invited to Note 48 to the financial statements which states that "The balances of trade receivable, trade payable, advances given, and other financial and non-financial assets and liabilities are received in most of the cases. In few cases, such balances are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact."

Our opinion is not qualified in respect of the matters as stated in the Emphasis of Matters section.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit matter	How the matter was addressed in our audit
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<p>Revenue recognition (Refer note 3 (k) and 28 to the financial Statements) Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.</p>	<p>We applied audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.</p>
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Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its Directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. 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.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for not complying with the requirement of audit trail as stated in (h)(vi) below.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

- (d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigations on its financial position as at 31st March 2024.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any 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 it’s knowledge and belief, as disclosed in note 54(k), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
 - (b) The management has represented, that, to the best of it’s knowledge and belief, as disclosed in note 54(l), no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided further under clause (a) and (b) above, contain any material mis-statement.
 - v. The Company has not declared or paid dividend during the financial year 2023-24, hence, reporting under Rule 11(f) of Companies (Audit and Auditors) Rules,2014 in not applicable.
 - vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which doesn’t have a feature of recording audit trail (edit log) facility.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

for **N Kumar Chhabra and Co.**
Chartered Accountants
ICAI Firm Registration Number 000837N

CA. Ashish Chhabra
FCA, Partner
Membership Number 507083
UDIN: 24507083BKBLWN2597

Place of Signature: Chandigarh
Date: 20th May 2024

Annexure A to the Independent Auditors' Report

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Zenlabs Ethica Limited ('the Company') on the financial statements for the year ended 31st March 2024. We report that:

- (i) (a) (A) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company doesn't own any Intangible assets, hence, reporting under clause 3 (i)(a)(B) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has physically verified all its property, plant and equipment. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its property, plant and equipment. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company doesn't own any immovable property, hence, reporting under clause 3 (i)(c) of the Order is not applicable.
- (d) The Company has not revalued its property, plant and equipment (including Right of use assets) during the year ended 31st March 2024.
- (e) According to the information and explanation given to us and the records of the Company examined by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limit in excess of Rs. 5 crores on the basis of security of current assets, in aggregate, at any point of time during the year from banks and financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) In respect of Investment 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:
 - (a) During the year, the Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year and hence reporting under clause 3(iii)(a) is not applicable to the Company.

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided guarantees, given security, granted loans or advances in the nature of loans during the year.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not given any loans or advances in the nature of loans to any party and hence reporting under clause 3(iii)(c) of the Order is not applicable to the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year and hence reporting under clause 3(iii)(d) of the Order is not applicable to the Company.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties and hence reporting under clause 3(iii)(e) of the Order is not applicable to the Company.
 - (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, 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 and hence reporting under clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not made investments, granted any loans, provided guarantee and security under Section 185 and 186 of the Act, to the extent applicable and hence reporting under clause 3(iv) of the Order is not applicable to the Company.
 - (v) In our opinion and according to the information and explanations given to us, no deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under clause 3(v) of the Order is not applicable to the Company.
 - (vi) According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under Section 148 (1) of the Act for any of the activities of the Company and hence reporting under clause 3(vi) of the Order is not applicable to the Company.
 - (vii)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, custom duty, duty of excise, value added tax, cess and other statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records, there are no statutory dues mentioned in clause vii (a) above which have not been deposited on account of any dispute.
 - (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the order is not applicable to the Company.

- (ix) (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lender and hence reporting under clause 3(ix) (a) of the Order is not applicable to the Company.
- (b) On the basis of information and explanations given to us, the Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loan during the year and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records, short term funds raised during the year by the Company have not been utilized for long term purposes.
- (e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment, private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on our audit procedure performed and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act and all the details have been disclosed in the financial statements as required by the applicable Accounting Standard. (Refer Note 42 to the financial statements).
- (xiv) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has an adequate internal audit system commensurate with the size and nature of its business.

- (b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year and hence reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 53 to the financial statements, 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not fulfil the criteria as specified under Section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, accordingly there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The Company doesn't have any subsidiary, accordingly, the reporting under clause (xxi) is not applicable in respect of audit of financial statements of the Company.

for **N Kumar Chhabra and Co.**
Chartered Accountants
ICAI Firm Registration Number 000837N

CA. Ashish Chhabra
FCA, Partner
Membership Number 507083
UDIN: 24507083BKBLWN2597

Place of Signature: Chandigarh
Date: 20th May 2024

Annexure - B to the Independent Auditors' Report

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 **Zenlabs Ethica Limited** ("the Company") as of 31st March 2024 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, 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 ICAI.

for **N Kumar Chhabra and Co.**

Chartered Accountants

ICAI Firm Registration Number 000837N

CA. Ashish Chhabra

FCA, Partner

Membership Number 507083

UDIN: 24507083BKBLWN2597

Place of Signature: Chandigarh

Date: 20th May 2024

ZENLABS ETHICA LIMITED
Corporate Identity Number L74900CH1993PLC033112

Balance Sheet as at 31 st March, 2024			
₹ in Lakhs			
Particulars	Note	As at 31 st March, 2024	As at 31 st March, 2023
Assets			
Non-current assets			
Property, plant and equipment	4	213.69	250.02
Right of use of assets	5	155.83	252.55
Financial assets			
Investments	6	70.20	70.20
Other financial assets	7	3.95	3.69
Deferred tax assets (net)	8	27.58	22.97
Total Non - Current Assets		471.25	599.43
Current assets			
Inventories	9	1,199.50	1,136.86
Financial assets			
Trade receivables	10	2,072.70	2,169.57
Cash and cash equivalents	11	90.50	161.82
Bank balances other than above	12	2.08	2.08
Other financial assets	13	22.18	29.44
Other current assets	14	167.63	250.10
Total Current Assets		3,554.59	3,749.87
Total Assets		4,025.84	4,349.30
Equity and Liabilities			
Equity			
Equity share capital	15	651.00	651.00
Other equity	16	361.30	319.35
Total Equity		1,012.30	970.35
Non-current liabilities			
Financial liabilities			
Borrowings	17	77.83	111.48
Lease liabilities	18	81.51	191.28
Other financial liabilities	19	108.76	93.76
Provisions	20	43.32	37.25
Total Non - Current Liabilities		311.42	433.77
Current liabilities			
Financial liabilities			
Borrowings	21	1,221.28	185.40
Lease liabilities	22	105.34	96.25
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	23	450.71	1,118.08
Total outstanding dues of creditors other than micro enterprises and small enterprises	23	763.24	1,423.76
Other financial liabilities	24	110.94	100.91
Other current liabilities	25	36.57	14.83
Provisions	26	3.52	2.97
Current tax liabilities (net)	27	10.52	2.98
Total Current Liabilities		2,702.12	2,945.18
Total Liabilities		3,013.54	3,378.95
Total Equity and Liabilities		4,025.84	4,349.30
See accompanying notes forming part of the financial statements	1 to 55		

This is the balance sheet referred to in our report of even date.

for **N Kumar Chhabra and Co.**
Chartered Accountants
ICAI Firm Registration Number 00837N

for and on behalf of the Board of Directors

CA. Ashish Chhabra
FCA, Partner
Membership Number 507083
Place : Chandigarh
Date : 20th May, 2024
UDIN: 24507083BKBLWN2597

Sanjeev Kumar
Managing Director cum
Chief Executive Officer
DIN: 01154896
Place : Chandigarh
Date : 20th May, 2024

