Zeal & Innovation in Medicine

Ref No.: ZLL/CS/BSE/NSE

Date: 05.06.2024

BSE Limited, Corporate Relationship Department P. J. Towers, Dalal Street, Mumbai- 400 001 Company Code- 541400	National Stock Exchange of India Limited Listing Compliance Department Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 (Symbol - ZIMLAB)

Dear Sir/Madam,

Sub : Annual Report for the Financial Year 2023-24

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed herewith Annual Report of the Company for the F.Y. 2023-24.

The Annual Report for the F.Y. 2023-24 is also uploaded on the website of the company i.e., www.zimlab.in.

Please take the same on your records.

Thanking you,

Yours faithfully,
For ZIM LABORATORIES LIMITED

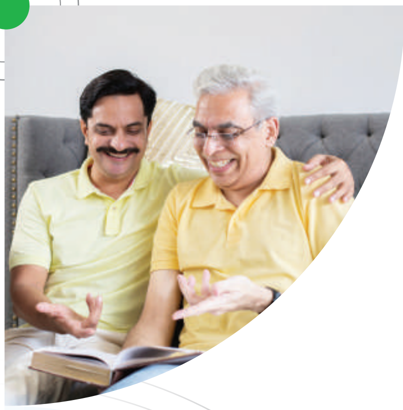
PIYUSH
SIDDHESHWAR
NIKHADE

Digitally signed by PIYUSH SIDDHESHWAR NIKHADE
DN: c=IN, postalCode=440012, st=MAHARASHTRA, street=325 MAHALAXMI APPT NAGPURDHANTOLIWEST CENTREL ROAD 440012, l=NAGPUR, o=Personal, title=3526, serialNumber=3cced6ca26d23668ee558b723602e5236d527adc99269a3746951cdb919fca04, pseudonym=35262022120618070 3459, 2.5.4.20=42e9b6a98356f9095ec25716fc30d8cb8463fc1dc23adada5293c43849baaf78, email=CSPIYUSHNIKHADE@GMAIL.COM, cn=PIYUSH SIDDHESHWAR NIKHADE
Date: 2024.06.05 19:08:31 +05'30'

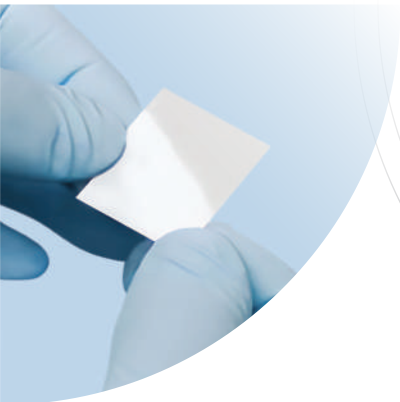
(Piyush Nikhade)
Company Secretary and Compliance Officer
Membership No. A38972

Zeal & Innovation in Medicine

ZIM Laboratories Limited



IMPACTING LIVES THROUGH INNOVATION AND DIFFERENTIATION



Annual Report
2023-24

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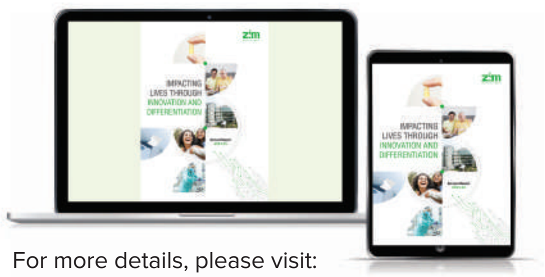


For more details, please visit:
www.zimlab.in

IMPACTING LIVES THROUGH INNOVATION AND DIFFERENTIATION

Targeting patient convenience and treatment adherence with niche and accessible patient-centric solutions

At ZIM Laboratories Limited, our commitment to innovation fuels our creation of value-added and differentiated generics, prioritising patient convenience and treatment adherence. Leveraging Novel Drug Delivery Techniques (NDDS) and proprietary technology platforms, we specialise in developing complex solutions in oral solid dosage forms.

Our differentiation and value proposition is in our ability to develop, manufacture, and supply combination generic products in the oral solid dosage form, utilising drug delivery techniques and various non-infringing proprietary technology platforms.

With a strong focus on excellence, quality, and innovation, we've developed New Innovative Products (NIP) using our advanced proprietary technology platforms. Our Oral Thin Film (OTF) technology transforms dosage forms, enhancing treatment effectiveness and simplifying administration. By introducing NIP and OTF products, we aim to impact patient lives significantly, offering superior dosage forms and enhancing treatment quality. Expanding into new markets, including Europe and other Developed and Emerging countries, broadens the reach of our value-added and differentiated solutions. Through these expansions, we provide individuals with more convenient medication options, promoting treatment adherence, patient convenience and improving health outcomes. Our commitment to innovation strives to make a global difference, supporting our mission to positively impact patient lives through innovative solutions.

COMPANY OVERVIEW

ABOUT ZIM LABORATORIES LIMITED

ZIM Laboratories Limited (ZIM Labs or ZIM or the Company) develops, manufactures, and supplies differentiated and complex generic Pharmaceutical and Nutraceutical products in oral solid dosage forms using Innovative and Novel Drug Delivery Techniques (NDDS) and proprietary technology platforms.

Established in 1989, we are a research-driven therapy-agnostic company, dedicated to enhancing patient convenience and treatment adherence.

Leveraging our modern manufacturing facilities and robust R&D infrastructure and competencies, we strive to innovate.

Our offerings include both Pharmaceutical and Nutraceutical products in Finished Formulations (FF) and Pre-Formulation Intermediates (PFI) for certain key therapeutic categories across Regulated, Pharmerging, and RoW markets.

Committed to sustainable growth, promoting innovation, and driving market growth, along with achieving global reach by seizing opportunities in Key Developed and Pharmerging markets*, we continue to scale investments, diversify our product pipeline and expand into stable markets while also monetising through avenues such as Co-development and Dossier licensing.

Vision

Making quality healthcare affordable through drug delivery solutions focussing on patient convenience and treatment adherence

Values

Zeal

Passion to positively impact the lives of patients through compassion, excellence in product quality, affordability and marketability

Innovation

Challenge the status quo to enhance value-providing attributes of our products and processes

Teamwork

Be a strong team player through respect, trust, care, kindness and transparency

Partnership

Build strong and enduring partnerships that enable success based on value enhancement, mutual respect, trust and transparency

Performance

Strive to deliver performance that enables our customers to differentiate in the marketplace. Continuously upgrade our skills and drive the change to do so

Integrity

Be fair, honest, transparent and ethical in our conduct

Care for Environment

Judiciously use and protect resources, minimise waste and leave a better place for our future generations

*Key Developed and Pharmerging Markets: EU, Turkey, Canada, Australia, BRICS, LatAm, Saudi Arabia, and other markets with high GDP / Capita

Business Offerings

PFI (Pre-Formulation Intermediates)

We collaborate with manufacturers seeking solutions to develop, source, and market differentiated. generic products.

FF (Finished Formulations)

We obtain registration for our products in specific markets to form strategic marketing partnerships with local distributors and marketing companies for launching our FF products as branded generics.

OTF (Oral Thin Films)

Our patented Oral Thin Film Technology (Thinoral®), integrated into our FF business, offers an alternative to conventional dosage forms. The OTF segment is experiencing growth and acceptance with commercialisation of Pharmaceutical and Nutraceutical products in Regulated markets.

NIP (New Innovative Products)

We are advancing innovation through our New Innovative Products (NIP), featuring complex generic pharmaceuticals developed using our in-house proprietary technology platforms. These next-generation molecules include some NIP have the potential to be the first or second generics in specific markets.

Key Business Highlights FY24

Pharmaceuticals

In FY24, our Pharmaceuticals business continued to be the predominant revenue stream, generating ₹ 2,966 Mn, constituting 81% of Total Operating Income.

Nutraceuticals

In FY24, our Nutraceutical business, which included Vitamins, Healthcare, and Dietary Supplements stood at ₹ 708 Mn, accounting for 19% of Total Operating Income.

Key Numbers FY24

₹ 3,674 Mn
Total Operating Income

₹ 465 Mn
EBITDA

₹ 172 Mn
PAT

₹ 2,387 Mn
Net Worth

9.7%
of Total Operating Income spent on R&D

End-to-End Product Development Cycle

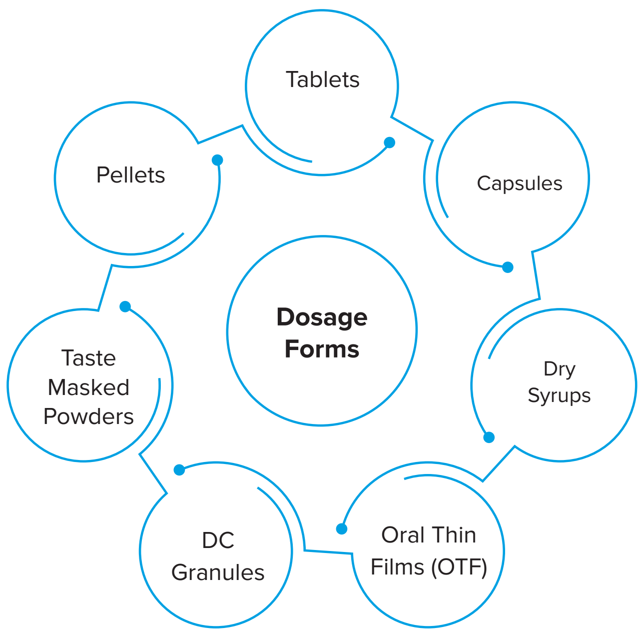
Product Conceptualisation → Product Development → Dossier Development & Filing → Marketing Authorisations (FF) → Manufacturing & Supplies

BUSINESS OVERVIEW

ENHANCING HEALTHCARE THROUGH INNOVATION AND DIFFERENTIATION

With a core R&D focus and cutting-edge manufacturing facilities, we have developed a strong pipeline of innovative products using novel process technologies, enhancing patient convenience and treatment adherence while also benefiting our business partners, expanding our presence and driving sustainable growth.

Our Expertise



Core Therapy Segments

- Anti-Infective
- Cardiovascular
- Central Nervous System (CNS)
- Gastrointestinal
- NSAID / Analgesics
- Urology
- Vitamins and Supplements

Subsidiaries

To expand the company's business globally, we have incorporated subsidiary companies in India, the UAE, Australia, and the EU.

ZIM Laboratories FZE, Sharjah, UAE (100% Subsidiary)

- Business Development and Marketing in MENA* and Africa regions

ZIM Laboratories Middle East DMCC (Step Down Subsidiary)

- Incorporated in September 2023 as a subsidiary of ZIM Laboratories FZE, Sharjah, UAE, for product registrations and marketing and distribution initiatives in MENA* and Africa regions

SIA ZIM Laboratories Limited, Latvia, EU (100% Subsidiary)

- Product Registrations and Marketing Initiatives for our Innovative Products in the EU.

ZIM Health Technologies Limited, India (100% Subsidiary)

- Incorporated to expand ZIM Laboratories Limited's R&D initiatives by focussing on the development, manufacturing, and marketing of complex generic and high-end Pharmaceutical and Nutraceutical products for both Key Developed and Pharmerging markets**

ZIM Thinorals Private Limited, India (100% Subsidiary)

- Incorporated for the OTF business, the subsidiary is yet to commence operations.

ZIMTAS Pty Ltd, Australia, Subsidiary

- Incorporated in December 2022 for product registrations and marketing & distribution initiatives in Australia and New Zealand

* MENA: Middle East and North Africa
** Key Developed and Pharmerging Markets: EU, Turkey, Canada, Australia, BRICS, LatAm, Saudi Arabia, and other markets with high GDP / Capita

Business Divisions and Revenue Share

Pharmaceuticals	Nutraceuticals
Generic Products	Generic Products / Branded Generics
PFI/FF/OTF	PFI/FF/OTF

Pharmaceutical Contribution to Revenue **81%**

Nutraceutical Contribution to Revenue **19%**

Export Contribution to Revenue **78%**

Domestic Contribution to Revenue **22%**

Key Highlights FY24

Financial Highlights

- The company achieved Total Operating Income of ₹ 3,674 Mn, an EBITDA of ₹ 465 Mn at a 12.7% margin and a PAT of 4.7% margin
- Though Revenue for FY24 was lower than FY23, Net contribution % was 400 bps higher YoY
- In line with our strategy, FF business increased by 19% YoY to ₹ 1,639 Mn
- NIP + OTF business contribution was ₹ 372 Mn; a growth of 132% YoY; (NIP + OTF) contribution to revenue was 12% including licensing fees
- R&D % of Total Operating Income was 9.7%
- Finance Cost increased from ₹ 56 Mn to ₹ 69 Mn
- Borrowings to fund plant and equipment upgradation increased from ₹ 596 Mn to ₹ 1,064 Mn
- Income from Dossier licensing fees increased to ₹ 65 Mn
- We invested ₹ 832 Mn in Capex and completed existing projects like the Warehouse, Small Batch Manufacturing, and Specific suites for our Over The Counter (OTC) New Innovative Products

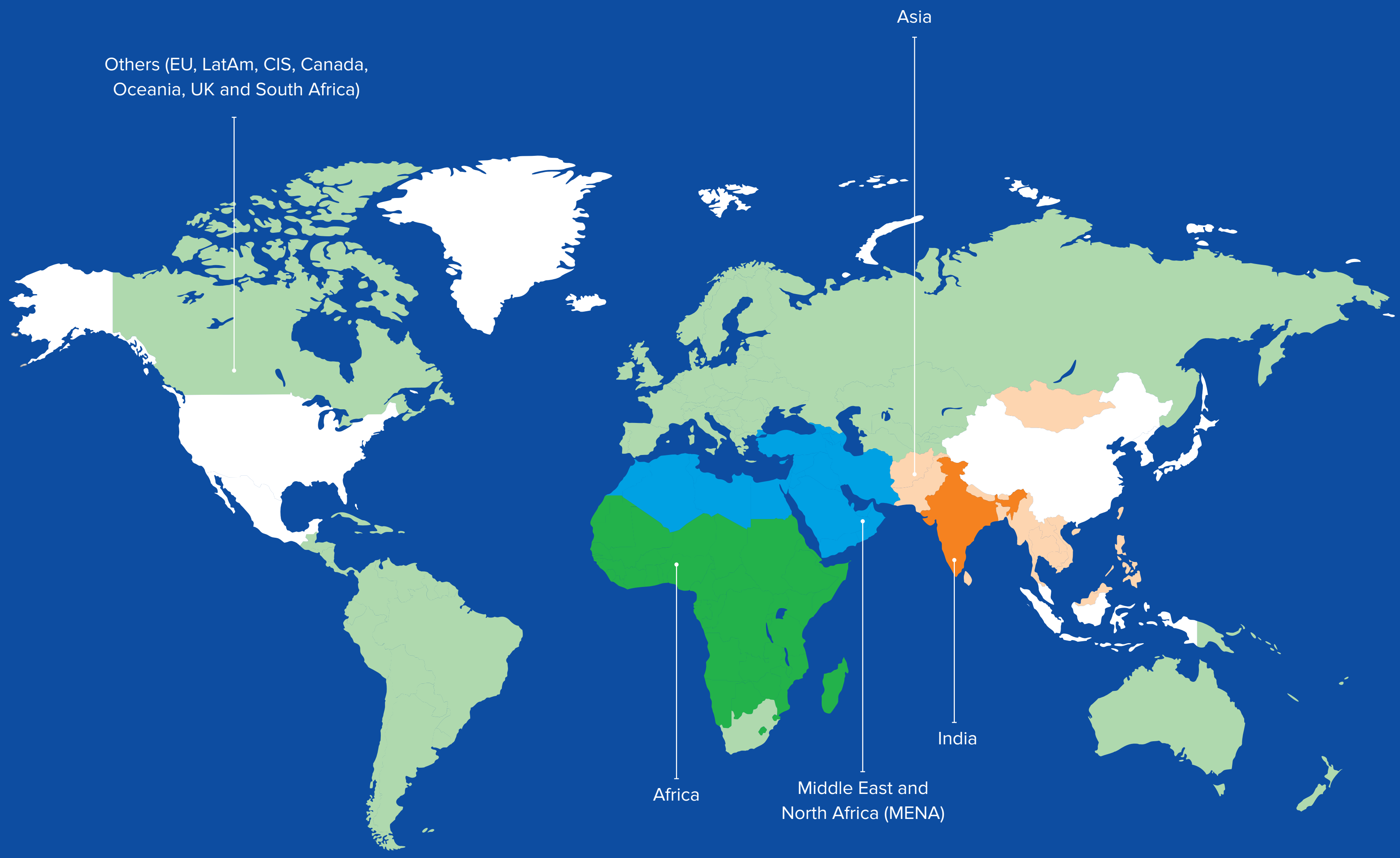
Business Highlights

- ZIM has entered into joint ventures in Australia and MENA, along with several licence and supply agreements in the EU, with local marketing companies to further enhance our marketing activities for NIP and OTF products in these regions
- We filed 3 NIP in FY24 and, to date, a total of 5 NIP in Europe to date and 40 more NIP dossier filings for 9 products in Pharmerging and RoW markets
- Development of 10 NIP is near completion and we are developing 6-8 more NIP; 4-6 NIP filings planned in FY25 with some of these products also planned for filing in Australia, Brazil, Mexico, and South Africa
- ZIM also expanded markets for its existing Formulation products by completing 39 FF dossier filings for 27 products in Pharmerging and RoW markets
- 7 OTF filings were done in the EU and other regulated markets while 44 OTF dossier filings for 15 products were done in Pharmerging and RoW markets
- We supplied our first commercial Pharmaceutical order in Europe for Sildenafil citrate 50 mg Oral Thin Films
- Business mix has improved for FY24 with increased contribution from stable markets such as Asia and India

GLOBAL PRESENCE

WHERE WE OPERATE

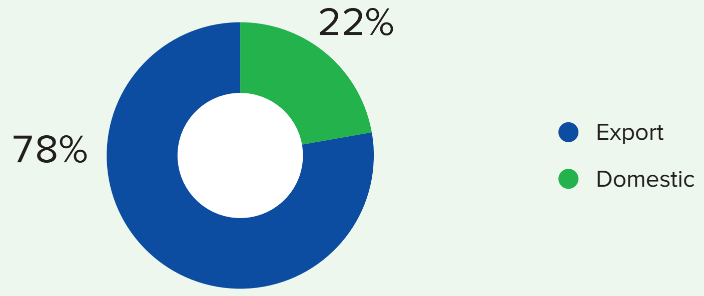
With a strategic focus on delivering exceptional healthcare through innovative drug delivery solutions, we are continuing to diversify our market presence in target markets while steadily progressing towards establishing a presence in stable markets.