Sanjay Dhir
Whole Time
Director
DIN: 02452461

Akshay Saxena
Company Secretary
Membership Number A52388

Adarsh Sharma
Chief Financial Officer
PAN: AMYPS7789J



ZENLABS ETHICA LIMITED
Corporate Identity Number L74900CH1993PLC033112

Statement of Profit and Loss for the year ended 31 st March, 2024			
₹ in Lakhs			
Particulars	Note	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Revenue from operations	28	5,856.31	6,688.64
Other income	29	29.92	12.84
Total Income		5,886.23	6,701.48
Expenses			
Purchases of stock-in-trade	30	4,441.41	5,601.82
Changes in inventories of stock-in-trade	31	(62.64)	(271.36)
Employee benefits expense	32	445.75	433.37
Finance costs	33	83.37	53.33
Depreciation and amortisation expense	34	129.44	125.11
Other expenses	35	790.75	634.23
Total Expenses		5,828.08	6,576.50
Profit before exceptional items		58.15	124.98
Exceptional items	36	-	57.53
Profit before tax		58.15	67.45
Tax expense			
Current tax	37	20.54	19.90
Short/ (Excess) tax provision for earlier years		0.05	0.35
Deferred Tax		(4.56)	(1.73)
Total tax expenses		16.03	18.52
Profit for the year		42.12	48.93
Other comprehensive income			
Items that will not be reclassified to profit or Loss			
Remeasurement of post employment benefit obligation		(0.23)	5.78
Income tax relating to these items		0.06	(1.50)
Total other comprehensive income/ (expense) for the year		(0.17)	4.28
Total comprehensive income/ (expense) for the year		41.95	53.21
Earning per equity share (nominal value of shares ₹ 10 each) in ₹			
Basic	38	0.65	0.75
Diluted		0.65	0.75
See accompanying notes forming part of the financial statements	1 to 55		

This is the statement of profit and loss referred to in our report of even date.

for **N Kumar Chhabra and Co.**
Chartered Accountants
ICAI Firm Registration Number 00837N

for and on behalf of the Board of Directors

CA. Ashish Chhabra
FCA, Partner
Membership Number 507083
Place : Chandigarh
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Akshay Saxena
Company Secretary
Membership Number A52388

Adarsh Sharma
Chief Financial Officer
PAN: AMYPS7789J

Statement of Cash Flow for the year ended 31 st March, 2024		
₹ in Lakhs		
Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
A. Cash flow from operating activities		
Profit before tax	58.15	67.45
Adjustments for		
Depreciation and amortisation expenses	129.44	125.11
Exceptional items	-	57.53
Allowances for credit impaired - trade receivables	4.35	-
Allowances for credit impaired - advance to suppliers	0.83	-
Finance cost	83.37	53.33
Interest income	(5.85)	(8.31)
Operating profit before working changes in working capital	270.29	295.11
Adjustments for changes in working capital		
(Increase)/Decrease inventories	(62.64)	(271.35)
(Increase)/Decrease trade receivable	93.87	(152.83)
Increase/(Decrease) trade payables	(1,327.89)	358.44
Increase/(Decrease) provisions	6.39	8.27
(Increase)/Decrease other financial and non-financial assets	82.21	(32.29)
Increase/(Decrease) other financial and non-financial liabilities	46.12	(26.98)
Cash Generated from operations	(891.65)	178.37
Income tax paid	(13.05)	(26.58)
Net (gain) / loss on foreign currency transactions	(1.35)	0.20
Net cash flow from/ (used in) operating activities (A)	(906.05)	151.99
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment including capital advances	(2.21)	(154.63)
Interest received	13.11	7.82
Net cash flow from/ (used in) investing activities (B)	10.90	(146.81)
C. Cash flow from financing activities		
Proceeds from/ (repayment of) long-term borrowings	(31.10)	119.18
Proceeds from/ (repayment of) short-term borrowings	1,033.33	41.39
Payment of lease liabilities	(123.02)	(123.02)
Interest paid	(55.38)	(15.24)
Dividend paid	-	(16.28)
Net cash generated from financing activities (C)	823.83	6.03
Net increase/ (decrease) in cash and cash equivalents during the year (A+B+C)	(71.32)	11.21
Add: Cash and cash equivalents as at the beginning of the year	161.82	150.61
Cash and cash equivalents as at the end of the year (refer Note 11)	90.50	161.82
See accompanying notes forming part of the financial statements		

Notes to the Cash Flow Statement

1. The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
2. All the figures in brackets indicates cash outflow.
3. Previous year's figures have been regrouped wherever necessary.



Notes to the Cash Flow Statement (Contd.)

4. Cash and cash equivalents included in the Statement of Cash Flows comprise the following

	₹ in Lakhs	
Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Cash on hand (including imprest)	90.50	4.23
Balances with banks		
in current accounts	-	1.22
in deposit accounts with original maturity upto 3 months	-	156.37
Total	90.50	161.82

This is the cash flow statement referred to in our report of even date.

for **N Kumar Chhabra and Co.**

Chartered Accountants

ICAI Firm Registration Number 00837N

for and on behalf of the Board of Directors

CA. Ashish Chhabra

FCA, Partner

Membership Number 507083

Place : Chandigarh

Date : 20th May, 2024

UDIN: 24507083BKBLWN2597

Sanjeev Kumar

Managing Director cum

Chief Executive Officer

DIN: 01154896

Place : Chandigarh

Date : 20th May, 2024

Sanjay Dhir

Whole Time

Director

DIN: 02452461

Akshay Saxena

Company Secretary

Membership Number A52388

Adarsh Sharma

Chief Financial Officer

PAN: AMYPS7789J

Statement of Change in Equity for the year ended 31st March, 2024		
A. Equity share capital		
Particulars	Number of shares	₹ in Lakhs
Balance as on 1 st April, 2022	6510015	651.00
Changes in equity share capital during the year	-	-
Issue of equity shares	-	-
Balance at on 31st March, 2023	6510015	651.00
Changes in equity share capital during the year	-	-
Issue of equity shares	-	-
Balance at on 31st March, 2024	6510015	651.00

B. Other equity		₹ in Lakhs
Particulars	Reserve and Surplus	Total
	Retained Earnings	
Balance as on 1 st April, 2022	282.41	282.41
Profit for the year	48.93	48.93
Interim dividend	(16.28)	(16.28)
Remeasurements of net defined benefit plans (Net of taxes)	4.28	4.28
Any other change (to be specified)	-	-
Balance at on 31st March, 2023	319.35	319.35
Profit for the year	42.12	42.12
Interim dividend	-	-
Remeasurements of net defined benefit plans (Net of taxes)	(0.17)	(0.17)
Any other change (to be specified)	-	-
Balance at on 31st March, 2024	361.30	361.30

This is the statement of changes in equity referred to in our report of even date.

for **N Kumar Chhabra and Co.**
Chartered Accountants

ICAI Firm Registration Number 00837N

for and on behalf of the Board of Directors

CA. Ashish Chhabra

FCA, Partner

Membership Number 507083

Place : Chandigarh

Date : 20th May, 2024

UDIN: 24507083BKBLWN2597

Sanjeev Kumar

Managing Director cum

Chief Executive Officer

DIN: 01154896

Place : Chandigarh

Date : 20th May, 2024

Sanjay Dhir

Whole Time

Director

DIN: 02452461

Akshay Saxena

Company Secretary

Membership Number A52388

Adarsh Sharma

Chief Financial Officer

PAN: AMYPS7789J

**Note 1 Corporate Information**

M/s Zenlabs Ethica Limited (the 'Company') is a public company domiciled and incorporated on 20th July 1993 [Corporate Identification Number (CIN) L74900CH1993PLC033112]. The shares of the Company are listed and traded on the BSE Limited in India. The Company deals in marketing and distribution of pharmaceutical products.

The financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on 20th May, 2024.