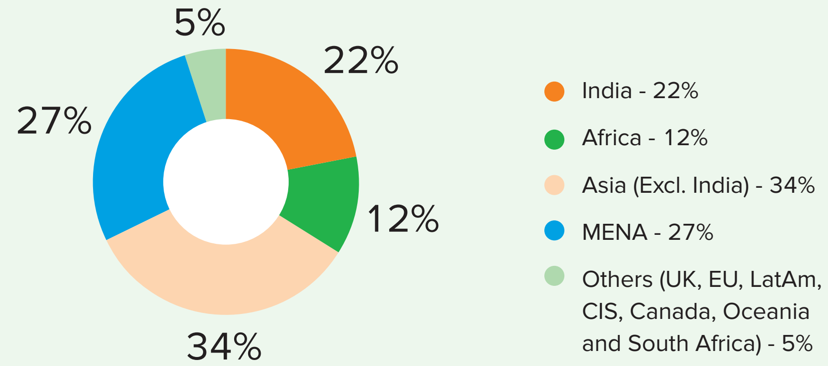
- India - ₹ 804 Mn
- Asia (Excl. India) - ₹ 1,235 Mn
- Africa - ₹ 456 Mn
- MENA - ₹ 985 Mn
- Others (EU, LatAm, CIS, Canada, Oceania, UK and South Africa) - ₹ 195 Mn

Map not to scale. For illustrative purposes only.

Share of Exports FY24



Region-wise Revenue Mix FY24



Region-wise Business Mix

There is a notable trend in the Business Mix, with increasing contributions from India, reflecting a strategic diversification in the overall business portfolio.

- **Europe:** EU market revenues surged to ₹ 42 Mn in FY24, marking a remarkable 36% increase
- **Asia (Ex India):** Notably, the Asian markets, excluding India, experienced a significant Y-o-Y revenue increase of 43%, reaching ₹ 1,235 Mn in FY24
- **India:** Demonstrating robust performance, the Indian market witnessed a 33% Y-o-Y growth in revenue, totalling ₹ 804 Mn for FY24
- **MENA and Asia (excluding India):** These regions stand out as major contributors to our Revenue, accounting for 27% and 34%, respectively, for FY24

KEY MILESTONES

OUR MOMENTOUS JOURNEY

1989-2000

- Solidified our market position as a rapidly growing company for supplying pharmaceutical products to government organisations through tenders by leveraging our WHO-GMP approved plants

2001-2012

- Developed Pellets, Granules, and Taste Masking Technology Platforms to diversify our range and build differentiated generic and higher-margin products
- Increased international presence in the Middle East and North Africa (MENA)
- Developed 'Proof-of-Concept' for Oral Thin Films and Nano-technology

2012-2017

- Funding received from Private Equity Investor
- Focussed on growth through businesses generating higher margins
- Minimised business from deemed exports and low-margin government business
- Invested and upgraded manufacturing facilities to comply with EU-GMP standards and invested in team building and process enhancements
- Built a separate WHO-GMP approved OTF facility and commercialised OTF products
- Ventured into new territories including South East Asia, LatAm, CIS and Africa while strengthening market share in Sri Lanka, South Asia and MENA*
- Developed a steady pipeline of new products, enhanced dossier filings and product registrations

2018-Present

- Focussed on business expansion across new geographies, increasing customer base, and developing a new product pipeline
- Expanded our generic finished formulations business through registration, marketing partnerships, and regular product launches across MENA*, SE Asia, LatAm, and CIS countries
- Introduced Thinoral® (Patented Oral Thin Film technology), including both prescription and OTC products, as an alternative drug delivery platform in RoW/Pharmerging Markets and the EU
- Strengthened R&D team to establish a pipeline of new combination generic Pharmaceuticals for Pharmerging and select Developed Markets
- The shares of the Company were listed with BSE Limited in 2018
- Developed 10 New Innovative Products (NIP) for Key Developed and Pharmerging Markets**
- Expanded capacity to support our business initiatives including a dedicated warehouse for NIP and potential Greenfield dedicated Nutraceuticals plant
- The shares of the Company were listed with National Stock Exchange of India Limited in November 2022
- Incorporated ZIMTAS PTY LTD in 2022 in Australia as a subsidiary Company for product registrations, marketing, & distribution initiatives in Australia and New Zealand
- ZIM's subsidiary, ZIM Laboratories FZE in Sharjah, has partnered with a seasoned local entrepreneur in the MENA* Region

**MENA - Middle East and North Africa*

***Key Developed and Pharmerging Markets: EU, Turkey, Canada, Australia, BRICS, LatAm, Saudi Arabia and other markets with high GDP / Capita*

CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

EMPOWERING PROGRESS WITH INNOVATION AND EXPERTISE

"During the year, our product mix improved, with increased contributions from the Finished Formulations (FF) business and a greater revenue share from our innovative products: New Innovative Products (NIP) and Oral Thin Films (OTF).

Dear Shareholders,

It is with great pleasure that I present the 40th Annual Report of ZIM for Fiscal Year 2024. I hope this message finds you in good health.

In FY24, we made significant progress on our strategic goals, driven by the unwavering passion and hard work of our team. Despite facing headwinds in Q1, we remained committed and passionate about our vision throughout the year. The performance in Q4 helped us catch up with some of the slow business uptake we witnessed in the initial three-quarters of FY24.

We remain committed to our strategy, creating value for our stakeholders.

Business Overview

Our Pharmaceutical business contributed 81% of our Operating Income in FY24, up from 77% in the last fiscal year. The Finished Formulations business for the year contributed 45% which was higher than 35% in the last year. The overall contribution from New Innovative Products (NIP) and Oral Thin Films (OTF) business grew to12% of our Total Operating Income, up from 5.0% in FY23. This business mix aligns with our initiatives to create a more value-added product pipeline.

During the year, our product mix improved with increased contributions from the Finished Formulations (FF) business and a greater revenue share from our innovative products: New Innovative Products (NIP) and Oral Thin Films (OTF).

Furthermore, we enhanced our Geographical mix, generating substantial revenues from Southeast Asia and Indian markets, while also witnessing revenue growth from regulated markets for OTF. Our EBITDA and PAT margins recovered due to improved performance across the quarters. Additionally, we received enhanced licensing fees in FY24 through various agreements signed with our partners for NIP and OTF in the EU & Brazil. We have prioritised higher value business and establishing long-term partnerships for our NIP and OTF products as well as filing several dossiers in the EU for NIP and OTF. Several filings across Pharmerging & RoW markets were also undertaken during the fiscal year.

Domestic business has increased due to the supply of higher value products to the government and collaborations with Indian Pharma companies for our NIP. The Pharmaceutical business remained the primary revenue driver, with Nutraceutical mix improving towards higher value Formulations. Backed by a diversified business mix, we have focussed on steadily establishing our presence in Stable markets, leading to increasing revenue contributions from Asia and India.

Our Pre-Formulation Intermediates (PFI) business, particularly covering some Nutraceutical products, witnessed a decline in revenues in the first three quarters, primarily due to currency issues across the MENA market. We maintained a prudent strategy of refraining from accepting orders for these products without adequate visibility of payments. The PFI business thereafter saw a notable recovery in Q4 owing to more innovative product offerings and market expansion.

Strategic Alliances

We established ZIM Laboratories Middle East DMCC, incorporated in September 2023 as a subsidiary of ZIM Laboratories FZE, Sharjah, during the fiscal to strengthen our market presence in the MENA region while focussing on the more stable markets of Saudi Arabia and UAE. Additionally, we entered into a joint venture with an Australian marketing company to launch our NIP and OTF products in the Oceania region.

Plant Upgradation and Technology

In pursuit of our strategic initiatives and preparation for regulated markets, we continued our investment toward Capex to expand and upgrade plant and equipment. This will ensure compliance with future audits and our readiness to supply potential NIP orders for the EU, Brazil, and other regulated markets. The projects include a warehouse, which has been completed during the fiscal, a dedicated suite for specialised Over the Counter (OTC) NIP, a small batch manufacturing unit for efficient production, and a new NIP Suite. With a continued focus on innovation, we invested in our R&D facility, equipment, and personnel along with BE studies and new product development. We are nearing completion of our exclusive pipeline of 10 complex NIP, with 6 – 8 more under development. This continued investment has resulted in the Company filing 3 more NIP under ZIM's name in the EU, in addition to the 2 already filed in FY23 bringing the total to 5 NIP filings. We expect Marketing Authorisations for some of these to come through in FY25.

During the fiscal year, we achieved a significant milestone with our first commercial order and supply for Sildenafil citrate 50 mg ODS in Europe, marking the initiation of commercial supply for our Pharmaceutical Oral thin films in the region.

Looking Forward

Moving ahead, we plan to strengthen our market presence in our target markets while expanding into Stable markets with our NIP and OTF. In FY25, we will also expand our marketing team and recruit experienced senior level leaders to facilitate our entry into the regulated markets and grow business in our RoW markets. We plan to build robust regional business development teams with dedicated resources for each region, under the leadership of a seasoned business development executive.

On behalf of the Board, I would like to express my gratitude to our shareholders for their continued support and confidence in our ability to deliver consistently year-on-year. I would like to especially thank all 'ZIMians' for their unwavering commitment to exemplifying our Company values with zeal and optimism. I extend my sincere thanks to our customers, business partners, stakeholders, government, banks, and administration for their support and trust. We aim to soar to new heights of success by fostering collective dedication and collaboration, empowering progress along the way.

Best Wishes,

Dr. Anwar S. Daud
Chairman and Managing Director

CHIEF FINANCIAL OFFICER'S (CFO) MESSAGE

NURTURING SUSTAINABLE GROWTH AND EXPANSION

The collaborative efforts in NIP and OTF accounted for 12% of the Total Operating Income. We also observed an increase in the contribution from license and co-development fees.

Dear Shareholders,

It is my privilege to report on ZIM's progress in FY24 and share our plans for the year ahead.

In FY24, we maintained our strategic focus on developing innovative products in the NIP and OTF segments, optimising reach and profitability. We secured robust growth in our target markets, particularly in Asia (ex. India) and India regions, while also witnessing steady growth in our other Target Markets.

Our growth was driven by robust leadership and individual team competencies, with a focus on innovation, delivering differentiated, patient-centric solutions. Additionally, we focussed on strategic R&D and Capex investments, diversifying our product pipeline and technology, and implementing operational improvements for optimal productivity, cost efficiency, and overall business excellence to capitalise on increasing opportunities for future growth and expansion. Our collaborations with strategic partners and focus on expanding NIP registrations in new geographies, including the EU and Pharmerging markets, have also bolstered our growth.

Performance Highlights

Despite facing certain challenges during the initial part of the year, we delivered a sound performance in FY24. Our Total Operating Income stood at ₹ 3,674 Mn in FY24 compared to ₹ 3,985 Mn in FY23. Additionally, we achieved an EBITDA of ₹ 465 Mn, maintaining strong financial performance despite a slight decrease of 20% compared to the ₹ 584 Mn generated in FY23.

Our FY24 EBITDA margin was 12.7%, compared to the 14.7% in the previous year.

For the fiscal year, our PAT stood at ₹ 172 Mn with a PAT margin of 4.7% in FY24. Despite a 29.4% decrease from FY23's ₹ 244 Mn, we recorded better Net Margins owing to better product mix and better region mix.

Maintaining a steady focus on expanding our global revenues, we continued to focus on our target markets while steadily increasing our presence across stable markets. Exports continued to contribute significantly to our overall revenues in FY24, with the Total revenue from exports being ₹ 2,870 Mn, contributing 78% of the Total Operating Income.

We reported substantial growth in the NIP and OTF segments, our key strategic areas, during FY24. Our NIP revenues, mainly from the manufacturing and sale of NIP products, stood at ₹ 241 Mn, reflecting a 200% year-on-year growth. We also made significant progress in our OTF revenues, which saw a 63% year-on-year surge, reaching ₹ 131 Mn in FY24. Licence fees revenue for FY24 was ₹ 65 Mn. Additionally, in FY24, our India business generated ₹ 127 Mn from NIP and ₹ 39 Mn from OTF.

Strengthening Capabilities for Long-Term Growth

The dedicated efforts of our marketing and distribution team resulted in significant revenue contributions from Regulated and Pharmerging Markets. The collaborative efforts in NIP and OTF accounted for 12% of the Total Operating Income. We also observed an increase in the contribution from license and co-development fees. The liquidation of escrow sales amounted to ₹ 306 Mn, maintaining robust financial health.

Our FY24 balance sheet recovered after Q1, with ROE (Return on Equity) at 7.9% and ROCE (Return on Capital Employed) of 10.1%. Additionally, our strategic expansion initiatives led to an increase in total borrowings to ₹ 1,064 Mn from ₹ 596 Mn in FY23, supporting our growth initiatives and EU / Developed market accreditations, resulting in a gearing ratio of 45% as of 31st March, 2024.

With a consistent focus on developing innovative NIP and OTF products and diversifying our portfolio, we continue to invest in our in-house R&D infrastructure and team capabilities. In FY24, our R&D spend for BE studies and Registrations amounted to ₹ 103 Mn. Our persistent R&D efforts in recent years have resulted in an exclusive pipeline of 10 non-infringing NIP being completed, with 6–8 more products on the roadmap. Adapting to evolving customer and market needs, we have enhanced our manufacturing capabilities. In FY24, we invested ₹ 832 Mn in building a new warehouse and constructing new units for manufacturing NIP within our existing facility to meet growing RoW demands. In line with providing holistic healthcare and wellness, we continue to expand our Nutraceutical brand, **ZimUNat**, through innovative and transformative pharmaceutical technologies.

Our success hinges on our highly disciplined and focussed employees, who possess extensive skills and experience across diverse domains including pharmaceutical science, technology, marketing, legal, manufacturing, and intellectual property. We prioritise annual employee learning and development programs and engagement initiatives to keep our workforce motivated and ensure their overall well-being.

Outlook

As we step into fiscal 2025, we are excited to continue our transformative journey by exploring new markets where the competitive landscape is advantageous for us. Our focus will be on developing innovative and complex products. By harnessing our R&D capabilities, domain expertise, manufacturing excellence, and innovative spirit, we aim to deliver value-added, patient-centric solutions.

I would like to extend my heartfelt thanks to our shareholders for their unwavering support during challenging times. My gratitude also goes out to all stakeholders for their confidence in us. I look forward to their continued support, insightful advice, and long-term partnership as we strive to provide accessible, high-quality drug delivery solutions.

Best Wishes,

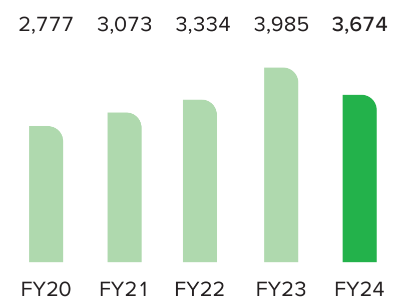
Mr. Shyam Mohan Patro
Chief Financial Officer

KEY PERFORMANCE INDICATORS

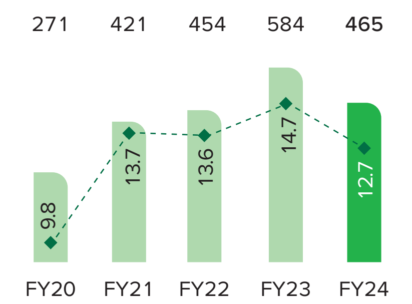
POISED FOR STRATEGIC GROWTH

Profit & Loss Indicators

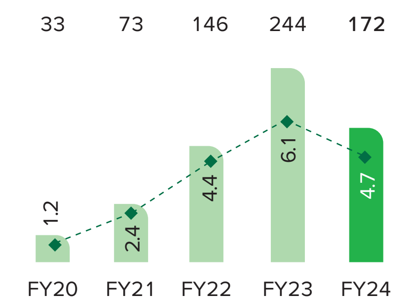
Total Operating Income (₹ in Mn)



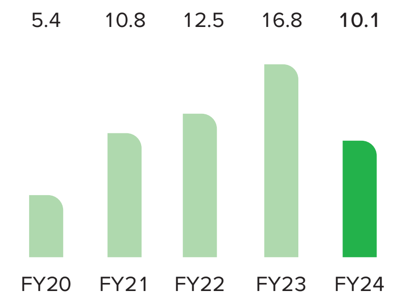
EBITDA (₹ in Mn)
EBITDA Margin (%)



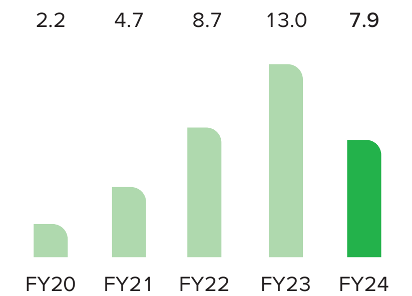
PAT (₹ in Mn)
PAT Margin (%)



ROCE (%)

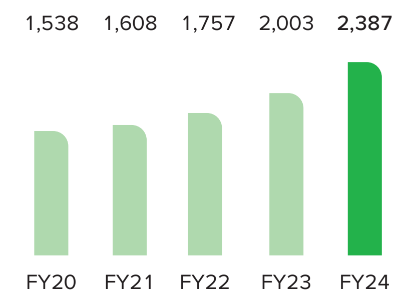


ROE (%)

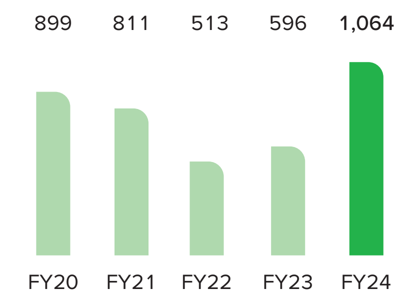


Balance Sheet Indicators

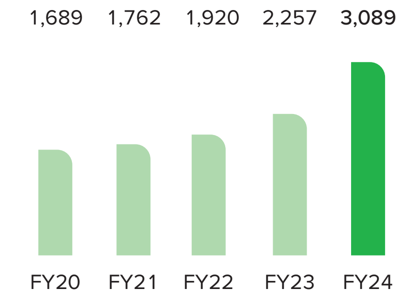
Net Worth (₹ in Mn)



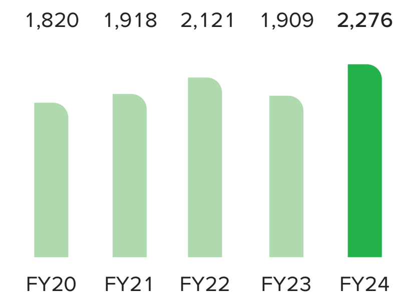
Total Borrowings (₹ in Mn)



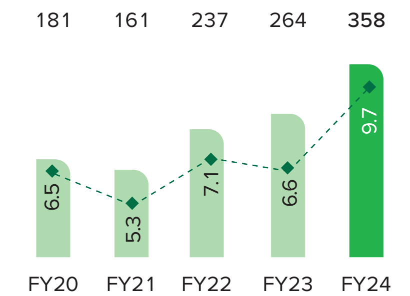
Gross Block (₹ in Mn)



Current Assets (₹ in Mn)

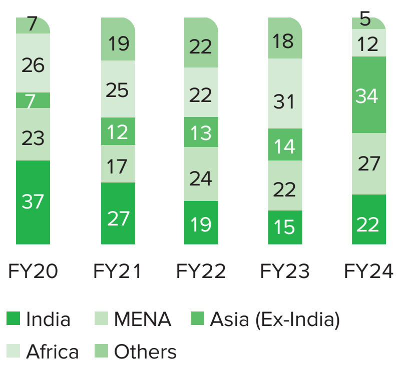


R&D Expenses (₹ in Mn)
Total Operating Income (%)

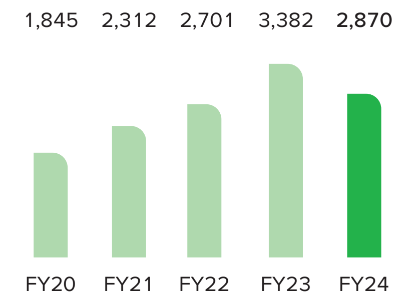


Business-Wise Performance

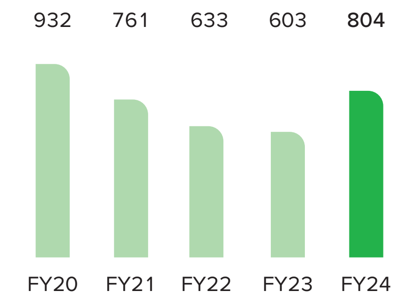
Region-Wise Revenue Mix (%)



Export (₹ in Mn)

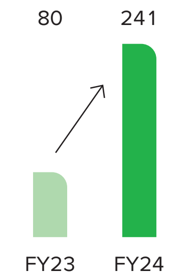


Domestic (₹ in Mn)

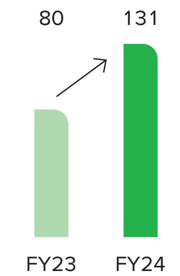


Innovative Products Performance

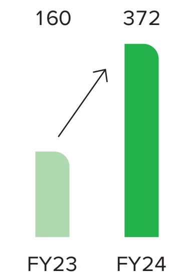
NIP contribution FY23 vs FY24 (₹ in Mn)



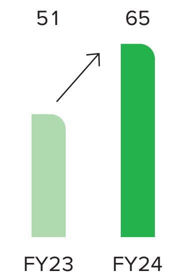
OTF contribution FY23 vs FY24 (₹ in Mn)



NIP + OTF contribution; FY23 vs FY24 (₹ in Mn)



Licensing and Co-Development Fees FY23 vs FY24 (₹ in Mn)



VALUE CREATION MODEL

HOW WE CREATE VALUE

Committed to developing quality and affordable healthcare through unique drug delivery solutions for achieving patient convenience and treatment adherence

Resources	Inputs
Financial • Working on building our balance sheet • The company's net worth indicates a strong financial position	• Paid-up Equity Share Capital - ₹ **487 Mn** • Borrowings - ₹ **1,064 Mn** • D/E Ratio - **45%** • Net Worth - ₹ **2,387 Mn**
Manufacturing • Internationally accredited manufacturing facilities with seamless technology integration • EU-GMP, NSF-ANSI 455-2, WHO-GMP, and ISO 9001	• **3** State-of-the-art Manufacturing facilities in Nagpur: • Solid Oral Dosage Facility (General) - **1,00,000 Sq. Ft.** Oral Thin Film Facility (OTF) - **6,300 Sq. Ft.** Solid Oral Dosage Facility (Cephalosporin) - **16,000 Sq. Ft.** • ₹ **832 Mn** CAPEX spend in FY24 • Focussed on **Multiple** distinct and unique Manufacturing Process Capabilities
Intellectual • Independent DSIR, Govt. of India approved modern R&D centre • Robust R&D infrastructure and team capabilities • Focus on creating innovative and differentiated generics for the Pharmaceuticals and Nutraceuticals divisions • Innovative technology platforms and Drug Delivery Formats for delivering value-added, accessible, and convenient solutions	• Developed **4** proprietary technology platforms that are non-infringing • We filed **40** NIP dossiers for **9** products, **51** OTF dossiers for **17** products, and **39** FF dossiers for **26** products in the RoW and Pharmerging markets. • In FY24, **3** and an overall of **55** patents filed till date • **76** total R&D team • ₹ **358 Mn** R&D investment (including BE Studies) in FY24, contributing to **9.7%** of Total Operating Income
Human • A positive conducive work environment emphasising welfare, learning/ development, competitive compensation, equal opportunities and diversity	• **556** Total Employees as on 31st March, 2024 • **30+** years of Average experience of Management Team
Social and Relationships • Focus on healthcare & sanitation, education, women empowerment, and environment conservation projects to foster community well-being and sustainable development	• ₹ **46.98 Lakhs** spend on CSR activities • **4** CSR Focus Areas

End-to-End Product Development

Product Conceptualisation

Product Development

Dossier Development & Filing

Marketing Authorisations (FF)

Manufacturing & Supplies

Therapy Segments

- Anti-Infective
- Cardiovascular
- Central Nervous System (CNS)
- Gastrointestinal
- NSAID / Analgesics
- Urology
- Vitamins and Supplements

Offerings

- Tablets
- Dry Syrups
- Directly Compressible (DC) Granules
- Pellets
- Capsules
- Oral Thin Films (OTF)
- Taste Masked Powders

Manufacturing Facility Certifications
EU-GMP, NSF-ANSI 455-2, WHO-GMP and ISO 9001

Output	Outcome
Financial • ₹ **3,674 Mn** Total Operating Income • ₹ **465 Mn** EBITDA • ₹ **172 Mn** PAT • ₹ **2,870 Mn** Exports • ₹ **804 Mn** Domestic Revenue • ₹ **3.54 EPS**	• Good returns on investment • Steady profitability • Robust business strategies ensuring strategic growth and profitability • Maximising shareholder value
Manufacturing • We offer **7 distinct offerings** across **9 therapy segments** and **3 dosage forms**, leveraging our advanced, non-infringing technology platforms • **300 Metric Tonne** of pellets capacity • **324 Mn OTF / Annum** capacity • Constructed a **warehouse to expand FF capacity**, developed specialised suites for **NIP OTC products**, established a **Small Batch Manufacturing Unit** to improve efficiency, upgraded **R&D equipment**, and introduced **a new suite for key NIP**	• Cutting-edge manufacturing competencies • Developing high quality innovative, differentiated and affordable healthcare solutions • Driving sustainable growth • Mutually beneficial partnerships with a competitive edge
Intellectual • In FY24, we obtained **13 patents**, bringing our total to **24 patents** granted to date • We received **27 MAs** (Marketing Authorizations) for FF (Finished Formulations) and **9 MAs** (Marketing Authorizations) for OTF (Oral Thin Film) products • We are currently developing an additional **6-8** New Innovative Products (NIP), each at different stages of development • **3 NIP** were filed in the EU during FY24, making a total of **5 NIP** filed in the EU to date • Licensing fees amounted to ₹ **65 Mn** • The combined revenue from NIP and OTF was ₹ **372 Mn**	• Transforming patient needs with continuous innovative and differentiated solutions • Focus on filing complex generics • High quality products ensuring patient convenience and treatment adherence • Regulatory compliance, transparency and timely adherence to deadlines, ensuring the highest quality of and safety standards
Human • **0** Fatalities and Accidents • Women comprise **15%** of the total employee population	• Diversity at the workplace with equal opportunities and competitive pay • Engaged, motivated and competent workforce • Ensuring workplace safety with stringent safety protocols across operations
Social and Relationships • Served **600** underprivileged patients • Supported education by providing sanitation facilities, scholarships, etc., for approximately **2,930** children, and provided assistance to **14** non-granted staff members. • Empowered **80** women	• Assisted in facilitating access to quality healthcare and sanitation • Enhanced the quality of education for empowering children and youth • Impact-driven initiatives for women empowerment

Strategic Priorities FY25

Pharmaceuticals

- Diversifying product portfolio along with a key focus on NIP and OTF products
- Enhancing product registrations and filing
- Expanding presence in Key Developed and Pharmerging markets
- Investments in plant and machinery
- Building a robust employee force
- Increase strategic partnerships
- Increase revenues from licensing fees and co-development from NIP + OTF

Nutraceuticals

- Continue developing a wide array of products
- Use differentiated active ingredients
- Invest in R&D and infrastructure
- Invest in technology and products
- Increase domestic revenues from institutional and government organisations
- Expand exports in Pharmerging and Regulated Markets
- Create an E-commerce presence

Research and Development

- Focus on newer molecules (1st / 2nd generation) to develop a strong pipeline of innovative products
- Zero in on niche therapy segments
- Invest in BE studies and increase new dossiers for Developed and Pharmerging Markets
- Upgrade Dossiers for resubmission in RoW markets and submission in Pharmerging and Regulated Markets
- Focus on our 4 Non-Infringing Technology Platforms for product enhancement
- Strengthening R&D team capabilities
- Allocate resources to enhance R&D, infrastructure, processes, systems, and BE Studies

Capital Expenditure

- Complete the previous CapEx projects that are in line
- Continually upgrading plant and machinery across units with strategic investments and capacity expansion
- Establish specific manufacturing units for NIP

Operations and Quality

- Undertake strategic audits as per the action plan
- Upgrade facilities for enhanced capacity, improved productivity, improved safety, and waste reduction
- Automate processes for enhanced workplace safety, seamless processes, and risk mitigation

Marketing

- Strengthen Marketing Team competencies
- Establish local offices and support facilities at our key target markets
- Collaborate with strategic market partners in specific markets for expanding presence, register products, and conduct commercial launches
- Establish global collaborations with Product Manufacturers / Marketing Companies for Co-development and Supply

Value Created for Stakeholders

Shareholders
Good returns on investment
Robust business strategies ensuring strategic growth and profitability

Customers
Transforming patient needs with continuous innovative and differentiated solutions; high quality products ensuring patient convenience and treatment adherence

Employees
A positive conducive work environment emphasising welfare, learning/development, competitive compensation, equal opportunities, and diversity

Government/ Regulators
Regulatory compliance, transparency, and timely adherence to deadlines, ensuring the highest quality and safety of standards

Business Partners
Mutually beneficial partnerships with a competitive edge

Suppliers
Timely payments and collaboration contribute to a mutually beneficial partnership with suppliers

Community
Focusses on healthcare & sanitation, education, women empowerment, and environmental projects to foster community well-being and sustainable development

SDGs Mapped

PHARMACEUTICALS

We remain focussed on increasing contribution in the Key Developed and Pharmerging Markets* for our New Innovative Products (NIP) and Oral Thin Films (OTF) while expanding our generics business across Pharmerging and RoW markets.

Overview

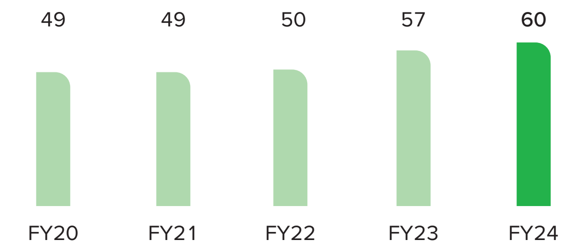
Our Pharmaceutical business is categorised into Pre-Formulation Intermediates (PFI) and Finished Formulation (FF) divisions.

In the PFI segment, we provide a diverse array of differentiated generic Pre-Formulation Intermediates, including pellets with different release patterns, DC granules, and taste-masked powders. Our PFI exports are facilitated through non-exclusive agreements established through enduring partnerships with our business partners.

Our PFI products are registered by our clients under their respective brands and Marketing Authorisation (MA) for marketing in their respective markets. PFI business is promoted in countries where local legislation mandates against the direct import of Finished Formulations (FF).

Our PFI business revenues stood at ₹ **1,884 Mn**, comprising **51%** of the revenue generated in FY24.

Top 10 Pharma molecules contribution as % of Total Pharmaceutical Business



₹2,966 Mn

Pharmaceutical Revenue

81%

of Total Operating Income

2 NIP molecules

Enter the Top 10 in FY24

Our Finished Formulation (FF) offerings comprise tablets, capsules (with pellets of different release patterns), dry syrups, and Oral Thin Films (Oro dispersible and Oro mucosal). We undertake tie-ups with local distributors to market our ZIM branded FF products. Alternatively, we partner with local companies to market our products under their Marketing Authorisation (MA) by using ZIM's dossiers. Such partnerships typically include licensing and manufacturing / supply arrangements. ZIM licenses its product dossiers non-exclusively or submits them under ZIM's Marketing Authorisation in partner countries. Additionally, we are fortifying our core business and optimising cost efficiency by consolidating our top distinctive products.

Our FF business has shown good growth in line with our strategic objectives, indicating an 19% Y-O-Y growth during FY24. Our domestic FF business also gained momentum due to key partnerships with leading Indian Pharma Companies for our novel Urology product.

NEW INNOVATIVE PRODUCTS (NIP)

In recent years, we have focussed on building a differentiated pipeline of complex, non-infringing New Innovative Products (NIP) using Novel Drug Delivery Techniques. NIP are newer generation molecules and have the ability to be 1st or 2nd generics in several markets.

Development of 10 NIP are near completion and we are developing **6-8** more NIP. We have **4-6** filings planned in EU for FY25 for our NIP, with some of these products also planned for filing in Australia, Brazil, Mexico, and South Africa.