Note 2 Basis of Preparation**a) Statement of compliance**

These financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, under Section 133 of the Companies Act, 2013 (the "Act").

b) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be 'Indian Rupees' [INR (₹)]. The financial statements are presented in INR (₹) which is Company's functional and presentational currency.

c) Basis of measurement

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

Items	Measurement Basis
Certain financial assets and liabilities	Fair value

e) Critical accounting estimates and judgements

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March, 2024 is included in the following notes:

Note 3 (f) - measurement of useful lives and residual values to property, plant and equipment;

Note 3 (p) - leases: whether an arrangement contains a lease;

Note 3 (p) - lease classification; and

Note 3 (h) - measurement of useful lives of intangible assets;

Note 3 (j) - measurement of defined benefit plans;

Note 3 (k), and 3 (l) - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Note 3 Summary of Material Accounting Policies

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

The standalone financial statements are presented in Indian Rupees (₹ Lakhs) which is the functional currency of the Company and all values are rounded to the nearest crores, except where otherwise indicated.

Entity specific disclosure of material accounting policies where Ind AS permits options is disclosed hereunder.

The company has assessed the materiality of the accounting policy information which involves exercising judgements and considering both qualitative and quantitative factors by taking into account not only the size and nature of the item or condition but also the characteristics of the transactions, events or conditions that could make the information more likely to impact the decisions of the users of the financial statements.

Entity's conclusion that an accounting policy is immaterial does not affect the disclosures requirements set out in the accounting standards.

The company adopted Ind AS from 1st April 2017. Accounting Policies have been consistently applied except where a newly-issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hit herto adopted.

a) Current and non-current classification

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

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be noncurrent. All other liabilities are classified as non-current.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

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

The principal or the most advantageous market must be accessible to/ by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets**Initial recognition and measurement**

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not valued at fair value through profit or loss, are added to the fair value on initial recognition.

Classification and subsequent measurement**Classification**

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

- Financial assets at amortised cost;
- Financial assets at fair value through profit or loss (FVTPL)

A financial asset being 'debt instrument' is measured at the amortised cost if both of the following conditions are met

- The financial asset is held within a business model whose objective is to hold assets for collecting 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 (SPPI) on the principal amount outstanding.

A financial asset being equity instrument is measured at FVTPL.

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

Subsequent measurement

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Derecognition

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

Impairment

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, is recognised as an impairment gain or loss in the statement of profit and loss.

Write-off

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

ii. Financial liabilities**Initial recognition and measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

Classification and subsequent measurement

Financial liabilities are classified and measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Derecognition

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

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

iii Offsetting

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

d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e) Property, plant and equipment

Recognition and measurement

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

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Capital work-in-progress includes assets under construction and cost attributable to construction of assets not ready for use before the year end.

Subsequent expenditure

Subsequent expenditure are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

- i. Depreciation on property, plant and equipment has been provided as per guidance set out in Schedule II of the Companies Act, 2013 on straight line basis.
- ii. Depreciation method, useful lives and residual values are reviewed at each reporting period end.

f) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

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. When 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.

g) Inventories

The stock-in-trade and promotional items are valued at lower of cost or net realizable value in accordance with Accounting Standard. The stock-in-trade and promotional items costs are based on 'first in first out' method. Cost of inventories include all costs of purchase, cost and other cost incurred in bringing the inventories to their present condition and location.

h) Employee benefits**i. Short-term obligations**

All employee benefits payable / available within twelve months of rendering the service such as salaries, wages and bonus etc., are classified as short-term employee benefits and are recognised in the statement of profit and loss in the period in which the employee renders the related service.

ii. Defined contribution plans

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

Employees' provident fund

The Company has a scheme of state insurance for its employees, registered with the regional state insurance commissioner. The Company's contribution to the state insurance is charged to the statement of profit and loss every year.

Employees' provident fund

All directly recruited employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan. Both employee and employer make monthly contribution to the plan at a predetermined rate of employee's basic salary and dearness allowance. These contributions to provident fund are administered by the provident fund commissioner. Employer's Contribution to provident fund is expensed in the statement of profit and loss as and when incurred.

iii Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan) covering all directly recruited eligible employees. In accordance with the payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment.

The calculation of defined benefit obligation is performed annually by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit, are recognised immediately in the balance sheet a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. 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 recognised as a finance cost.

j) Contingent liabilities

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 not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

k) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, and the revenue can be reliably measured regardless of when the payment is being made. Revenue excludes goods and service tax which are collected by the Company on behalf of the Government and deposited to the credit of respective Governments.

Sale of goods

Revenue from the sale of goods is recognized as revenue on the basis of customer contracts and the performance obligations contained therein. Revenue is recognised at a point in time when the control of goods or services is transferred to a customer. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from a product or service. Revenues from product deliveries are recognised at a point in time based on an overall assessment of the existence of a right to payment, the allocation of ownership rights, the transfer of significant risks and rewards and acceptance by the customer. Revenue from sales is based on the price in the sales contracts, net of Goods and Services Tax (GST). When a performance obligation is satisfied, Revenue is recognised with the amount of the transaction price that is allocated to that performance obligation. Historical experience, specific contractual terms and future expectations of sales returns are used to estimate and provide for damage or expiry claims. No element of financing is deemed present as the sales are made with the normal credit terms as per prevalent trade practice and credit policy followed by the Company.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export Incentives

Export incentives under various schemes notified by the Government are recognised as and when the right to receive is established.

Other non-operative income

Other non-operative income is recognised when no significant uncertainty as to its determination or realisation exists.

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is received.

l) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs (for general and specific borrowings) directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time (qualifying assets) to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

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

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they are related to income taxes levied by the same tax authority.

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

n) Lease

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.

The Company as a lessee**Right of use assets and lease liabilities**

For any new contracts entered into on or after 1st April, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company enters into leasing arrangements for various assets. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company obtains substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Recognition and initial measurement

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

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.

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in standalone statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

n) Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) 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.

o) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

p) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Managing Director and Chief Financial Officer of the Company are the chief operating decision makers.

q) Foreign currency transactions and translations

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Standalone Statement of Profit and Loss in the year in which they arise.

r) Policies not specifically mentioned are consistent with generally accepted accounting principles.

s) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to the significance of their nature or amount.

t) Exceptional Items

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

Note 4 Property, Plant and Equipment
₹ in Lakhs

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at 1 st April, 2023	Additions/ Capitalised	Sale/ Adjustments	As at 31 st March, 2024	As at 1 st April, 2023	For the year	On Sale/ Adjustments	As at 31 st March, 2024	As at 31 st March, 2024
Machinery	1.07	-	-	1.07	0.75	0.07	-	0.82	0.25
Electrical equipments	21.14	-	-	21.14	10.48	3.64	-	14.12	7.02
Motor vehicles	343.29	-	-	343.29	110.42	32.58	-	143.00	200.29
Furniture and fixture	21.75	-	-	21.75	20.66	-	-	20.66	1.09
Office equipment	19.39	-	-	19.39	15.10	1.69	-	16.79	2.60
Computer	15.87	2.21	-	18.08	15.08	0.56	-	15.64	2.44
Total	422.51	2.21	-	424.72	172.49	38.54	-	211.03	213.69

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at 1 st April, 2022	Additions/ Capitalised	Sale/ Adjustments	As at 31 st March, 2023	As at 1 st April, 2022	For the year	On Sale/ Adjustments	As at 31 st March, 2023	As at 31 st March, 2023
Machinery	1.07	-	-	1.07	0.68	0.07	-	0.75	0.32
Electrical equipments	21.14	-	-	21.14	6.84	3.64	-	10.48	10.66
Motor vehicles	188.73	154.56	-	343.29	84.05	26.37	-	110.42	232.87
Furniture and fixture	21.75	-	-	21.75	20.66	-	-	20.66	1.09
Office equipment	19.32	0.07	-	19.39	13.01	2.09	-	15.10	4.29
Computer	15.87	-	-	15.87	14.93	0.15	-	15.08	0.79
Total	267.88	154.63	-	422.51	140.17	32.32	-	172.49	250.02