NIP have also shown good demand in the Pharmerging and RoW markets, and we continue our filings in these markets to capitalise on additional markets for commercialisation of these NIP.

We have also signed agreements with partners in the EU, Brazil, Mexico, South Africa, and other markets for our NIP and have received first milestone payments for licensing fees.

In FY24, NIP contributed ₹ **241 Mn**; **6.5%** of Total Operating Income, to our revenues. This included revenues from PFI supplied to our partners in India and abroad, as well as revenues from our licence and supply partnership with a major Indian Pharma company for our highly differentiated Urology product.

NIP Development Roadmap

Product	Therapy	Remarks
Product 1	Urology	Filed in the EU during Q4FY23, and for other markets thereafter
Product 2	Gastro-Intestinal	
Product 3	Anti-Coagulant	Filed in the EU during Q4FY24
Product 4	CNS	Filings for Registration in the EU and Other Target Markets are planned for FY25
Product 5	Urology	
Product 6	Rheumatoid Arthritis	
Product 7	Anti-biotic / Anti-infective	Filed in the EU during Q3FY24, and for other markets thereafter
Product 8	Skin / Psoriasis	Filed in the EU during Q2FY24, and for other markets thereafter
Product 9	Urology	Filings for registration in the EU and Other Target Markets are planned for FY25
Product 10	Gastro-Intestinal	
Product 11	Pain Relief	
Product 12	CNS	
Product 13	CNS	
Product 14	Urology	Dossier under development; commercialised as Intermediates in Pharmerging markets
Product 15	Gastro-Intestinal	

NUTRACEUTICALS

Leveraging our cutting-edge platform technologies, we develop unique and differentiated Nutraceutical products, complementing our Pharmaceutical offerings in key therapeutic areas, to offer a holistic approach to patient care and recovery.

Folciron Plus

Calhem

Folron

Becozim Forte

ZimUNat Supplements

ZimUNat

Our unique and specialised Nutraceutical supplements

Overview

Our Nutraceutical business originates from supplying distinctive PFIs tailored to meet our PFI client requirements in their local markets. Since its inception, our PFIs for Nutraceuticals products have gained steady growth traction.

Despite facing challenges related to currency availability at the beginning of FY24, the Nutraceutical segment regained its momentum and accounted for ₹ 708 Mn, or 19% of the Total Operating Income (TOI). We achieved steady progress in our FF business, fueled by substantial state government orders and strategic partnerships.

ZimUNat

In alignment with our mission to provide a comprehensive healthcare approach, we have developed 15 unique and differentiated products under ZimUNat, our brand of Nutraceutical products. ZimUNat offers meticulously researched and highly effective healthcare supplements. Under the ZimUNat umbrella, we craft distinctive and specialised supplements that contribute to overall health. Our commitment extends to developing innovative products tailored to specific therapeutic niches, exemplifying our dedication to holistic well-being.

Key Products - Under Development / Developed

NAUSEA & MOTION SICKNESS SUPPORT

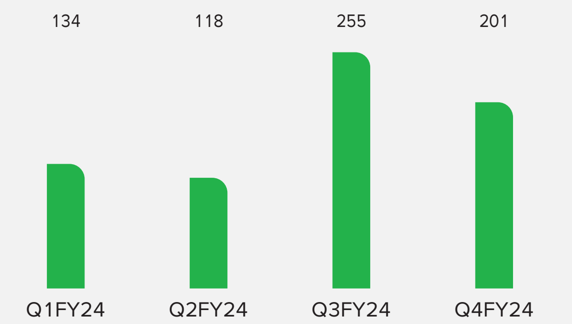
MOOD REGULATION SUPPORT

SKIN HEALTH SUPPORT

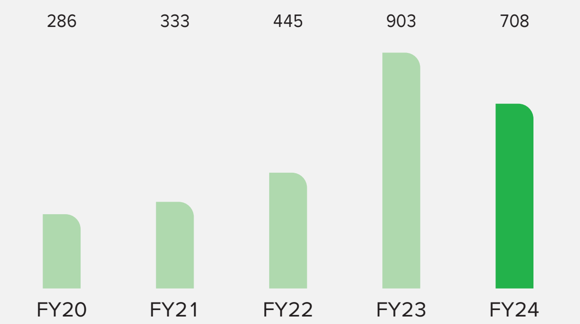
ANTI AGING

LIVER PROTECTANT

Quarterly Nutraceutical Revenue (₹ in Mn)



Yearly Nutraceutical Revenue (₹ in Mn)



Certifications

NSF GMP CERTIFIED NSF/ANSI 455-2 Dietary Supplements

FDA REGISTERED

ORAL THIN FILMS

FY24 saw our first successful commercial order for Pharmaceuticals in Europe with the Product Sildenafil citrate 50 mg Orally Disintegrating Strips. The product was launched in Italy and Malta by our marketing partners, and we are expecting repeat orders in FY25.

Overview

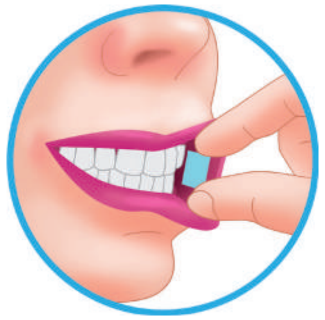
Oral Thin Film (OTF) is a novel drug administration technique. Compared to traditional dosage forms, fast dissolving OTFs offer numerous benefits, including rapid onset of action, precise dosing, improved patient compliance, and enhanced bioavailability of active ingredients, poised to revolutionise the potential landscape of Novel Drug Delivery Systems (NDDS).

According to FactMR, the global Oral Thin Film market is expected to grow at a CAGR of 8.7%. This growth trend is expected to drive the market valuation from US$ 3.12 billion in 2022 to approximately US$ 7.19 billion by 2032. The growing need for innovative drug delivery methods for patients has positioned the thin film solution market as an important contributor catering to the changing demands of healthcare, which will drive its expansion throughout the forecast period.*

*Source: https://www.factmr.com/report/oral-thin-films-market

Thinoral® Technology (Oro - dispersible)

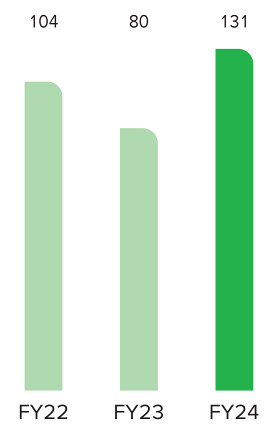
Sublingual Technology



MucoStrip® Technology (Buccal)

Yearly contribution of Oral Thin Films (OTF)

(₹ in Mn)



Ondansetron ODS 8 mg

Sildenafil citrate ODS 50 mg

Vitamin D3 Cholecalciferol ODS 60000 IU

Vitamin D3 + K_2

Sildenafil citrate ODS 50 mg

Vitamin D3 1000 IU

Sildenafil citrate ODS 50 mg

Oral Thin Films in Europe and Regulated Markets

- ZIM has formed marketing partnerships and signed agreements for Oral Thin Films in Europe, UK, Canada, and Brazil for products like Sildenafil, Rizatriptan, Ondansetron, Vitamin D3, Melatonin, Nicotine and Vitamin B12.
- Our partners have launched products under Pharmaceutical and Nutraceutical verticals with both online and offline presence.

Registration under government schemes

- Our Business development team has been able to register certain Oral Thin Films products under the 'Jan Aushadhi' and 'CGHS' schemes in India with initial orders received for Vitamin D3 60k, Ondansetron, Nicotine, and Sildenafil citrate 50 mg.

Our technological development strategy includes a variety of complementary technologies to enhance drug content uniformity and facilitate combination drug administration on our OTF platform.

Spinoral®

- Spinoral® combines nanotechnology and Thinoral® Technology to improve the bioavailability of poorly soluble drugs

Printoral®

- Printoral® offers precise dosing and rapid onset of action, optimising medication effectiveness

Non-invasive Sublingual Spray

- Non-invasive Sublingual Spray offers rapid and effective drug delivery without the need for injections or incisions

ABOUT R&D

LEVERAGING OUR COMPETENCIES

We pioneer innovation by leveraging our robust R&D capabilities, modern manufacturing facilities and emerging technology platforms, to deliver novel differentiated drug delivery solutions, aiming to provide holistic and affordable healthcare.

Forging New Frontiers with R&D Supremacy

At ZIM, we have an independent R&D centre recognised by the Department of Scientific and Industrial Research (DSIR), Government of India, Through this center, we develop unique and differentiated Pharmaceuticals and Nutraceuticals.

Our in-house R&D centre, comprising Pharmaceutical and Nutraceutical development experts, continues to focus on capitalising on the immense opportunities in the global Pharmaceutical market. We leverage dynamic team competencies, infrastructure, and innovative process technologies.

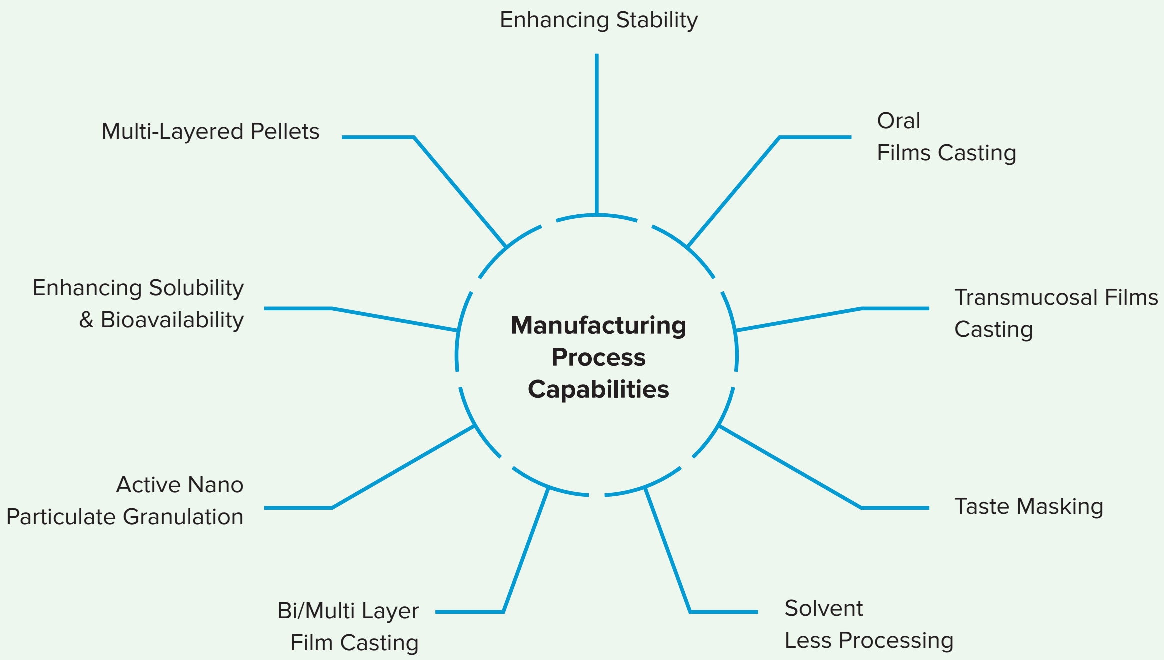
ZIM Health Technologies Limited (ZHTL)

ZIM Health Technologies Limited (ZHTL), our wholly-owned subsidiary, serves as an expanded research and development unit to augment ZIM's R&D efforts in product development, manufacturing, and marketing of complex generic and high-end Pharmaceutical products, especially in Key Developed and Pharmerging markets.

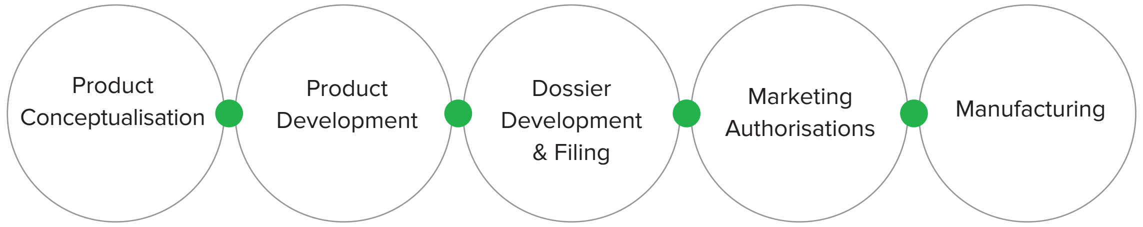
ZHTL is headed by Dr. Chandrashekhar Mainde, a veteran in the field of pharmaceutical research and development. He is ably assisted by seasoned professionals in R&D, QA, QC, RA, and production. Dr. Mainde guides them through product ideation, development, dossier readiness, manufacturing, and registration of new products for the ZIM Group.

We have invested ₹ **358 Mn** in Opex, BE studies, registrations, and hiring to fortify our team's strength and create a state-of-the-art R&D centre with the highest quality equipment and machines.

In recent years, the robust team at ZHTL has played an integral role in expanding ZIM's business, developing an innovative product pipeline, and filing dossiers for registrations across key markets globally.



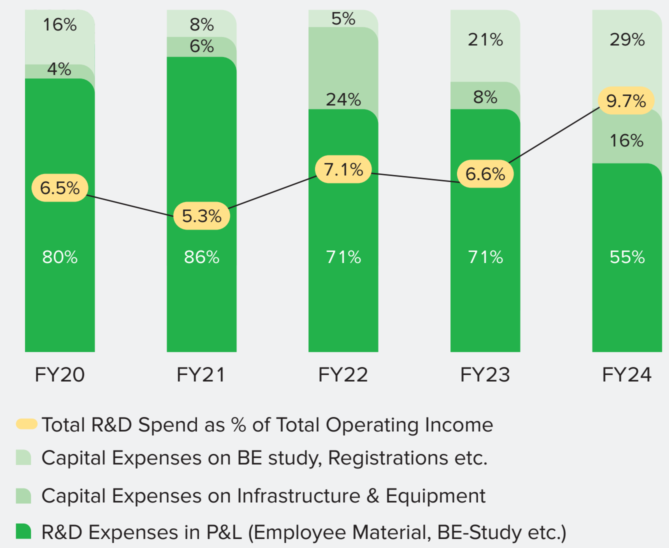
Robust R&D Set-up for Holistic Delivery Solutions



4 Versatile NIP Technology Platforms:

1. Micro-Emulsion Coating Technology (MECT)
2. Pellet Cold Forming Technology (PCFT)
3. Rapid Gelation Drug Release Technology (RGDRT)
4. Matrix Pore Forming Tablet Technology (MAPOTAB)

R&D Expense Mix % of Total R&D Spend & Total R&D Spend as % of Total Operating Income



R&D Spend

₹ 103 Mn
R&D Spend in FY24 on BE Studies, Registrations and others

₹ 1,021 Mn
R&D Spend over the last 4 years on Opex, Facility, and BE studies

Key Numbers FY24

76
R&D Team Size

2
PhDs

76
Postgraduates

4
Versatile technology platforms for our NIP

3
NIP filed in EU market in FY24

MANUFACTURING PRUDENCE

Our internationally accredited manufacturing facilities seamlessly integrate technology to develop innovative, distinct and affordable healthcare solutions, driving sustainable growth and a competitive edge.

3 Cutting-Edge Manufacturing Facilities at Nagpur

For manufacturing

- General
- Oral Thin Films
- Cephalosporin

General Facility

Oral Dosage (General)

Manufacturing: Tablets, Capsules, DC Granules, Pellets and Dry Syrup

Accreditations: EU-GMP, ISO-9001

Area: 1,00,000 Sq. Ft.

OTF Facility

Oral Thin Films (OTF)

Manufacturing: Oral Thin Films

Accreditations: EU-GMP, ISO 9001, NSF-ANSI 455-2

Area: 6,300 Sq. Ft.

Cephalosporin Facility

Solid Oral Dosage (Cephalosporin)

Manufacturing: Tablets, Capsules and DC Granules

Accreditations: WHO-GMP, ISO 9001

Area: 16,000 Sq. Ft.

We have spent ₹ **832 Mn** in Capital expenses to upgrade our plant and equipment and add new units:

1. **Warehouse -** For increased capacity owing to our FF business and readiness for entry into Regulated Markets
2. **Specialised Suites for our NIP -** Over the counter (OTC) products, which are developed using liquid-in-pellets technology and require high-end machinery
3. **Small Batch Manufacturing (SBM) -** We have created an SBM unit for more efficient operations and the ability to customise order sizes
4. **R&D equipment upgradation -** Capex has been done to upgrade R&D equipment to the latest standards and fortify our ability to develop the innovative technologies
5. **New Suite for key NIP -** We aim to undergo several more audits for regulated markets like ANVISA, TGA, SAHPRA and have invested in dedicated units to meet the anticipated demand for these products

We continue to invest in plant and equipment to meet the necessary standards for our target markets and ensure completion of ongoing projects.