Note 5 Right of Use of Assets
₹ in Lakhs

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at 1 st April, 2023	Additions/ Capitalised	Sale/ Adjustments	As at 31 st March, 2024	As at 1 st April, 2023	For the year	On Sale/ Adjustments	As at 31 st March, 2024	As at 31 st March, 2024
Building	493.36	-	5.82	487.54	240.82	90.89	-	331.71	155.83
Total	493.36	-	5.82	487.54	240.82	90.89	-	331.71	155.83

Particulars	Gross Block				Accumulated depreciation				Net Block
	As at 1 st April, 2022	Additions/ Capitalised	Sale/ Adjustments	As at 31 st March, 2023	As at 1 st April, 2022	For the year	On Sale/ Adjustments	As at 31 st March, 2023	As at 31 st March, 2023
Building	374.16	124.94	5.74	493.36	148.02	92.80	-	240.82	252.55
Total	374.16	124.94	5.74	493.36	148.02	92.80	-	240.82	252.55

Note 6 Non-current Financial Assets - Investments
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Investment in equity		
Investment in Equity Instruments	70.20	70.20
Total	70.20	70.20

Note 6A Aggregate Value of Investments
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Aggregate value of unquoted investments	70.20	70.20
Total	70.20	70.20

Note 7 Other Non-current Financial Assets

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Security deposits	3.95	3.69
Total	3.95	3.69

Note 8 Deferred Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Deferred tax liability arising on account of		
Difference between written down value of property, plant and equipment as per the books of accounts and income tax act, 1961	3.57	3.21
Right of use assets and lease liabilities	9.00	9.30
Accrued expenses deductible on payment	15.01	10.46
Total	27.58	22.97

Note 9 Inventories

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Stock-in-trade	1,199.50	1,136.86
Total	1,199.50	1,136.86

Note 10 Current Financial Assets - Trade Receivables

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Trade receivables considered good - unsecured	2,033.58	2,169.57
Receivables which have significant increase in credit risk	43.46	-
	2,077.04	2,169.57
Less: Allowance for expected credit loss	(4.34)	-
Total	2,072.70	2,169.57

Aging for trade receivables as at 31st March, 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	1,942.55	3.36	87.67	-	-	2,033.58
Undisputed Trade Receivables - considered doubtful	-	-	-	9.81	33.65	43.46
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-

Aging for trade receivables as at 31st March, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	2,020.13	84.66	9.90	0.73	54.15	2,169.57
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-

Note 11 Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Cash on hand	90.50	4.23
Bank balances		
in current accounts	-	1.22
in fixed deposit accounts with original maturity upto 3 months (Held as lien marked for overdraft)	-	156.37
Total	90.50	161.82

Note 11 Cash and Cash Equivalents (Contd.)
₹ in Lakhs

For the purpose of statement of cash flows, cash and cash equivalents comprises following

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Cash and cash equivalents as per balance sheet	90.50	161.82
Total	90.50	161.82

Note 12 Other Bank Balances
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
In unpaid dividend accounts	2.08	2.08
Total	2.08	2.08

Note 13 Other Current Financial Assets
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Interest accrued	-	7.26
Amount recoverable	22.18	22.18
Total	22.18	29.44

Note 14 Other Current Assets
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Prepaid expenses	5.03	23.77
Amount recoverable from		
Balance with government authorities	3.00	17.63
Others	137.62	137.62
Advance to suppliers		
Considered good	14.51	71.08
Considered doubtful	8.29	-
Less: Allowance for expected credit loss	(0.82)	-
Total	167.63	250.10

Note 15 Share Capital
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Authorised shares		
20000000 (March 31, 2023 - 20000000) equity shares of ₹ 10/- each with voting rights	2,000.00	700.00
Issued, Subscribed and fully paid-up shares		
6510015 (March 31, 2023 - 6510015) equity shares of ₹ 10/- each with voting rights	651.00	651.00
Total	651.00	651.00

During the financial year 2022-23, the authorised share capital of the Company was increased from ₹ 700 Lakhs to ₹ 2,000 Lakhs.

Note 15A Rights, Preference and Restrictions Attached to Equity Shares
₹ in Lakhs

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders are entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Note 15B Reconciliation of Number of Shares Outstanding at the beginning and end of the year

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Opening balance	6510015	651.00	6510015	651.00
Issued during the year	-	-	-	-
Closing balance	6510015	651.00	6510015	651.00

Note 15C The details of shareholders holding more than 5% shares as at March 31, 2024 is set out as below*

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number	Percentage	Number	Percentage
Preet Remedies Limited	1730455	26.58%	2130655	32.73%
Sanjeev Kumar	857574	13.17%	857574	13.17%
Sanjay Dhir	857728	13.18%	857728	13.18%

* The above information is furnished as per the shareholder's register as at the year end.

Note 15D Shareholding of Promoters

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Number of shares		
Sanjeev Kumar	857574	857574
Sanjay Dhir	857728	857728
Preet Remedies Limited	1730455	2130655
Himjyoti	1000	1000
Harjinder Kaur	1000	1000
Jasbir Singh	1000	1000
% of total shares		
Sanjeev Kumar	13.17%	13.17%
Sanjay Dhir	13.18%	13.18%
Preet Remedies Limited	26.58%	32.73%
Himjyoti	0.02%	0.02%
Harjinder Kaur	0.02%	0.02%
Jasbir Singh	0.02%	0.02%
% Change during the year		
Sanjeev Kumar	0.00%	-
Sanjay Dhir	0.00%	-
Preet Remedies Limited	-18.78%	-20.56%
Himjyoti	-	-
Harjinder Kaur	-	-
Jasbir Singh	-	-

Note 16 Other Equity

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Retained earnings	361.30	319.35
Total	361.30	319.35

Nature and Purpose of the Reserve

Retained Earnings: Retained earnings are the accumulated profits earned by the Company till date, less dividend paid to the shareholders.

Note 16 Other Equity (Contd.)
₹ in Lakhs
Retained earnings

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balance at the beginning of the year	319.35	282.41
Previous years adjustment	-	-
Interim dividend	-	(16.28)
Profit for the year	41.95	53.21
MAT credit recognised	-	-
Balance at the end of the year	361.30	319.35

Note 17 Non-current Borrowing
₹

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Non current	Current	Non current	Current
Secured				
Vehicle loan				
From banks				
HDFC Bank Limited	77.83	33.65	111.48	31.10
Total	77.83	33.65	111.48	31.10

Secured
Vehicle loan
From banks
HDFC Bank Limited

The loan of ₹ 33.00 Lakhs is taken during financial year 2020-21 at the rate 7.90% from HDFC Bank Limited against hypothecation of vehicle. The loan is payable in 60 equal instalments of ₹ 0.67 Lakhs per month including interest. The repayment of principal due within next 12 months is ₹ 7.48 Lakhs (previous year ₹ 6.91 Lakhs).

The loan of ₹ 136.97 Lakhs is taken during financial year 2022-23 at the rate 7.90% from HDFC Bank Limited against hypothecation of vehicle. The loan is payable in 60 equal instalments of ₹ 2.77 Lakhs per month including interest. The repayment of principal due within next 12 months is ₹ 26.17 Lakhs (previous year ₹ 24.19 Lakhs).

Note 18 Non-current Lease Liabilities
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Lease liabilities	81.51	191.28
Total	81.51	191.28

Note 19 Other Financial Liabilities
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Security deposits from customer	108.76	93.76
Total	108.76	93.76

Note 20 Long-term Provisions
₹

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provisions for employee benefits		
Gratuity	43.32	37.25
Total	43.32	37.25

Disclosures as per IND AS 19 in respect of provision made towards various employee benefits are made in note 39 employee benefits expense.

Note 21 Current Borrowings

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Secured		
Loan repayable on demand, from banks		
Bank overdraft (against fixed deposit receipt)	1,122.63	124.30
Unsecured Loan	65.00	30.00
Current maturities of long-term borrowing	33.65	31.10
Total	1,221.28	185.40

Note 22 Current Lease Liabilities

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Lease liabilities	105.34	96.25
Total	105.34	96.25

Note 23 Trade Payables

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer note 43)	450.71	1,118.08
Total outstanding dues of creditors other than micro enterprises and small enterprises	763.24	1,423.76
Total	1,213.95	2,541.84

Aging for trade payable as at 31st March, 2024 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSE	51.40	399.31	-	-	450.71
Undisputed dues - Others	763.24	-	-	-	763.24
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Aging for trade payable as at 31st March, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSE	1,117.10	0.14	-	0.84	1,118.08
Undisputed dues - Others	1,423.71	-	-	0.05	1,423.76
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Note 24 Other Current Financial Liabilities

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Interest accrued but not on borrowings	0.63	0.81
Unpaid dividend	1.83	1.83
Other payables towards		
Services and others	108.48	98.27
Total	110.94	100.91

Note 25 Other Current Liabilities
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Statutory dues	33.75	8.24
Advance from customers	2.82	6.59
Total	36.57	14.83

Note 26 Short-term Provisions
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision for employee benefits		
Gratuity	3.52	2.97
Total	3.52	2.97

Disclosures as per IND AS 19 in respect of provision made towards various employee benefits are made in note 39 employee benefits expense.

Note 27 Current Tax Liabilities (net)
₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision for income tax including interest thereon [Net of advance income tax / TDS]	10.52	2.98
Total	10.52	2.98

Note 28 Revenue from Operations
₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Sale of stock-in-trade	5,856.31	6,688.64
Total	5,856.31	6,688.64

Note 29 Other Income
₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Interest income from financial assets measured at amortised cost		
On fixed deposit with banks	5.59	8.07
On security deposits	0.26	0.24
Net gain on account of foreign currency transactions	1.35	-
Liabilities no longer required written-back	1.40	4.53
Insurance claim	19.81	-
Bad debts recovered	1.50	-
Miscellaneous income	0.01	-
Total	29.92	12.84

Note 30 Purchases of Stock-in-trade
₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Purchases of stock-in-trade	4,441.41	5,601.82
Total	4,441.41	5,601.82

Note 31 Changes in Inventories of Stock-in-Trade

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Opening stock		
Stock-in-trade	1,136.86	865.50
Closing stock		
Stock-in-trade	1,199.50	1,136.86
Total	(62.64)	(271.36)

Note 32 Employee Benefits Expense

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Salary, wages, and bonus	439.90	423.49
Contribution to welfare funds	3.61	4.11
Staff welfare expenses	2.24	5.77
Total	445.75	433.37

Disclosures as per IND AS 19 in respect of provision made towards various employee benefits are made in note 39 employee benefits expense.

Note 33 Finance Costs

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Interest expenses on		
Overdraft	38.28	4.89
Term loan	9.98	7.62
Lease liability	28.17	37.32
Others ^{Note}	3.57	3.14
Other borrowing costs	3.37	0.36
Total	83.37	53.33

Note: The above interest includes provision for interest on income-tax under Income Tax Act, 1961 and interest on employee cost as ascertained by actuarial for the financial year 2023-24.

Note 34 Depreciation and Amortisation Expense

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Depreciation on property, plant and equipment	38.55	32.31
Depreciation on right-of-use-assets	90.89	92.80
Total	129.44	125.11

Note 35 Other Expenses

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Advertisement expenses	44.43	53.90
Auditor remuneration	4.00	4.00
Business promotion expenses	88.77	42.47
Freight and forwarding charges	202.52	189.83
Communication expenses	2.19	1.51
Discount and commission	116.53	102.40
Net loss on account of foreign currency transactions	-	0.20
Power and fuel	3.90	3.43
Rate, fees and taxes	17.54	16.59
Insurance expenses	8.85	6.12

Note 35 Other Expenses (Contd.)
₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Miscellaneous expenses	3.50	0.52
Office expenses	31.46	9.14
Printing and stationary	6.42	2.09
Legal and professional charges	5.11	11.85
Repair and maintenance expenses	5.82	1.79
Watch and ward expenses	18.74	13.89
Tour and travel expenses	190.25	174.50
Donation	1.11	-
Allowances for credit impaired - trade receivables	4.35	-
Allowances for credit impaired - advance to suppliers	0.83	-
Custom Duty	34.43	-
Total	790.75	634.23

Note 35A Auditor's Remuneration
₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Payments to the Auditor (net of taxes, wherever applicable)		
Statutory audit fee	4.00	4.00
Total	4.00	4.00

Note 36 Exceptional Items
₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Bad debts	-	57.53
Total	-	57.53

During the financial year 2022-23, the Company had carried out rigorous exercise to identify trade receivables which were outstanding since long and not recoverable, hence the same have been recognised as Bad Debts. As majority of these debts pertained to period prior to merger process undertaken by the Company in the past, accordingly the same has been presented as an "Exceptional item".

Note 37 Income Tax Expense
₹ in Lakhs

a) Income tax expense recognised in Statement of profit and loss

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Current tax		
In respect of the current year	20.54	19.90
In respect of the previous year	0.05	0.35
Deferred tax		
Relating to origination and reversal of temporary differences	(4.56)	(1.73)
Total	16.03	18.52

b) Income tax on other comprehensive income

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligations	0.06	(1.50)
Total	0.06	(1.50)

Note 37 Income Tax Expense (Cont.)

₹ in Lakhs

c) The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Profit before tax	58.15	67.45
Income tax expense calculated at 25.168% (2022-23: 26.000%)	14.64	17.54
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Others	1.39	0.98
Income-tax recognised in profit or loss	16.03	18.52
Income tax rate		
Basic rate	22.000%	25.000%
Surcharge - 10% (applied on basic rate)	2.200%	-
Cess - 4% (applied on basic plus surcharge)	0.968%	1.000%
	25.168%	26.000%

Note 38 Earnings per share (EPS)

Particulars	Unit	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Profit/ (loss) after tax attributable to equity shareholders	₹ in Lakhs	42.12	48.93
Weighted average number of equity shares outstanding during the year	in number	6510015	6510015
Nominal value per share	₹	10	10
Basic earnings per share	₹	0.65	0.75
Diluted earnings per share	₹	0.65	0.75

Note 39 Employee Benefits Expense

₹ in Lakhs

During the year, the Company has recognized the following amounts in the Profit and Loss Account

Defined Contribution Plans

Contribution to defined contribution plan i.e. Employer's contribution to employee state insurance and Employer's contribution to Provident fund for the year is charged to statement profit and loss. These amounts are shown as under:

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Employer's contribution to employee state insurance	0.33	0.40
Employer's contribution to provident fund	3.28	3.71

Defined Benefit Plans**Gratuity (non-funded)**

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The weighted average duration of the defined benefit obligation is 9.26.