— New Warehouse (Exterior)

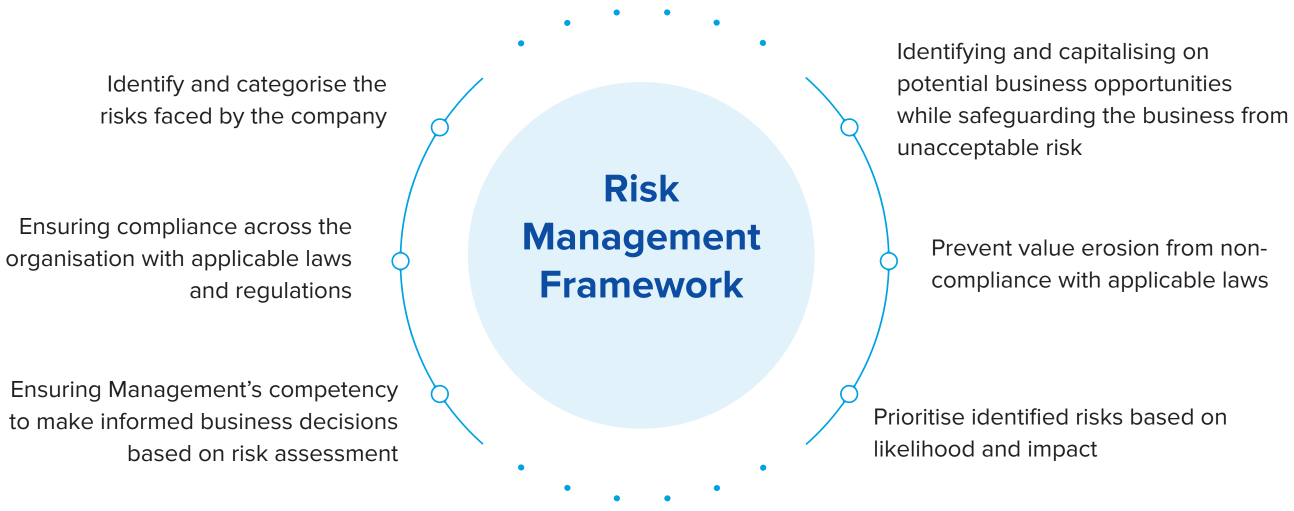
— Specialised Equipment

— New Warehouse (Interior)

RISK MANAGEMENT

RISKS AND OPPORTUNITIES

At ZIM, we have developed a structured risk management framework overseen by our Risk Management Committee for identifying, assessing and mitigating potential risks, while also capitalising on opportunities in the complex and dynamic global business landscape.



Risk Governance and Structure

The significance of risk management cannot be overstated as it directly influences the success of business operations in an organisation. Therefore, at ZIM, we have recognised risk management as one of our top priorities. The Company has a Risk Management Committee comprising Directors with expertise and experience in risk management, finance, accounting, and related fields. The Committee assists the Board in fulfilling its corporate governance oversight responsibilities regarding the identification, evaluation, and mitigation of strategic, operational, and external environment risks. It also monitors the enterprise risk management framework and associated practices and processes of the Company. Additionally, the committee evaluates the significant risk exposures of the company and assesses management's actions to mitigate the exposures in a timely manner.

Over time, the Company's risk management perspective has evolved into an integrated and continuous approach, resulting in the implementation of a comprehensive and robust risk management framework to identify, assess, and mitigate potential risks, safeguarding the operations of the organisation and protecting the interest of stakeholders. The framework has become an integral part of the Company's strategy for enhancing stakeholder value and is embedded in governance and decision-making processes. Management also seeks assistance from specialised risk consultants as required, for support and guidance.

Management also integrates risk management into the decision-making process, which helps to prepare for navigating the complex and ever-evolving landscape of the pharmaceutical industry. Based on prioritisation of identified risks, management establishes a comprehensive mitigation plan to address identified risks and minimise their potential impact on the operations of the Company.

Mitigation

The Company is fully dedicated to quality and has robust quality processes and systems in place at its developmental and manufacturing facilities to ensure the safety and quality of every product. ZIM consistently invests in equipment, processes, and systems to ensure full compliance with manufacturing and audit norms. Its manufacturing units are certified EU-GMP and NSF ANSI 455-2, and it regularly complies with third-party audit checks. Furthermore, the Company's experienced regulatory team addresses compliance norms, queries, and observations for multiple filings and registrations. The Company also works with expert regulatory consultants with expertise in compliance and regulatory laws of countries where it files the products. Additionally, ZIM maintains strong relationships with partners in the target filing country to stay up-to-date on the latest regulatory norms.

Key Risks, Mitigating Actions and Opportunities

Area of Risk	Description	Impact	Mitigating Actions	Opportunities
Geopolitical and Economic Risk	• Exposure to potential geopolitical uncertainties	• Could hamper plans, operations, supply chains and market access • Could adversely impact exports	• A globally diversified business portfolio Wreduces dependency on any specific region/market • Focus on tapping opportunities in Key Developed and Pharmerging markets to diversify risk • Evaluating strategic sourcing and supply	• Value creation in expanding the Indian generic drugs market and focussing on driving innovation in stronghold target markets
Delays in Registration and Manufacturing approval	• Delays in obtaining registration, marketing approval, audits, accreditations, and manufacturing approvals in target markets • Delays in commercial launch of NIP in Key Developed and Pharmerging markets	• Could adversely impact operations, sales, revenues, and profitability	• Capitalise on robust growth across RoW markets • Increase in NIP filing • Improved existing product dossiers to expand RoW market presence • Expanding Nutraceutical products segment	• Fostering innovation with strategic partnerships with locals across target markets, promoting knowledge and resource sharing
Competition Risk	• Operating in a highly complex and competitive global pharmaceutical business segment	• Could face severe competition from large and reputed pharmaceutical companies in India and internationally, leading to adverse impacts on product sales and profit margins	• The focus on New Innovative Products (NIP) and Oral Thin Films (OTF) product line, along with other differentiated generic products, serves as a development strategy aimed at securing a competitive edge over other pharmaceutical firms in the market • The NIP may potentially be the first generics introduced in some markets, indicating an opportunity for the company to establish itself as a pioneer and gain significant market share	• Adopting digital technologies such as artificial intelligence (AI), telemedicine, and machine learning (ML) to deliver healthcare solutions; introducing new innovative products and transforming distribution channels to gain a competitive edge
Compliance and Regulatory Risk	• Stringent regulatory and compliance environment	• Could adversely impact exports, audit findings, dossier registration, and market expansion plans	• The Company demonstrates stringent processes and systems at all facilities • Continuous investment in equipment and compliance measures reflects a proactive approach to mitigating regulatory risks • Certifications such as EU-GMP and NSF ANSI 455-2, along with regular audits, ensure adherence to industry standards, reducing non-compliance risks • Third-party audits ensure adherence to industry standards, reducing non-compliance risks • Our experienced regulatory team adeptly addresses compliance issues, ensuring that our operations meet all necessary standards. Furthermore, our collaboration with regulatory experts bolsters our efforts in navigating the complexities of diverse regulatory landscapes • Collaboration with regulatory experts strengthens efforts in navigating diverse regulatory landscapes • Strong partnerships in target countries aid in staying updated on regulatory norms, facilitating timely compliance and risk mitigation	• Gaining sound knowledge of local regulatory and compliance frameworks across key markets through strategic collaborations

CORPORATE SOCIAL RESPONSIBILITY

CONTRIBUTING TO COMMUNITY WELFARE

At ZIM Labs, our unwavering commitment to responsible corporate citizenship is deeply ingrained in our values, recognising our responsibility to both the environment and the communities we operate in. In full compliance with the Companies Act, 2013, and the Companies (Corporate Social Responsibility) Rules, 2014 mandated by the Central Government, we have adopted a comprehensive Corporate Social Responsibility (CSR) policy.

Our CSR initiatives are designed to focus on key areas: **Health & Sanitation, Education, Woman Empowerment, and Environment Conservation**. These priorities are especially emphasised in the regions surrounding our manufacturing facilities. Our dedication to education aims at empowering individuals with knowledge and skills, creating avenues for a brighter future. Concurrently, our healthcare initiatives are geared towards elevating community well-being by ensuring access to essential medical services and promoting preventive healthcare practices. Moreover, our commitment to woman empowerment and environment conservation is evidenced through impactful initiatives that contribute positively to society.

To ensure the efficacy and transparency of our CSR endeavours, the CSR Committee diligently oversees and monitors these activities, aligning them with our core values and the specific needs of the communities we serve.

At ZIM Labs, our steadfast dedication to making a meaningful difference through our Corporate Social Responsibility initiatives is driven by the belief that conducting business with the utmost respect for the environment and the community is essential for contributing to a sustainable and inclusive future for all.

Initiatives During FY24

ZIM Labs is committed to Corporate Social Responsibility (CSR) initiatives that span diverse sectors. The Company's substantial commitment is prominently reflected in its highest expenditure on healthcare initiatives, closely followed by in education. ZIM Labs actively fulfils its Corporate Social Responsibility, playing a vital role in enhancing the overall well-being of society. The cumulative expenditure on these CSR initiatives stands at **₹ 46.98 Lakhs**, underlining the company's commitment to making meaningful contributions to societal welfare.

— Fashion Design Lab at Jeevan Vikas Mahavidyalay

CSR activities in FY 24

Healthcare and Sanitation

- **The Paediatric OPD waiting room at Government Medical College & Hospital (GMCH)** was remodelled to create a stress-free, comfortable, and child-friendly environment for pregnant women and other patients, aiming to offer improved healthcare outcomes.
- **The washrooms at New English School, Mohpa, Kalmeshwar**, for both girls and boys, were reconstructed and renovated, demonstrating a commitment to elevating sanitation, hygiene, and promoting gender equality for enhanced educational experiences.
- **Essential equipment provided to Rural Hospital, Kalmeshwar** showcased a commitment to optimising resources, and contributing to the well-being of patients.
- The Company facilitated procurement of **ambulance by Khidmat Hospital** for underprivileged communities. This initiative addresses healthcare disparities and ensures timely medical attention, enhancing accessibility.
- The Company provided **infusion pumps** used for cancer treatment at **Rashtrasant Tukdoji Maharaj Cancer Hospital**, thereby contributing to improvement of medical infrastructure and access to advanced medical technology.

Impact

- This initiative positively enhanced the well-being of approximately **200 Paediatric patients** daily at the Government Medical College and Hospital (GMCH), providing them with proper seating, ventilation, and protection from outside weather conditions.
- The reconstruction of washrooms at New English School, Mohpa, improved the daily lives of around **1,600 students**, promoting better health conditions.
- With an influence on approximately **100 OPD patients each day**, this initiative ensured that the Rural Hospital in Kalmeshwar was well-equipped to deliver quality healthcare services to the community.
- The acquisition of an ambulance for underprivileged communities at Khidmat Hospital (which catered to **150 patients every month**) addressed healthcare disparities, striving to deliver timely medical attention and impacting approximately **15 to 20 patients monthly**.
- The provision of 7 infusion pumps in cancer treatment at Rashtrasant Tukdoji Maharaj Cancer Hospital ensured timely and accurate medicinal dosage for the treatment of about **200 OPD patients daily**, resulting in a positive impact on their healthcare.

SDGs

— Well-functioning and efficient ambulance at Khidmat Hospital

Education

- The Company provided **scholarship** to an underprivileged student based on her educational merits, thereby promoting education.
- The **scholarship program** at **Dr. Bhabha Vidnyan Sanstha and KZS Science College, Kalmeshwar**, promoted academic excellence and inspired future generations, fostering a lasting positive social impact.

— Computers provided at Rashtriya Drushtihin Shikshan & Punarwasan Sanstha

- The Implementing Agency, **Millat Educational and Social Welfare Association, provided assistance for underprivileged students at Millat Urdu Upper Primary and High School**. This initiative provided students with educational amenities, thereby promoting education of underprivileged students.
- Through this CSR initiative, the Company facilitated setting up of a **Fashion Design Lab at Jeevan Vikas Mahavidyalay**. This initiative resulted in fostering skill development and demonstrating a commitment to holistic growth.
- The provision of **computers** to visually challenged students at **Rashtriya Drushtihin Shikshan & Punarwasan Sanstha** completed a project, embodying a commitment to inclusive education and empowering learning.

Impact

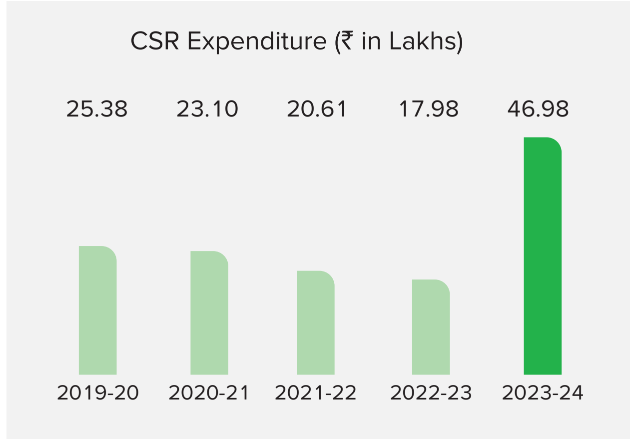
- The Millat Educational & Social Welfare Association positively impacted **190 students** by providing assistance to the school and amenities to the underprivileged students. This contribution facilitated the smooth functioning of the educational facility.
- The Fashion Design Lab at Jeevan Vikas Mahavidyalay has brought about positive change in the lives of **1,000 students and 80 women**, helping them enhance their skills and overall personality.
- The provision of computers for use by **128 visually challenged students** at Rashtriya Drushtihin Shikshan & Punarwasan Sanstha has not only enhanced their skills but also made learning fun, fostering a sense of equality in all aspects.

CSR Expenditure

Through CSR initiatives, we have incurred a cumulative expenditure of ₹ **46.98 Lakhs** towards various activities, with a primary focus on healthcare & sanitation initiatives, followed by promoting education.

₹ 46.98 Lakhs

Cumulative CSR Spend



– Scholarship program at Dr. Bhabha Vidnyan Sanstha and KZS Science College

BOARD OF DIRECTORS

SEASONED LEADERSHIP FOR DRIVING INNOVATION

Dr. Anwar Siraj Daud
Chairman and Managing Director

Dr. Anwar Siraj Daud is the driving force behind ZIM Laboratories Limited. He holds an M. Pharm and a PhD in pharmaceutical chemistry and pharmaceutics. He initiated his professional journey in 1981.

Under his able leadership, ZIM has evolved into an R&D focussed Pharmaceutical Manufacturing Company upholding stringent quality standards and supplying medications to 50+ countries. His passion for research and innovation has propelled ZIM to develop numerous novel delivery systems and differentiated products. Actively engaged in international pharmaceutical markets, he oversees business strategy, development, and R&D operations.

Additionally, he is associated with various professional bodies and remains committed to elevating the standards of Indian Pharmaceutical Segment. He has received several accolades from various organisations for his contributions to the industry and society.

Mr. Zulfiquar Kamal
Director – (Finance)

Mr. Zulfiquar Kamal, a Chartered Accountant, has been with the company for over 25 years. Since 1991, he has served on the Board of Directors. With over 30 years of deep financial expertise, he has contributed significantly towards achieving financial discipline and control, integral to ZIM's growth. As Director of Finance, he manages commercial operations, focussing on transforming ZIM as a financially-efficient organisation driving operational excellence and technological prowess.

Mr. Niraj Dhadiwal
Director - (Business Development)

Mr. Niraj Dhadiwal is a pharmacy graduate with a Diploma in Business Management. Having joined ZIM nearly 30 years ago as a production officer in 1990, he has ascended through the ranks to assume the role of Director. With his sharp business acumen and technical expertise, he has been instrumental in the company's export development, showcasing his strategic foresight in tapping into new markets.

As Director of Business Development, he oversees business development and marketing functions. He strives to help ZIM achieve a global presence with its innovative products while delivering lasting value for stakeholders.

Mr. Prakash Sapkal
Director and Head – (ODS Business, Formulations – Domestic, ROW & Emerging Markets)

Mr. Prakash Sapkal, a Pharmacy graduate with a post graduation in Business Administration, has been associated with the Company for over 25 years. Beginning his journey as an Assistant Chemist, he has handled key operations and progressed through roles such as Production Supervisor, Production Manager, and Vice President - Operations. He played a pivotal role in assembling the team that brought ZIM's vision to life. Passionate about driving meaningful change, he prioritises people and customers while optimising processes.

Mrs. Kavita Loya
Independent Director

Mrs. Kavita Loya, a Senior Practicing Chartered Accountant with over 20 years of experience, serves as a Partner at Loya Bagri & Company, Chartered Accountants. She has expertise in Audit, Taxation, and other financial matters and has been an Independent Director on the Board since 2017. She has also contributed to various committees, including the Capacity Building and Women's Empowerment Committees of the ICAI in the Western Region, Mumbai, and Nagpur. She is a core group member of the Bombay Chartered Accountants Society.

Mr. Padmakar Joshi
Independent Director

Mr. Padmakar Joshi, a senior banking professional with 37+ years of diverse experience in commercial banking, has been an Independent Director on the Board since September 2017. He retired from Union Bank of India as Deputy Head of Corporate & SME Credit Monitoring and Debt Restructuring.