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Change in present value of defined benefit obligation during the year		
Present value of obligation as at the beginning of the period	40.22	37.73
Interest Cost	3.10	2.84
Current Service Cost	4.84	6.38
Benefits Paid	(1.55)	(0.95)
Total Actuarial (Gain)/Loss on obligation	0.23	(5.78)
Present value of obligation as at the end of the period	46.84	40.22
Current portion	3.52	2.97
Non-current portion	43.32	37.25

Note 39 Employee Benefits Expense (Contd.)
₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Change in fair value of plan assets during the year		
Fair value of plan assets at the beginning of the period	-	-
Expected interest income	-	-
Employer contribution	1.55	0.95
Benefits Paid	(1.55)	(0.95)
Actuarial (Gain)/Loss for the year on asset	-	-
Fair value of plan assets at the end of the period	-	-
Net asset/(liability) recognised in the balance sheet		
Present value of obligation at the end	46.84	40.22
Fair value of plan asset	-	-
Unfunded Liability/provision in the balance sheet	46.84	40.22
Expenses Recognised in the statement of profit or loss during the year		
Service cost	4.84	6.38
Net interest cost	3.10	2.84
Total expenses recognised in employee benefit expenses	7.94	9.22
Recognised in other comprehensive income for the year		
Net cumulative unrecognised actuarial (gain)/loss opening	-	-
Actuarial gain/ (loss) for the year of PBO	(0.23)	5.78
Actuarial gain/ (loss) for the year on asset	-	-
Unrecognised actuarial (gain)/loss at the end of the year	(0.23)	5.78
Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	3.70	3.13
Year II	6.95	2.97
Year III	2.96	6.18
Year IV	3.36	2.49
Year V	3.87	2.83
Year VI to Year X	23.15	16.04
10 Year onwards	44.51	45.52
Quantitative sensitivity analysis for significant assumptions is as below		
(a) Impact of changes in discount rate		
Present value of obligation at the end of the period	46.84	40.22
Impact due to increase of 1%	(3.22)	(2.84)
Impact due to Decrease of 1%	3.64	3.21
Change in present value of defined benefit obligation during the year		
(b) Impact of changes in salary increase		
Present value of obligation at the end of the period	46.84	40.22
Impact due to increase of 1%	3.54	3.13
Impact due to Decrease of 1%	(3.19)	(2.81)
Sensitivities due to morality & withdrawal are not material and hence the impact of changes not calculated.		
Senilities as to rate inflation, rate of increase of pension in payment, rate of increase of pension before retirement & life expectancy are not applicable being a lump sum benefit on retirement.		
Actuarial assumptions		
Discount rate	7.18%	7.50%
Future salary in increase	6.00%	6.00%
Retirement age (years)	58 Years	58 Years
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)

Note

- i) The actuarial valuation of the present valuation of defined benefit obligation were carried out as at 31st March, 2024. The present value of defined benefit obligation and the related current service cost, were measured using the projected unit credit method.
- ii) Discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of obligation.
- iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such, as, demand and supply in employment market.

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow

- A. Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B. Investment Risk - If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C. Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D. Mortality & disability - Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Note 40 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Non-current borrowings (refer note 17)	77.83	111.48
Non-current lease liabilities (refer note 18)	81.51	191.28
Other financial liabilities (refer note 21 and 22)	1,326.62	281.65
Less: Cash and cash equivalents (refer note 11)	(90.50)	(161.82)
Net Debt	1,395.46	422.59
Equity share capital (refer note 15)	651.00	651.00
Other equity (refer note 16)	361.30	319.35
Total Capital	1,012.30	970.35
Capital and net debt	2,407.76	1,392.94
Gearing ratio	0.58	0.30

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2024 and 31st March, 2023.

Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants which include Debt Service Coverage Ratio (DSCR), Fixed Asset Coverage Ratio (FACR) etc. The Company has complied with these covenants throughout the reporting period.

Note 41 Financial instruments - Fair values and risk management

₹ in Lakhs

A. Financial instruments - by category and fair values hierarchy

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

Categories of financial instruments	As at 31 st March, 2024	Fair Value		
		Level 1	Level 2	Level 3
Financial assets				
Non-current				
Investments	70.20	-	-	-
Others	3.95	-	-	-
Current				
Trade receivables	2,072.70	-	-	-
Cash and bank balances	92.58	-	-	-
Other financial assets	22.18	-	-	-
Total	2,261.61	-	-	-

Note 41 Financial instruments – Fair values and risk management (Contd.)
₹ in Lakhs

Categories of financial instruments	As at 31 st March, 2024	Fair Value		
		Level 1	Level 2	Level 3
Financial liabilities				
Non-current				
Borrowings	77.83	-	-	-
Lease liabilities	81.51	-	-	-
Current				
Borrowings	1,221.28	-	-	-
Lease liabilities	105.34	-	-	-
Trade payables	1,213.95	-	-	-
Other financial liabilities	110.94	-	-	-
Total	2,810.85	-	-	-

Categories of financial instruments	As at 31 st March, 2023	Fair Value		
		Level 1	Level 2	Level 3
Financial assets				
Non-current				
Investments	70.20	-	-	-
Others	3.69	-	-	-
Current				
Trade receivables	2,169.57	-	-	-
Cash and bank balances	163.90	-	-	-
Other financial assets	29.44	-	-	-
Total	2,436.80	-	-	-
Financial liabilities				
Non-current				
Borrowings	111.48	-	-	-
Lease liabilities	191.28	-	-	-
Current				
Borrowings	185.40	-	-	-
Lease liabilities	96.25	-	-	-
Trade payables	2,541.84	-	-	-
Other financial liabilities	100.91	-	-	-
Total	3,227.16	-	-	-

B. Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

B. Financial Risk Management (Contd.)

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the country in which customers operate.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and is as reflected below.

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Less than 6 months	1,942.55	2,020.13
6 months - 1 year	3.36	84.66
1-2 years	87.67	9.90
2-3 years	9.81	0.73
More than 3 years	33.65	54.15
Total	2,077.04	2,169.57

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information.

Movement in the expected credit loss allowance of financial assets (trade receivables and advances to suppliers):

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balance at beginning of the year	-	-
Add: Provided during the year	5.18	-
Less: Reversals of provision	-	-
Less: Amounts written off	-	-
Balance at the end of the year	5.18	-

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of ₹ 90.50 Lakhs as at 31st March 2024 (Previous Year ₹ 162.81 Lakhs), and anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The table below provides amortized value of (discounted) cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Particulars	Carrying Amount	On Demand	Less than 1 year	Above 1 years
As at 31 st March, 2024				
Interest bearing borrowings	298.33	-	138.99	159.34
Overdraft bank balances	1,122.63	1,122.63	-	-
Unsecured loan	65.00	65.00	-	-
Trade payable	1,213.95	-	1,213.95	-
Other financial liabilities	110.94	-	110.94	-
Total	2,810.85	1,187.63	1,463.88	159.34
As at 31 st March, 2023				
Interest bearing borrowings	430.11	-	127.35	302.76
Overdraft bank balances	124.30	124.30	-	-
Unsecured loan	30.00	-	-	-
Trade payable	2,541.84	-	2,541.84	-
Other financial liabilities	100.91	-	100.91	-
Total	3,227.16	124.30	2,770.10	302.76

B. Financial Risk Management (Contd.)
Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing/ mitigating them according to Company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments (Fixed deposits). The Board provides oversight and reviews the Risk management policy on a quarterly basis.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs a comprehensive interest rate risk management.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

b) Foreign currency risk management

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31st March, 2024 and 31st March, 2023 are as below:

Particulars	₹ in Lakhs	
	As at 31 st March, 2024	As at 31 st March, 2023
Trade receivables	2.74	2.50
Total	2.74	2.50

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31st March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	As at 31 st March, 2024	As at 31 st March, 2024	As at 31 st March, 2023	As at 31 st March, 2023
Trade receivables	0.03	(0.03)	0.03	(0.03)

c) Competition and price risk

The Company faces competition from local competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Note 42 Related Party Disclosures

In accordance with the Indian Accounting Standard 24 (Ind AS 24) on related party disclosure, the related party including key management personnel, where control exists or where significant influence exists and with whom transactions have taken place, are mentioned below:

Details of Related Parties

Description of relationship	Names of related parties
Key Management Personnel (KMP) and Relatives of the Key Management Personnel with whom the Company has any transaction during the year	Sanjeev Kumar Managing Director cum Chief Executive Officer
	Himjyoti Women Director
	Sanjay Dhir Whole Time Director (Whole Time Director cum CFO till 28-07-2023)
	Ashok Kumar Gupta Independent Director
	Anurag Malhotra Independent Director
	Kuldeep Singh Director
	Divya Gupta Company Secretary (till 03-06-2022)
	Tanvi Chhabra Company Secretary (till 28-04-2023)
	Akshay Saxena Company Secretary (from 28-07-2023)
	Adarsh Sharma Chief Financial Officer (from 28-07-2023)
Entities over which key management personnel/or Relatives of key management personnel are able to exercise significant influence with which the Company has any transactions during the year	Preet Remedies Limited
	Quixotic Pharma Private Limited
	Ultra Chiron Pharmaceuticals Private Limited
	Oasis Pharma and Phytomolecules Private Limited

Note 42 Related Party Disclosures (contd.)**Detail of related parties transactions**

₹ in Lakhs

Particulars	Key Management Personnel (KMP) and their relatives		Entities where key management personnel & their relatives have significant influence	
	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Remuneration				
Sanjeev Kumar	49.80	49.80	-	-
Sanjay Dhir	37.20	37.20	-	-
Divya Gupta	-	1.14	-	-
Kuldeep Singh	9.75	9.54	-	-
Adarsh Sharma	8.75	-	-	-
Tanvi Chhabra	0.70	3.15	-	-
Akshay Saxena	4.00	-	-	-
Unsecured loan received				
Sanjay Dhir	-	30.00	-	-
Himjyoti	50.00	-	-	-
Unsecured loan repaid				
Sanjay Dhir	15.00	-	-	-
Rent Paid				
Sanjeev Kumar	24.00	24.00	-	-
Sanjay Dhir	36.00	36.00	-	-
Himjyoti	24.00	24.00	-	-
Purchase stock-in-trade				
Preet Remedies Limited	-	-	1,980.81	2,737.77
Quixotic Pharma Private Limited	-	-	1,534.65	2,453.10
Ultra Chiron Pharmaceuticals Private Limited	-	-	221.60	191.29
Oasis Pharma and Phytomolecules Private Limited	-	-	691.63	129.33

Note 42 Related Party Disclosures (contd.)
Detail of related parties transactions

Particulars	Key Management Personnel (KMP) and their relatives		Entities where key management personnel & their relatives have significant influence	
	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Sale of stock-in-trade				
Quixotic Pharma Private Limited	-	-	2.50	819.94
Preet Remedies Limited	-	-	-	103.96
Oasis Pharma and Phytomolecules Private Limited	-	-	123.03	-
Security Deposits received				
Ultra Chiron Pharmaceuticals Private Limited	-	-	15.00	-

Note: All the transactions with related parties are reported gross of Goods and Service Tax, wherever applicable.

Balance outstanding at the year end
₹ in Lakhs

Particulars	Key Management Personnel (KMP) and their relatives		Entities where key management personnel & their relatives have significant influence	
	As at 31 st March, 2024	As at 31 st March, 2023	As at 31 st March, 2024	As at 31 st March, 2023
Remuneration payable				
Sanjeev Kumar	3.00	3.00	-	-
Sanjay Dhir	2.33	2.33	-	-
Tanvi Chhabra	-	0.35	-	-
Kuldeep Singh	0.79	-	-	-
Adarsh Sharma	1.05	-	-	-
Akshay Saxena	0.50	-	-	-
Unsecured loan				
Sanjay Dhir	15.00	30.00	-	-
Himjyoti	50.00	-	-	-
Rent payable				
Sanjay Dhir	2.70	2.70	-	-
Sanjeev Kumar	-	1.80	-	-
Himjyoti	-	1.80	-	-
Trade payables				
Preet Remedies Limited	-	-	688.30	1,326.50
Quixotic Pharma Private Limited	-	-	405.35	694.51
Ultra Chiron Pharmaceuticals Private Limited	-	-	2.86	69.80
Oasis Pharma and Phytomolecules Private Limited	-	-	1.60	-
Amount recoverable				
Oasis Pharma and Phytomolecules Private Limited	-	-	-	4.87
Security deposits from customer				
Ultra Chiron Pharmaceuticals Private Limited	-	-	15.00	-

Note 43 Disclosures of Micro, Small and Medium Enterprises Development

₹ in Lakhs

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	450.71	1,118.08
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	12.80	-
d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
g) Further interest remaining due and payable for earlier years	-	-

Note 44 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. Managing Director and Chief Financial Officer of the Company are the chief operating decision makers. The Company operates in a solitary business segment i.e., 'pharmaceuticals formulations only', which primarily includes marketing and distribution of pharmaceutical products, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

Note 45 disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.

Note 46 Disclosures regarding leases as per Ind As 116 'Leases'**Assets taken on operating lease**

The Company has leases for office building, warehouses and related facilities. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

The following is the break-up of current and non-current lease liabilities as at 31st March, 2024 and 31st March, 2023

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Current lease liabilities	105.34	96.25
Non-current lease liabilities	81.51	191.28
Total	186.85	287.53

The following is the movement in lease liabilities during the year ended 31st March, 2024 and 31st March, 2023

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Opening balance	287.53	254.02
Additions / deletion/ adjustment	(5.82)	119.20
Payment of lease liabilities and finance cost accrued during the period	(94.86)	(85.69)
Closing balance	186.85	287.53

Note 46 Disclosures regarding leases as per Ind As 116 'Leases' (Contd.)

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2024 and 31st March 31, 2023 on an undiscounted basis:

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Less than one year	124.02	125.00
One to five years	90.52	219.70
More than five years	-	-
Total	214.54	344.70

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note 47 Disclosures on revenue pursuant to Ind AS 115 - Revenue from Contracts with Customers

₹ in Lakhs

Disaggregation revenue information

Particulars	For the year ended 31 st March, 2024	For the year ended 31 st March, 2023
Sale of stock-in-trade	5,856.31	6,688.64
Total	5,856.31	6,688.64
Revenue from contracts with customers disaggregated based on geography		
Home market	5,856.31	6,688.64
Export	-	-
Total	5,856.31	6,688.64

Timing of revenue recognition

₹ in Lakhs

Particulars	For the year ended 31 st March, 2024		For the year ended 31 st March, 2023	
	At a point in time	Over a period time	At a point in time	Over a period time
Sale of stock-in-trade	5,856.31	-	6,688.64	-
Total	5,856.31	-	6,688.64	-

Contract balances

₹ in Lakhs

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Trade receivables (Note 10)	2,077.04	2,169.57
Less : Allowances for expected credit loss	(4.34)	-
Trade receivables	2,072.70	2,169.57
Contract liabilities - advances from customers (Note 25)	2.82	6.59

Note 47 Disclosures on revenue pursuant to Ind AS 115 - Revenue from Contracts with Customers (Contd.)

₹ in Lakhs

Significant movement in the contract liabilities balances during the year

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
At the beginning of the reporting period	6.59	8.99
Performance obligation satisfied in current year	(6.59)	(8.99)
Amount received against contract liability	2.82	6.59
At the end of the reporting period	2.82	6.59

Note 48

The balances of trade receivable, trade payable, advances given, and other financial and non-financial assets and liabilities are received in most of the cases. In few cases, such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

Note 49 Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows ₹ in Lakhs

Particulars	Non-current borrowings	Current borrowings	Total
As at 1 st April, 2022	264.79	125.55	390.34
Proceeds from non-current borrowings	136.97	-	136.97
Repayment of non-current borrowings (including current maturities) (net)	(17.80)	-	(17.80)
Recognition of lease liability (including current) (net)	33.51	-	33.51
Proceeds of current borrowings (net)	-	41.39	41.39
As at 31st March, 2023	417.47	166.94	584.41
Proceeds from non-current borrowings	-	-	-
Repayment of non-current borrowings (including current maturities) (net)	(31.10)	-	(31.10)
Recognition of lease liability (including current) (net)	(100.68)	-	(100.68)
Proceeds of current borrowings (net)	-	1,033.33	1,033.33
As at 31st March, 2024	285.69	1,200.27	1,485.96

Note 50 Disclosure as per Ind AS 1 'Presentation of Financial Statements'

Certain changes/ updates have been made in the policies and notes to accounts for improved disclosures. There is no impact on the financial statements due to these changes, however, the policy numbers have been rearranged in the current year as required.