Dr. Kamlesh Shende
Independent Director

Dr. Kamlesh Shende possesses over 30 years of experience of Regulatory Affairs in the Pharmaceutical sector. He holds a Master's Degree in Pharmacology and a PhD (Herbal Medicine) from the University of Health Sciences, Nashik.

He has served as a technical consultant to numerous pharmaceutical companies, specialising in Drug Policy matters. Dr. Shende has worked as Drugs Formulation Expert for the entire State of Maharashtra and was a member of the National Subcommittee on Formulations constituted by Drugs Consultative Committee.

He retired as Joint Commissioner (Drugs) from the Food and Drugs Administration, Mumbai, bringing with him a wealth of expertise.

Dr. Kakasaheb Mahadik
Independent Director

Dr. Kakasaheb Mahadik is a senior pharma professional having rich expertise of over 35 years in pharmaceutical research, including Novel Drug Delivery Systems. Dr. Mahadik holds multiple degrees, including an M. Pharm and PhD in Pharmaceuticals, as well as a Ph.D. in Law, showcasing his expertise in pharmaceutical research, management, and administration.

He is a member of the Indian Pharmaceutical Association, IASTAM, and other reputed professional bodies. Dr. Mahadik is an active contributor to various Pharma and Research organisations, having granted several patents and published over 300 Research Papers in India and internationally. He has been recognised with several prestigious awards for his contribution in the pharmaceutical research and other social causes.

Dr. Mahadik has served as a Member of Executive Council Indian Society for Clinical Pharmacology and Therapeutics and the Executive Committee Indian Pharmaceutical Association.

ZIM HEALTH TECHNOLOGIES LIMITED (ZHTL) - WHOLLY-OWNED SUBSIDIARY

BOARD OF DIRECTORS

Dr. Anwar Siraj Daud
Non-Executive Chairman (ZHTL)

Mr. Zulfiquar Kamal
Non-Executive and Non-Independent Director (ZHTL)

Dr. Chandrashekhar Mainde
CEO and Executive Director

Mr. Gautam Saigal
Non-Executive and Non-Independent Director

Dr. Chandrashekhar Mainde
CEO and Executive Director

Dr. Mainde, with an M. Pharm and Ph.D. in Pharmaceutical Technology from Nagpur University, brings with him over 25 years of industrial experience. He oversees the Company's research and development efforts, guiding overall technical functions, including Quality and Operations. He also leads key business development initiatives for regulated markets. Dr. Mainde has represented several reputed pharmaceutical organisations and has a remarkable track record of facing approximately 75 audits from major regulatory authorities such as US FDA, MHRA, ANVISA, TGA, and EMA. He has led the filing of 300+ products to MOH Turkey, 10 ANDA submissions to the USA, and 50 EU CTD dossiers to various European countries. As the principal investigator for 100+ Indian patents, he has also invented several patents filed worldwide. Additionally, he has contributed to 300+ bioequivalence studies, including complex formulations, and submitted around 150 ANDA applications in the USA and others in regulated markets.

Mr. Gautam Saigal
Non-Executive and Non-Independent Director

Mr. Gautam Saigal is a founder partner of Pachira Financial Services LLP and an advisor to ZIM Laboratories Limited. He is a Chartered Accountant and a post-graduate in Commerce from Calcutta University. With over 30 years of experience in financial services, including private equity investment, investment banking, and advisory services. Until mid-2013, he served as the Managing Director of AA Indian Development Capital Advisors Ltd., advisors to the India dedicated mid-market focussed private equity fund launched by the Ashmore Group and Alchemy Partners, UK. Prior to this role, he was Vice President, AIG Global Investment Group (Asia) and Co-Head of its India private equity advisory practice.

Since 1997, Mr. Gautam Saigal has led several private equity investments and served as a Board member across various sectors, including healthcare, financial services, telecom, and consumer products, among others. He played a pivotal role in leading the investment of AA India Dev Capital Fund in ZIM and served on the Board of ZIM Laboratories until mid-2013.

Currently, he serves on the Board of Directors of Asirvad Microfinance Ltd. and Manappuram Home Finance Ltd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Anwar Daud
Chairman and Managing Director

Mr. Zulfiquar Kamal
Director (Finance)

Mr. Niraj Dhadiwal
Director (Business Development)

Mr. Prakash Sapkal
Director and Head – (ODS Business, Formulations – Domestic, ROW & Emerging Markets)

Mrs. Kavita Loya
Independent Director & Chairman: Audit Committee and Risk Management Committee

Mr. Padmakar Joshi
Independent Director & Chairman: Nomination and Remuneration Committee

Dr. Kamlesh Shende
Independent Director Chairman: Stakeholders Relationship Committee

Dr. Kakasaheb Mahadik
Independent Director Chairman: Corporate Social Responsibility Committee

CHIEF FINANCIAL OFFICER

Mr. Shyam Mohan Patro

COMPANY SECRETARY AND COMPLIANCE OFFICER

CS. Piyush Nikhade

BANKING AND FINANCIAL INSTITUTIONAL PARTNERS

Bank of India

SVC Co-operative Bank Limited

IndusInd Bank Limited

TATA Capital Financial Services Limited

STATUTORY AUDITORS

Walker Chandiok & Co. LLP
Chartered Accountants

COST AUDITOR

M/s Dhananjay V. Joshi & Associates
Cost Accountants

INTERNAL AUDITORS

Protiviti India Member Private Limited

SECRETARIAL AUDITOR

Ms. Yuti Nagarkar
Company Secretary in Practice

REGISTERED OFFICE

ZIM Laboratories Limited
Sadoday Gyan (Ground Floor),
Opp. NADT, Nelson Square,
Nagpur - 440013, Maharashtra, India.
Tel: 0712-2981960
Website : www.zimlab.in
Email: cs@zimlab.in

CIN: L99999MH1984PLC032172

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
Unit: ZIM Laboratories Limited,
Link Intime Address:
C 101, 247 Park, LBS Marg,
Vikhroli (West),
Mumbai - 400 083, Maharashtra, India.
Tel: +91 22 4918 6000
Toll Free No.: 1800 1020 878
Email: rnt.helpdesk@linkintime.co.in

LEGAL CONSULTANT

Adv. Shabana Karim

INVESTOR RELATIONS

Mr. Zain Daud
Email: zain.daud@zimlab.in

Management Discussion and Analysis

Economic Overview

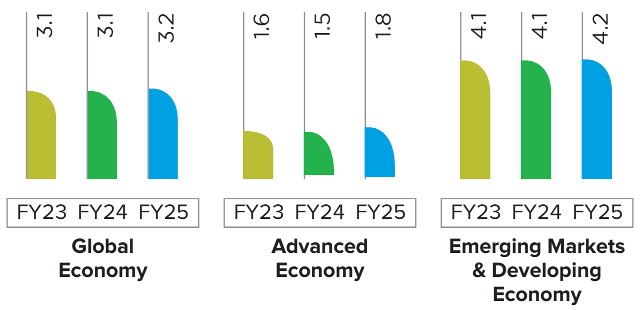
Global Economy Review

The global economy exhibited remarkable resilience in 2023. The International Monetary Fund (IMF) has revised its projection for global economic growth in 2023 from 3.0% in its October 2023 outlook to 3.1% in January 2024. Despite ongoing geopolitical challenges, volatility in energy and food markets, and aggressive monetary tightening, global economic growth has decelerated but not halted. Global inflation continues to recede faster than expected. It declined from 8.7% in 2022 to 6.8% in 2023.

Economic growth in several Emerging Markets and Developing Economies (EMDEs) has exceeded expectations in 2023. The US economy has experienced the strongest recovery among major economies, and its GDP increased from 1.9% in 2022 to 2.5% in 2023. The European Union (EU) has demonstrated resilience in navigating through unprecedented shocks from the prolonged Russia-Ukraine war and higher interest rates. Although its GDP growth contracted from 3.6% in 2022 to 0.6% in 2023, the EU managed to avoid a recession in 2023.

Outlook

In 2024, analysts expect the global economy to sustain its resilience. The IMF forecasts global growth of 3.1% in 2024, with a slight uptick to 3.2% in 2025.



(Source: International Monetary Fund)

Higher interest rates will impact the global economic outlook for 2024, carrying the risk of a resurgence in inflation due to persistent core inflation and shifts in the anticipated monetary stance. Analysts expect global headline inflation to decrease to 5.8% in 2024 and to 4.4% in 2025. Furthermore, the ongoing Russia-Ukraine conflict has the potential to dampen the overall economic outlook of the EU. The escalation of geopolitical conflict in the Middle East and the Red Sea route could elevate logistics costs, energy, and commodity prices, raise the risks of supply disruptions, and pose downside risks to the global economy. However, faster disinflation and steady growth have diminished the possibility of a severe economic downturn, and the risks to global economic expansion are broadly balanced. After experiencing rapid expansion in 2023, the Asia-Pacific (APAC) region is expected to be the fastest-growing region of the world economy in 2024, supported by robust domestic demand in East Asia and India.

(Source: IMF Economic Outlook Update January 2024, S&P Global)

Indian Economy Review

The Indian economy is shining as a beacon of hope and emerged as a top performer in FY 2023-24. It is the fifth-largest economy in the world and is poised to retain its position as the world's fastest-growing major economy. As per the first advance estimates released by the National Statistical Office (NSO), real GDP is expected to grow by 7.3% in FY 2023- 24 as opposed to 7.2% in FY 2022-23, driven by buoyant domestic demand, moderate inflation, a stable interest rate environment, and strong investment activity. Despite repetitive food price shocks, CPI inflation is on a downward trajectory and eased to 5.10% in January 2024 from 5.69% in December 2023. The RBI keeps the policy repo rate unchanged at 6.50% and retains the CPI inflation forecast at 5.4% in FY 2023-24. Furthermore, the Index of Industrial Production (IIP) shows that the output of India's industry grew by 6.1% in the first three quarters of FY 2023-24, compared to 5.5% in the corresponding period of last year. The Manufacturing sectors recorded a higher growth rate of 5.6%.

The Interim Budget 2024 outlines a multi-pronged economic management strategy and sets the foundation for the vision of a 'Viksit Bharat' (Developed India) by 2047. The government continued with its robust spending on capital expenditure, which grew by 11.1% to ₹ 11.1 Lakh Crores for FY 2024-25. The primary focus has been on enhancing the country's infrastructure.

Outlook

Despite the challenges posed by a volatile global macro environment, India's economic outlook remains optimistic, backed by stronger consumer demand and private investment, physical and digital infrastructure enhancements, augmented capital expenditure, and the government's proactive policy measures. The IMF expects the Indian economy to advance steadily to 6.5% in 2024.

India's economic outlook faces potential risks stemming from headwinds from geopolitical tensions, volatility in global financial markets, and geoeconomic fragmentation. However, the Indian economy is well-positioned to navigate forthcoming uncertainties. Its advantageous geopolitical position will help it capitalise on supply chain diversification and reshoring, increase its global competitiveness, and boost exports. The Indian economy is poised to ascend as a global economic powerhouse, aiming to secure the status of the third-largest economy in the world by 2030.

(Source: Ministry of Statistics & Programme Implementation, Reserve Bank of India, Ministry of Finance, IMF Economic Outlook Update January 2024, Economic Times)

Industry Overview

Global Pharmaceutical Industry

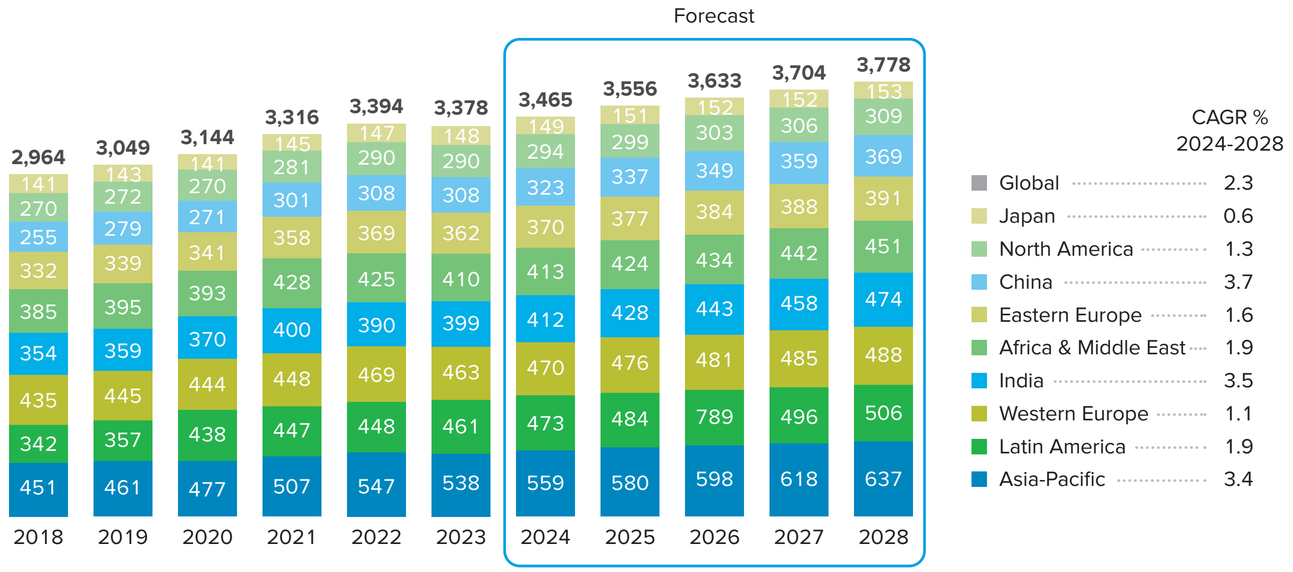
IQVIA's report 'The Global Use of Medicines 2024: Outlook through 2028' estimates global spending on medicines at US$ 1.60 trillion in 2023 and projects it to continue growing, reaching US$ 2.3 trillion by 2028. This growth is driven by existing branded medicines in the leading ten developed markets, which will grow by US$ 385 billion.

The global use of medicines remained flat in 2023 but is anticipated to grow at an average annual rate of 2.3% over the next five years. The growth will be primarily driven by China, India, and other Asian markets, all of which are growing faster at a CAGR of 3%. Furthermore, medicine use in Asia and Latin America has grown more rapidly than in other regions, and this trend will continue through 2028.

In developed countries, the introduction of new products, wider use of existing branded medicines, and patent expires are expected to drive the growth of medicine spending. In 2024, Eastern Europe is expected to return to trends present before the start of the Ukraine conflict in terms of volume growth. Medicine spending in Europe is expected to increase by US$70 billion through 2028, driven by new brands and offset by generics and biosimilars.

The increasing usage of generic drugs and branded generics is expected to primarily fuel the projected growth of Pharmerging markets at a CAGR of 10–13% between 2024–28. Pharmerging and lower-income countries have a lower share of spending on originator products, with a greater focus on either generics or non-original branded products, which are typically priced lower.

Historical and projected use of medicines by region, 2018-2028, Defined Daily Doses (DDD) in billions



Source: IQVIA Institute, Dec 2023.

Medicine use has been growing across therapy areas, with the highest growth in immunology, endocrinology, and oncology. The two leading global therapy areas- oncology and immunology, are projected to grow at a CAGR of 14–17% and 2–5%, respectively, through 2028. The key growth area for medicines in the next five years is biotech, which, despite slow growt,h will increase by 9.5%-12.5% and contribute to a projected expenditure of US$ 890 billion in 2028. This represents 39% of the global market and will include numerous areas of greatest activity for novel medicines.

(Source: IQVIA: Global Use of Medicines 2024 – Outlook to 2028)

Indian Pharmaceutical Industry

The Indian pharmaceutical industry has experienced steady growth over the last few years, with a focus on generic medicines. The rapid expansion of generic drug manufacturing is a significant trend, and it solidifies India's position as a global pharmaceutical hub. The pharmaceutical industry values India at US$54.6 billion in 2023. According to IQVIA's projections, spending on medicines in India is expected to reach US$ 38–42 billion by 2028. In India, the chronic therapeutic areas (TAs) witnessed a 10% growth based on the previous period growth (PPG) metrics in the second quarter of 2023, followed by Chronic Respiratory at 14% (PPG) and Neuro/CNS at 9% (PPG). Antineoplastic, Pain, Uro, and Hormones also registered double-digit growth.

Pharmaceutical exports are estimated to reach US$ 28 billion in FY24, registering 10.2% growth, primarily due to drug shortages in the US and Europe and a revival in demand in Africa. This will create huge opportunities for Indian pharmaceutical companies.

Various government schemes, including the PLI scheme and the Strengthening of Pharmaceutical Industry (SPI) scheme, have propelled the expansion of the Pharmaceutical sector. The flagship scheme, Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP), has achieved the target of opening

10,000 retail outlets to provide quality generic medicines at affordable prices. Additionally, 206 medicines have been added to the product basket in 2023. Furthermore, the Indian pharmaceutical sector attracted an FDI inflow of ₹ 4,456 Crores from April 2023 to September 2023.

The growth momentum of the Indian pharmaceutical industry is expected to continue in the coming years, supported by favourable government policies, heightened foreign investment, growing healthcare expenditure, rapid adoption of innovation and technology, and an emphasis on domestic manufacturing of quality pharmaceutical products.

(Source: IMARC Group, IQVIA: Indian Pharmaceutical Market Quarterly Insights Report Apr- June, FICCI, IQVIA: Global Use of Medicines 2024 – Outlook to 2028, Ministry of Chemicals and Fertilizers)

Company Overview

Incorporated in 1984, ZIM Laboratories Limited (hereinafter referred to as "ZIM" or "the Company") is engaged in the development, manufacturing, and supply of differentiated generic pharmaceutical and nutraceutical products in oral solid dosage forms, both as Pre- Formulation intermediates (PFI) and Finished Formulations (FF), for certain key therapeutic segments. The Company's differentiated product pipeline, called the New Innovative Products (NIP), which are complex generics, have been developed using ZIM's non-infringing proprietary technology platforms such as Micro - Emulsion Coating Technology (MECT), Pellet Cold Forming Technology (PCFT), Rapid Gelation Drug Release Technology (RGDRT), and Matrix Pore Forming Tablet Technology (MAPOTAB). The NIP and the OTF are key to the Company's strategy for developing and increasing market revenue.

The Company has developed its technology platforms to be Therapy agnostic, and some key therapy areas include Urology, Gastroenterology, NSAIDs, Central Nervous System and Nutraceuticals.

The Company's fundamental strength lies in its robust in-house R&D centre, supported by an experienced team. This R&D team provides various drug delivery solutions and comprehensive technology platforms, encompassing product conceptualisation, product development, dossier development and filing, manufacturing & supplies (end-to-end product development). The Company is consistently pursuing its mission to deliver high-quality and accessible pharmaceutical and nutraceutical products that provide patient convenience and treatment adherence. It is committed to expanding its Nutraceutical business vertical, which aligns with its pharmaceutical product line, to create a holistic healthcare approach.

The Company's state-of-the-art manufacturing unit, located in Nagpur, is equipped with internationally accredited infrastructure, seamlessly integrating advanced technology for manufacturing excellence. These facilities are certified under EU-GMP, WHO-GMP, ISO 9001, and NSF/ANSI 455-2 standards and stand as a testament to the Company's commitment to excellence.

Export Business

The Company's revenue majorly comprises exports, with a contribution of 78% in FY24. The Company exports differentiated Pharmaceutical and Nutraceutical generic products.

The Company predominantly exports to the RoW and Pharmerging markets, with key regions such as Asia (Ex India) , the Middle East and North Africa (MENA) and Africa. It also caters to the major developed markets, such as Europe, Brazil, Canada, South Africa, and Australia. In FY24, the Company witnessed substantial growth in its business in Asia (Ex India) and India in line with its strategy. The exports to Regulated Markets such as Europe, also increased to ₹42 Mn in FY24 vs. ₹ 31 Mn in FY23.

The Company is focused on expanding its footprint in high-potential markets in the Key developed and Pharmerging* countries with its New Innovative Products (NIP) and Oral thin films (OTF). ZIM exports its products as Pre – Formulation Intermediates in countries where regulations mandate PFI imports and localisation is promoted. The PFI exports business is based on deep rooted long-term partnerships with local manufacturers and distributors who market these products.

ZIM's Finished Formulations (FF) business is growing in line with its strategic initiatives. Its business development team will continue to promote Finished Formulations (FF) products to global distribution and marketing partners. who market the FF products under their own brand name or under ZIM's brand within the respective countries.

The Company filed 40 New Innovative Products (NIP) dossiers for 9 products, 39 Finished Formulations (FF) dossiers for 26 products, and 51 Oral Thin Films (OTF) dossiers for 17 products dossiers for registration in FY24 across Pharmerging, RoW, and Developed countries.

The Company received 27 FF and 9 OTF registrations. 3 NIP dossiers were filed in the EU under ZIM's name. With a presence in over 50 countries, the Company has strengthened its position in the industry.

Domestic Business

The Company's domestic business was valued at ₹ 804 Mn in FY24 and comprised 22% of its Total Operating Income. Its domestic business focuses on sales to central and state government agencies and partnerships with private Pharma and Nutra companies to supply unique and differentiated products, including NIP and OTF. The primary focus of ZIM's government business lies in supplying pharmaceutical products under the 'Jan Aushadhi, Central Government Health Scheme' (CGHS), Employees' State Insurance Corporation (ESIC), Railways, etc. This segment consists of the Company's differentiated and high-margin generic products that provide a certain threshold net contribution % to mitigate risks associated with fluctuating raw material prices and payment delays. In FY24, some of the top Nutraceutical products of the company experienced a rise in orders from state governments. Additionally, the formulation business gained momentum in India through collaborations with prominent Indian pharmaceutical companies, particularly for ZIM's unique urology products.

ZIM also partners with other Indian Pharma companies to license and supply New Innovative Products (NIP) and Oral thin films (OTF). ZIM has already supplied its urology NIP to a big pharma company in India, along with the ongoing supply of its Oral thin films such as Sildenafil, Nicotine, Vitamin D3 and, more to large Indian pharma companies.

The Company also supplies its differentiated Nutraceutical products, as Oral thin films (OTF) or Pellets in Capsules, to brands that market then via E-commerce/ online or offline through distributors.

R&D Initiatives

The Company's high focus on R&D and robust pipeline of innovative products demonstrate its dedication to developing unique and differentiated generics with innovative drug delivery techniques using non-infringing proprietary manufacturing processes. It continues to invest significantly to enhance its R&D capabilities. ZIM's investment in R&D reached approximately 9.7% of revenues in FY24, while spending on BE studies and registrations amounted to ₹ 103 Mn in the same fiscal year, reflecting the Company's commitment to developing cutting-edge healthcare solutions and strengthening its position as a provider of high-quality, affordable medicines.

Please refer to the section '**R&D Capabilities**' for more details.

Financial Overview

Particulars		2023-24	2022-23	YoY Change	Reasons
Current Ratio	Times	1.43	1.72	(17%)	–
Debt Equity Ratio	%	45	30	50%	The increase of 50% in the current year is mainly on account of working capital utilization and the decrease in profitability of the Company.
Debt Service Coverage Ratio*	Times	2.03	2.28	(11%)	–
Return on Equity Ratio	%	7.86	13	(40%)	Decreased by 40% in the current year due to a decrease in the profitability of the company.
Inventory Turnover Ratio	Times	2.54	3.08	(18%)	–
Trade Receivable Turnover Ratio	Times	3.64	4.21	(14%)	–
Trade Payable Turnover Ratio	Times	5.00	4.82	4%	–
Net Capital Turnover Ratio	Times	5.39	4.97	8%	–
Net Profit Ratio	%	4.69	6.13	(23%)	Decreased by 23% in the current year due to a decrease in the profitability of the company.
Return on Capital Employed	%	10.10	16.81	(40%)	Decreased by 40% in the current year due to a decrease in the profitability of the company.
Operating Profit Margin	%	8.32	10.27	(19%)	–
Basic EPS	Times	3.54	5.01	(29%)	Decreased by 29% in the current year due to a decrease in the profitability of the company.
Interest Coverage Ratio	Times	4.41	7.34	(40%)	The decrease of 40% in the current year is mainly due to an increase in finance costs on account of working capital utilisation.

*Earnings for Debt Service = Net Profit after tax + Depreciation and amortisation expense + Finance costs, Debt Service = Principal Repayments +Finance costs (recognised)

Outlook

Leveraging its well-established expertise in drug manufacturing, ZIM Labs is strategically positioned to seize opportunities in both domestic and international markets. Its established presence in domestic and RoW markets, strong product portfolio focusing on New Innovative Products, and new product launches are expected to drive profitability and bolster its growth. ZIM remains committed to consistently investing in R&D, exploring emerging technologies, and enhancing its product portfolio to meet the evolving needs of the market. The Company aims to leverage its existing product basket to grow the PFI business in current markets as well as expand into more stable markets. The Company is focussed on increasing its Finished Formulation Business in Target markets by increasing filings for NIP and OTF products as well as high potential Finished Formulations.

During FY24, the Company filed 3 New Innovative Products (NIP) in the EU under ZIM's name, making a total of 5 NIP filed in the EU to date. ZIM and its partners filed 40 NIP dossiers for 9 products, 30 of which were under ZIM's name, and filed 39 Finished Formulations (FF) dossiers for 26 products, 22 of which were under ZIM's name, in RoW, Developed, and Pharmerging markets. Additionally, 27 FF Marketing Authorizations (MAs) were received in FY24, 9 of which were under ZIM's name. For the Oral Thin Film (OTF) business, ZIM and its partners filed 51 dossiers for 17 products, 22 of which were under ZIM's name. Furthermore, 9 OTF Marketing Authorizations (MAs) were received.

Currently, we are in the process of developing 6 to 8 NIP for our robust pipeline. The Company plans to file 4 - 6 NIP in Regulated, Pharmerging, and Developed markets during FY25.

The Company remains committed to obtaining plant accreditations for countries where dossiers are being filed, developing new products, upgrading dossiers, and filing for the registration of products across target markets.

Key Risks and Mitigations

The key risks and their corresponding mitigation measures are outlined below:

- **Geopolitical and Economic risk**

  Geopolitical issues, including supply chain disruption, subdued global economic conditions, inflation, changes in government policies, trade disputes and sanctions, and currency unavailability in a few markets, expose the company to potential challenges and uncertainties. These factors can pose risks to the company's plans, operations, supply chains, and market access, potentially dampening its export business.

  ### Mitigation

  The Company's diversified business portfolio is spread across multiple countries, reduces its dependence on any specific geographical region, and enables it to mitigate the country-specific market slowdown. This has been evident in the Company's increased revenue contribution from SE Asia and Regulated markets. It is actively registering several of its products in the Developed and Pharmerging markets to further mitigate the geographical concentration risk. Furthermore, the Company evaluates various strategic sourcing and supply alternatives. It has identified alternate sources for the supply of some of the raw materials and excipients, including many from India.

> **The Company remains committed to obtaining plant accreditations for countries where dossiers are being filed, developing new products, upgrading dossiers, and filing for registration of products across the target markets.**

- **Registration and manufacturing approval delays**

  Delays in registration, marketing approval, plant audits, accreditations, and manufacturing approvals for Target markets, and the launch and commercialisation of New Innovative Products (NIP) in the Developed and Pharmerging markets could impact the Company's financial performance.

  ### Mitigation

  The Company has experienced robust growth in the RoW markets, and alongside the filing of NIP, it is enhancing existing product dossiers for broader RoW market expansion. The company is also filing NIP products in the RoW and pharmaceutical markets to offset any potential delays from regulatory market filings. The Company also works with expert consultants in regulated markets who are aware of regulatory laws and can help the Company prevent any additional delays.

- **Competition risk**

  The Company might face competition from larger domestic and multinational pharmaceutical companies, potentially diminishing the attractiveness of its products for commercialisation and adding pressure on profit margins.

  ### Mitigation

  The Company's New Innovative Products (NIP) and Oral thin films (OTF) product lines, along with other differentiated generic products, are part of its development strategy to secure a competitive edge over other pharmaceutical firms in the market The NIP may also be the first generics in some of the markets, and the Company expects higher margins from these markets.

- **Compliance and regulatory risk**

  The Company operates in a complex regulatory environment and is exposed to regulatory risk due to intricate compliance requirements in the domestic market as well as countries where it exports. Its global presence requires in-depth knowledge of regulatory and compliance norms in various countries. Furthermore, regulatory guidelines strictly govern the manufacturing of ZIM's products, including quality standards, and any material audit findings could adversely impact the business.

  ### Mitigation

  The Company fully dedicates itself to quality and implements robust quality processes and systems at its developmental and manufacturing facilities to ensure the safety and quality of every product. ZIM consistently invests in equipment, processes, and systems to ensure full compliance with manufacturing and audit norms. Its manufacturing units are certified EU-GMP and NSF ANSI 455 -2, and it regularly complies with third-party audit checks. Furthermore, the Company's experienced regulatory team addresses compliance norms, queries, and observations for multiple filings and registrations. The Company also works with expert regulatory consultants with expertise in the compliance and regulatory laws of the countries where it files the products. Additionally, ZIM maintains strong relationships with partners in the target filing country to stay up-to-date on the latest regulatory norms.

Opportunities and Challenges

Opportunities

- Growth in demand for Indian generic drugs: The Indian generic drugs market is witnessing a strong upward trend, fuelled by the persistent demand for Indian generic drugs across global markets. Over 50% of the generic drug requirement in Africa is supplied by India.

- Increased regulatory compliance for Indian manufacturing plants: The Indian government has taken measures to ensure quality control of pharmaceutical products manufactured in India. It notified pharmaceutical companies to adhere to new manufacturing standards under the revised Schedule M guidelines issued on December 28, 2023, and implement Good Manufacturing Practices (GMP). The Central Drugs Standard Control Organization (CDSCO), along with State Drugs Controllers (SDCs), have conducted risk-based inspections of 275 drug manufacturing units (as of February 9, 2024) in the country to assess regulatory compliance. ZIM maintains the highest quality standards and the stricter regulations will help the company as a key manufacturer.

- China plus one diversification strategy: Indian companies are expected to benefit from the China plus one diversification strategy as global companies actively explore alternatives to Chinese contractors, driven by concerns over geopolitical tensions and supply chain vulnerabilities. India has greater appeal as an attractive alternative, and it has tremendous potential to emerge as a reliable base for the manufacture of raw materials and pharmaceutical production. Moreover, growth in domestic manufacturing will reduce India's reliance on the import of key active pharmaceutical ingredients (APIs) from China.

Challenges

- Counterfeit and sub-standard drugs: The pharmaceutical industry has been grappling with issues related to counterfeit or spurious drugs. The WHO reports that India produces 35% of the world's spurious drugs. The presence of fake and substandard drugs on the market erodes trust and tarnishes the industry's image.

- Data breaches and cyber threats: The data collected by pharmaceutical companies, including proprietary information about patented drugs, data related to pharmaceutical advances and technologies, and patient information, is highly sensitive and valuable. Hence, the pharmaceutical industry is vulnerable to cybersecurity and data breach threats.

- Fluctuations in costs of key ingredients: Volatility in prices of active pharmaceutical ingredients (APIs) and intermediates due to several factors, including inflation, changes in government policies, fluctuations in foreign exchange rates, and demand and supply conditions, may impact manufacturing cost and profit margins.

- Investment in R&D: Elevated expenses in R&D result in increased capital and operational costs, creating pressure on profit margins.

Information and Technology

ZIM's commitment to technological advancement is integral to its operational efficiency and strategic vision. Its robust Information Technology (IT) infrastructure, highlights key initiatives aimed at enhancing transparency, efficiency, and compliance across its operations.

Robust IT Infrastructure:

ZIM's IT infrastructure is anchored by an efficient ERP system, integrating five key software platforms covering engineering, finance, material management, manufacturing, and quality operations. This integration ensures precise oversight, enhancing agility and efficiency in the Company's operations.

Enhancing Transparency and Efficiency:

ZIM improves transparency and efficiency using advanced MIS dashboards. These dashboards provide visibility into various manufacturing stages, displaying key metrics like R&D-related MIS, machine utilisation, and pending sales orders, enabling rapid bottleneck identification and process optimisation.

Investment in HRMS (Human Resource Management System) Modernisation:

ZIM invests in HRMS modernisation to streamline recruitment and enhance performance tracking, fostering talent optimisation and organisational agility.

Long-term QMS Modernisation Initiative:

ZIM is committed to achieving quality excellence through QMS (Quality Management System) modernisation. Starting with the implementation of a DMS (Document Management System), followed by a TMS (Transportation Management System) and e-BMR (Electronic Batch Manufacturing Record) system, this initiative revolutionises its quality assurance processes. These advancements reduce paper usage and enable remote audits, highlighting the Company's dedication to sustainability and operational resilience.

In conclusion, ZIM's proactive approach to IT innovation underscores its unwavering commitment to operational excellence, compliance, and sustainable growth. By continually harnessing technology as a strategic enabler, the Company is poised to navigate evolving market dynamics and capitalise on emerging opportunities, thereby delivering enduring value to its stakeholders.

Human Resources

During the past financial year, the Company achieved notable strides in its Human Resources, particularly in improving workforce diversity with 15% female representation. Demonstrating unwavering dedication to a non-discriminatory policy, the Company ensures equal opportunities for all employees, irrespective of age, gender, ethnic origin, or physical disability. To maintain fairness and transparency, we established a dedicated risk management subcommittee for HR. This committee, comprising senior management members, meticulously reviews critical decisions pertaining to employee matters, encompassing disciplinary actions, career advancements, and recognition of outstanding contributions. Furthermore, the Company introduced the NPS scheme to enhance employee welfare and engagement. Its foundational HR policies continue to prioritise the alignment of company interests with employee rights.

The Company has implemented measures to enhance safety in its manufacturing facilities, including the deployment of intrinsically safe Powered Air-Purifying Respirators (PAPRs) in high-risk zones. Safety is a fundamental element of the Company's operations, guided by the principle of prevention. The Company takes pride in its well-established Internal Complaints Committee (ICC), which diligently monitors and resolves complaints concerning sexual harassment, maintaining a zero-complaint status over the past year.