Note 51 Disclosure as per Ind AS 36 'Impairment of Assets'

The Company has reviewed the carrying amount of its tangible and intangible assets (being a cash generating unit) with its future present value of cash flows and there has been no indication of impairment of the carrying amount of the Company's such Assets taking consideration into external and internal sources of information.

Note 52 Event occurring after reporting date

No adjusting or significant non-adjusting events have occurred between 31st March, 2024 and the date of authorisation of the Company's financial statements.

Note 53 Financial Ratios

Ratio/Measure	Methodology	As at 31 st March, 2024	As at 31 st March, 2023	% Variance
Current Ratio (times)	Current assets/ Current liabilities	1.32	1.27	3.32%
Debt-equity ratio (in times) ^{Note 1}	(Non current borrowings + Current borrowings + Non current Lease liabilities + Current lease)/ Total equity	1.47	0.60	143.73%
Debt Service Coverage Ratio (Times)	EBITDA/ Debt Service (Interest and Lease Payments + Principal Repayments)	1.29	1.58	-17.92%
Return on Equity (ROE) (%)	Net Profit after tax/ Average Shareholder's Equity	4.25%	5.14%	-17.35%

**Note 53 Financial Ratios (Contd.)**

Ratio/Measure	Methodology	As at 31 st March, 2024	As at 31 st March, 2023	% Variance
Inventory turnover ratio (Times)	Revenue from operation/ Average Inventory	5.01	6.68	-24.96%
Trade receivables turnover ratio (Times)	Revenue from operation/ Average Trade Receivable	2.79	3.15	-11.59%
Trade payables turnover ratio (Times)	Purchases of services and other expenses/ Average Trade Payables	2.64	2.52	4.72%
Net capital turnover ratio (Times)	Revenue from operation/ Average Working Capital	7.07	8.24	-14.18%
Net profit ratio (%)	Net Profit/ Revenue from operation	0.72%	0.73%	-1.69%
Return on Capital employed (%)	Earning before interest and taxes/ Capital Employed (Tangible net worth + Total debt)	6.82%	8.37%	-18.52%
Return on investment (%) ^{Note 2}	Interest income/ Average Fixed deposit	7.15%	5.27%	35.57%

Explanation for change in the ratio by more than 25%

- 1 Due to increase in current borrowings.
- 2 Due to decrease in fixed deposits.

Note 54 Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013

- a) The Company doesn't have any immovable property and investment property.
- b) As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) are carried at historical cost (less accumulated depreciation and impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- c) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
- d) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- e) The Company has sanctioned facilities from banks on the basis of security of current assets [against stock and book debts (in previous year, against fixed deposit receipt)]. As such there is no requirement of periodic returns to be filed by the Company with such banks.
- f) The Company has not been declared as Willful defaulter by bank or financial institution so related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- g) There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March, 2024.
- h) All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March, 2024.
- i) The number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable.
- j) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- k) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - i) 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
 - ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

Note 54 Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013 (Contd.)

- l) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- i) 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
 - ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- m) The Company has not operated in any crypto currency or Virtual Currency transactions.
- n) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

Note 55

The figures of the financial statements are represented as ₹ in lakhs upto two decimal places leaving the scope of rounding up variations.

The figures of the previous year have been re-grouped / re-classified to render them comparable with the figures of the current year.

In terms of our report attached

for **N Kumar Chhabra and Co.**
Chartered Accountants

ICAI Firm Registration Number 00837N

for and on behalf of the Board of Directors

CA. Ashish Chhabra

FCA, Partner

Membership Number 507083

Place : Chandigarh

Date : 20th May, 2024

UDIN: 24507083BKBLWN2597

Sanjeev Kumar

Managing Director cum

Chief Executive Officer

DIN: 01154896

Place : Chandigarh

Date : 20th May, 2024

Sanjay Dhir

Whole Time

Director

DIN: 02452461

Akshay Saxena

Company Secretary

Membership Number A52388

Adarsh Sharma

Chief Financial Officer

PAN: AMYPS7789J

ZENLABS ETHICA LIMITED

**Regd. Office: Plot No. 194-195, 3rd Floor, Industrial Area, Phase II
Ram Darbar, Chandigarh-160002
CIN: L74900CH1993PLC033112Tel
No.0172-4651105
Website: www.zenlabsethica.com
Email ID: queries@zenlabsethica.com**

ATTENDANCE SLIP

(To be presented at the entrance)

Registered Folio No / DP ID No / Client ID No.:	
Name and Address of the Member (s)	
Joint Name(s)	
No. of Shares Held	
Name of the Proxy holder	
Signature of Member (s) / Proxy	

I/We hereby record my/our presence at the **31st ANNUAL GENERAL MEETING** of the Company held on Monday, the 30th September, 2024 at 11:30 A.M. at the registered office of the Company situated at Plot No. 194-195, 3rd Floor, Industrial Area, Phase II, Ram Darbar, Chandigarh-160002.

Note: Members / Proxies are requested to bring the attendance slip with them.

Electronic Voting Particulars: -

EVSN (Electronic Voting Sequence Number)	Default PAN/Sequence
220829036	USE YOUR PAN

Note: Please read the instructions printed at note 21 of the Notice of 31st Annual General Meeting. The E-Voting period starts on Thursday, the 26th day of September, 2024 (9.00 a.m. IST) and ends on Sunday, the 29th day of September, 2024 (5.00 p.m. Indian Standard Time). The e-voting module shall be disabled by CDSL for voting thereafter

Form No. MGT-11

PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013 and rules 19 (3) of the Companies (Management and Administration) Rules, 2014)

ZENLABS ETHICA LIMITED

Regd. Office: Plot No.194-195, 3rd Floor, Industrial Area, Phase II, Ram Darbar, Chandigarh-160002 CIN: L74900CH1993PLC033112
Tel No.0172-4651105
Website: www.zenlabsethica.com
Email ID: queries@zenlabsethica.com

Name of the member(s):

Registered Address:

E. Mail Id: Folio No./Client Id.....

DP ID.....

I/We, being the member(s) holding ofshares of the above-named Company, hereby appoint

1. Name:

Address:

E. mail ID: Signature: or failing him.....

2. Name:

Address:

E. mail ID: Signature..... or failing him

3. Name:

Address:

E. mail ID: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual general meeting of the company, to be held on the Monday, 30th September, 2024 at 11:30 A.M at Plot No.194-195, 3rd Floor, Industrial Area, Phase II, Ram Darbar, Chandigarh-160002 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions
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 the Auditors thereon.
2	To appoint a Director in the place of Mr. Sanjay Dhur (DIN: 02452461) retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.
Special Business	
3.	To re-appointment of Mr. Sanjeev Kumar (DIN: 01154896) as Managing Director of the Company for the period of five (5) years from 01st September 2024 to 31st August, 2029.
4.	To re-appointment of Mr. Kuldeep Singh (DIN: 08454422) as an Independent Director of the Company for the Second (2) Term for the period of Five (5) years.
5	To re-appointment of Mr. Sanjay Dhir (DIN: 02452461) as Whole Time Director of the Company for the period of Five (5) years.

Signature of Shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP TO REACH TO THE VENUE OF AGM



Zenlabs Ethica Limited, Plot No. 194-195, 3rd Floor, Industrial Area, Plot No. 194-195, 3rd Floor, Industrial Area

Venue of AGM

Google Map Link for the Venue: <https://goo.gl/maps/kP6GdxDaFBExgE46>