> **During the past financial year, the Company achieved notable strides in its Human Resources, particularly by improving workforce diversity with 15% female representation.**

Furthermore, the Company has experienced significant growth and organisational development, especially in senior managerial positions. The company made over 60% of managerial appointments with the explicit goal of bolstering its commitment to quality assurance and operational excellence. Additionally, the Company reinforced its technical team to enhance customer service, reflecting its dedication to delivering exceptional service. As of March 31, 2024, the Company had 556 employees.

Internal Control Systems and Their Adequacy

The Company has an efficient internal control system, commensurate with the nature of its business and the size and complexity of its operations. The risk management framework, financial control, internal audit, and effective corporate governance lay the groundwork for internal control. The internal control structure ensures that operations are efficient and aligned with the strategic objectives of the company. It also ensures regulatory compliance and assists in the implementation of the plans. The Company has also adopted policies and procedures covering all financial, operating, and compliance functions. These controls and processes have been designed to provide reasonable assurance over:

- Compliance with applicable laws and regulations;
- Accuracy and completeness of the accounting records;
- Timely preparation of reliable financial information;
- Effectiveness and efficiency of operations.
- Safeguarding assets from unauthorised use or losses;
- Prevention and detection of frauds and errors;

The Company has also implemented preventive and detection controls to identify and mitigate the associated risks. The Company has a Whistle Blower mechanism in place to enable the Directors, employees, and all stakeholders of the Company to report genuine concerns. The details with respect to the whistle-blower issues are reported to the Audit Committee and the Board for taking corrective action on the same.

The Management, in consultation with the Internal Auditors, designs the scope of the internal audit, which covers businesses, functions, risks, compliance requirements, and internal controls prevalent in the Company, along with Internal Financial Controls (IFC) testing. The current system of IFC is aligned with the requirements of the Companies Act, 2013.

The scope of the internal audit is approved by the Audit Committee and the Board at the beginning of every year and is divided into four phases, covering one phase in each quarter. Every quarter, the Audit Committee and the Board are presented with the key control issues and the action taken on the issues highlighted in the previous audit reports.

The management conducts frequent meetings with the Internal Auditors, and the focus of the discussions is on the measures adopted by the Company to strengthen controls and enhance the efficiency of the internal control mechanisms prevalent in the Company.

The Company recognises the fact that any internal control framework would have some inherent limitations, and therefore, the Management, the Audit Committee, and the Risk Management Committee regularly review the adequacy of the internal control systems and internal audit findings and recommend corrective action plans for the improvement of the business process and internal control system.

Disclaimer

The Management Discussion and Analysis contains statements about expected future events and the financial and operating results of ZIM Laboratories Limited and may be construed as forward-looking. The company must make assumptions to create these statements, which are subject to inherent risks and uncertainties. Significant risk exists that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements, as several factors could cause assumptions, actual future results, and events to differ materially from those expressed or implied in the forward-looking statements. As a result, the assumptions, qualifications, and risk factors referred to in the Management Discussion and Analysis of ZIM Laboratories Limited's Annual Report of FY24 disclaim and qualify this document in its entirety.

Board Report

The Board of Directors of our Company has pleasure in presenting the Board Report pursuant to Section 134(3) of the Companies Act, 2013, comprising the prescribed particulars and information as per the Companies (Management and Administration) Rules, 2014, and the Companies (Accounts) Rules, 2014, in respect of the year ended 31st March, 2024, as follows:

a) Number of Meetings of the Board: 11

b) Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013 (Act) our Directors hereby state that:

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

ii) The directors had selected such accounting policies, applied them consistently, and made judgements and estimates that were 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 and loss of the company for that period.

iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.

iv) The directors had prepared the annual accounts on a going-concern basis.

v) The directors have laid down internal financial controls to be followed by the company, and such internal financial controls are adequate and are operating effectively.

vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws, and that such systems were adequate and operating effectively.

c) Declaration by Independent Directors under Subsection 6 of Section 149:

The company has received the necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) Nomination and Remuneration Policy:

The criteria laid down in the Companies Act, 2013 and the Rules framed thereunder are complied with while appointing the Directors, including Independent Directors. The Nomination and Remuneration Policy has been formulated and approved by the Nomination and Remuneration Committee and Board of Directors, and the same is available on the website of the company at https://www.zimlab.in/investor-reports-policies.

e) Explanations or comments on a qualification/reservation/adverse-remark/disclaimer made by:

1. Statutory Auditor: Not applicable since there is no qualification, reservation, adverse remark, or disclaimer by the auditor.
2. Secretarial Auditor: Not applicable since there is no qualification, reservation, adverse remark, or disclaimer by the auditor.

f) Particulars of loans, guarantees, or investments under Section 186:

a) Loan : NIL

b) Guarantee : NIL

c) Investment : ₹ 5.37 Lakhs (Australian Dollar 9,900) in ZIMTAS PTY LTD (Subsidiary of the Company)

g) Particulars of contracts or arrangements with related parties pursuant to Section 188(1)

During the year, there were no transactions with related parties that conflicted with the interests of the company. All transactions entered into by the company with related parties during the financial year were in the ordinary course of business and on an arm's length basis. Statements of transactions with related parties are periodically placed before the Audit Committee and are approved by the committee. Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed **Form AOC–2** is appended herewith as **Annexure III** to the Board's Report.

h) Annual Return:

The Annual Return of the Company as on 31st March, 2024, in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://www.zimlab.in/investor-reports-annual-reports.

i) The state of Company's affairs:

This part has been covered under the Management Discussion & Analysis Report, which forms part of the Annual Report.

j) The amount proposed to be carried to reserve : NIL

k) The amount of dividend payment recommended : NIL

l) Material changes and commitments, if any, affecting the financial position of the company, which has occurred between the end of the financial year and the date of the report : NIL

m) Conservation of energy, technology absorption, foreign exchange earnings and outgo:

A. Energy Conservation:

The Company manoeuvres to be energy efficient by deploying energy efficient technologies and being mindful in its approach to energy usage. The Company is working with a systematic approach towards energy conservation in the following ways:

(i) The steps taken or impact on conservation of energy are:

- To reduce wastage of electricity, the Company has replaced some DX coils with chilled water for better and more effective cooling.
- To save energy and optimise cooling power, the Company has installed an energy-efficient pump.
- The Company has switched to energy-efficient LED (Light Emitting Diodes) lighting.
- To prevent leakages, the Company has switched to an auto-drain valve on its air compressor.
- To save power during the winter and monsoon seasons, the Company has installed an automatic temperature control system for its 300 TR cooling tower.
- The Company has switched to a three - way control valves on the AHU (Air Handling Unit).
- The Company has installed a 30 HP VFD (Variable Frequency Drive) on its air compressor to save power.
- The Company has maintained the power factor of its electrical supply by installing capacitors.

(ii) The steps taken by the Company for utilizing alternate sources of energy are:-

The Company has evaluated the feasibility of Solar Power System.

(iii) The capital investment on energy conservation equipment: NIL

B. Technology Absorption:

Efforts made towards technology absorption:

- The company operates an independent R&D Centre recognized by DSIR. Our proficient R&D team specializes in developing differentiated generics in Pre-Formulation Intermediates (PFI) and Finished Formulations (FF) utilizing our proprietary non-infringing development and technology platforms in oral solid dosage form.
- Additionally, our team is steadfast in engaging in research to innovate and enhance processes, resulting in the creation of unique and proprietary methods. For example, we are actively working on and exploring electro spun nanofiber technology for applications in controlled drug delivery, tissue engineering, and wound healing.
- Moreover, we are committed to expanding our ODS products with Multi-layer film technology and pioneering 2D printing on OTF for flexible dosage forms. Furthermore, our dedication extends to advancing our non-infringing technology platforms and Thinoral® technology to develop distinctive products.
- We have made significant investments in hiring highly skilled and experienced staff, and we have integrated cutting-edge technology and modern equipment.

Derived Benefits such as Product Improvement, Cost Reduction, Product Development or Import Substitution:

- Currently, 10 New Innovative Products (NIP) are nearing completion and are in the process of filings, with a strategic focus on Key Developed and Pharmerging Markets, especially the EU.
- Additionally, ZIM is currently developing a basket of 6 to 8 New Innovative Products (NIP) targeting the EU, Regulated, and Pharmerging markets.
- A portfolio of 25 unique and highly differentiated Nutraceutical products is in development, leveraging our in-house R&D capabilities.

- In FY24, ZIM filed 3 NIP (Anti-Coagulant, Anti-biotic/Anti-infective, and Skin/Psoriasis) in the EU.
- The NIPs were developed using in-house non-infringing manufacturing processes and technology platforms, such as Micro Emulsion Coating Technology (MECT), Pellet Cold Forming Technology (PCFT), Rapid Gel Forming Technology (RGFT), and Matrix Pore Forming Technology (MPFT).
- In FY24, ZIM filed 39 FF dossiers, 22 of which were under ZIM's name. Additionally, ZIM submitted 40 NIP dossiers, with 30 under ZIM's name, across RoW, Developed, and Pharmerging markets.
- For the OTF business, ZIM and its partners submitted 51 dossiers, with 22 under ZIM's name in RoW, Developed, and Pharmerging markets.
- The OTF business marked a milestone with its first commercial order supplied in Europe for Sildenafil citrate 50 milligram ODS. The product was launched in Italy and Malta. Furthermore, our marketing partner in Canada received Marketing Authorization for the antiemetic Ondansetron OTF product using ZIM's dossier.
- ZIM and its partners obtained 27 FF and 9 OTF Marketing Authorizations.
- During the year, the R&D team achieved significant success with 13 granted patents (24 to date), and 3 patents currently under examination (55 to date).

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- :

a. The details of technology imported: NIL

b. The year of import: N.A.

c. Whether the technology has been fully absorbed: N.A.

d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

The expenditure incurred on Research and Development :

Revenue expenses	:	₹ 1,959.72 Lakhs
Capital expenses	:	₹ 584.71 Lakhs

C. Foreign Exchange earnings and outgo :

i)	Foreign exchange earned	:	₹ 29,877 Lakhs
ii)	Expenditure in foreign exchange	:	₹ 3,149 Lakhs

n) Risk Management Policy :

This part has been covered under the **Management Discussion & Analysis Report**, which forms part of the Annual Report.

o) Corporate Social Responsibility (CSR) :

The Corporate Social Responsibility policy approved by the Board at its meeting held on 29th June, 2021 is available on the website of the company at https://www.zimlab.in/investor-reports-policies.

The policy, inter alia, covers the following:

- Guiding principles for selection, implementation, and monitoring of CSR activities, as well as the formulation of the Annual Action Plan.
- Roles and Responsibilities of the CSR Committee.
- CSR projects or programs that include focus areas such as Education, Sanitation, Healthcare, Women's Empowerment, and Environment Conservation.
- Approval Process for CSR Projects and Expenditure.
- Implementation and Monitoring of CSR Activities.

The Composition of Corporate Social Responsibility Committee during the Financial Year 2023-24 was as follows :

(i)	Dr. Kakasaheb Mahadik	:	Chairman
(ii)	Mr. Padmakar Joshi	:	Member
(iii)	Mr. Niraj Dhadiwal	:	Member

The Annual Report on CSR Activities is annexed as **Annexure–**I to the Board Report.

p) Board Evaluation:

Pursuant to the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, an annual evaluation was carried out by the Board of its own performance as well as that of its committees and individual Directors. The evaluation was done by the Board after seeking input from all Directors, inter alia covering different aspects, viz., composition and structure of the Board, attendance, including participation of the Directors at the Board and Committee meetings, observance of governance, quality of deliberation, and effectiveness of the procedures adopted by the Board.

In evaluating the performance of the individual Directors, criteria such as qualification, knowledge, attendance at meetings and participation in long-term strategic planning, leadership qualities, responsibilities assumed, interpersonal relationships, and analytical decision-making abilities were taken into consideration. In compliance with regulation 17(10) of the listing regulations, the Board carried out performance evaluations of Independent Directors without the participation of the Directors being evaluated.

The Independent Directors evaluated the performance of the Chairman and Managing Director. The evaluation process has been explained in the Corporate Governance Report. The Board reviewed the evaluation results as collated by the Nomination and Remuneration Committee.

q) Financial Highlights:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2024	FY 2023	FY 2024	FY 2023
Revenue	36,547.32	39,653.13	36,742.44	39,852.71
Other Income	469.10	643.06	518.39	641.32
Total Income	37,016.42	40,296.19	37,260.83	40,494.03
Operating expenditures	32,537.08	34,534.02	32,608.97	34,654.09
Profit before interest, depreciation and tax	4,479.34	5,762.17	4,651.86	5,839.94
Less: Finance costs	692.44	557.54	692.44	557.54
Depreciation and amortization	1,482.93	1,612.83	1,595.18	1,746.90
Profit/ (Loss) before exceptional item and tax	2,303.97	3,591.80	2,364.24	3,535.50
Exceptional Items- loss	-	-	-	-
Profit/(Loss) before tax	2,303.97	3,591.80	2,364.24	3,535.50
Tax expense	628.42	1,090.92	639.61	1,092.05
Profit/(Loss) after tax	1,675.55	2,500.88	1,724.63	2,443.45
Opening balance in Retained Earnings	13,636.06	11,181.34	14,056.70	11,659.41
Profit available for appropriation	15,311.61	13,682.22	15,781.34	14,102.86
Less: Appropriations				
Dividend	-	-	-	-
Dividend distribution tax	-	-	-	-
Transfer from other comprehensive income	(38.19)	(46.16)	(38.19)	(46.16)
Closing balance in Retained Earnings	15,273.42	13,636.06	15,743.15	14,056.70

r) Change in nature of business, if any: NIL

s) The details of Directors or Key Managerial Personnel who were appointed or have resigned during the year:

Details of Directors resigned during the year: NIL

Details of Directors appointed during the year: NIL

Details of Key Managerial Personnel appointed or resigned during the year: NIL

Name of Director retiring by rotation: Mr. Prakash Sapkal, Whole-time Director (DIN: 02007385), who retires by rotation at the ensuing Annual General Meeting and, being willing and eligible, has offered himself for re-appointment.

t) Statement regarding the opinion of the Board with regard to the integrity, expertise, and experience (including proficiency) of the Independent Directors appointed during the year:

In the Board's opinion, the Independent Directors on the Board of the Company are persons of high repute and integrity who possess relevant expertise and experience in their respective fields.

u) Names of Companies which have become subsidiaries or ceased to be its Subsidiaries, joint ventures or associate companies, during the year :

On 05.03.2024, the company acquired 99% shares of "ZIMTAS PTY LTD", a company situated in Australia. Consequent to the acquisition, "ZIMTAS PTY LTD" became a subsidiary of the Company.

Further, 'ZIM Laboratories FZE' the wholly owned subsidiary of the company has incorporated a subsidiary 'ZIM Laboratories Middle East DMCC' in Dubai with effect from 28th September, 2023.

As of 31.03.2024, the Company has five Subsidiaries and one step down subsidiary.

v) Details relating to deposits covered under Chapter V of the Act : NIL

w) The details of deposits that are not in compliance with the requirements of Chapter V of the Act are: The company has not accepted any deposits during the year.

x) The details of significant and material orders passed by the regulators, courts, or tribunals impacting the going concern status and the company's operations in the future : NIL

y) The details in respect of the adequacy of Internal Financial Controls with reference to the financial statements :

The details of Internal Financial Controls are separately covered under the **Management Discussion & Analysis Report** which forms part of the Annual Report.

z) Details of the Employee Stock Option Scheme as of 31st March, 2024 :

The ZIM Laboratories Employee Stock Option Scheme 2023, approved by the shareholders, is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"). The disclosure required under the SBEB Regulations has been hosted on the website of the Company at https://www.zimlab.in/investor-reports-general-meeting

aa) Report on the performance and financial position of subsidiaries, viz.:

1. ZIM Laboratories FZE, Sharjah
2. ZIM Health Technologies Limited, India
3. SIA ZIM Laboratories Limited, Latvia
4. ZIM Thinorals Private Limited, India
5. ZIMTAS PTY LTD, Australia

In compliance with the first proviso to Section 129(3) of the Companies Act, 2013 and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, salient features of the financial statements, performance, and financial position of each subsidiary is given in **Form AOC-I** as **Annexure VI**.

The consolidated financial statements presented in this Annual Report includes financial results of the subsidiary companies. Copies of the financial statements of the subsidiary companies will be available on the Company's website www.zimlab.in

ab) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

The company has complied with provisions relating to the constitution of an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, and trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2023-24:

i) No. of complaints received : NIL

ii) No. of complaints disposed off : NIL

ac) Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016, during the year along with their status as at the end of the financial year : Not Applicable.

ad) 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 : Not Applicable.

ae) Disclosure under Section 148(1) of the Companies Act, 2013 :

The Company has maintained proper books of accounts as required pursuant to the Rules made by the Central Government for the maintenance of Cost records under sub-section (1) of section 148 of the Act in respect of Company's products.

af) In compliance with Regulation 34, read with Schedule V of the Listing Regulations, a Report on Corporate Governance for the year under review is annexed as **Annexure IV** to this report.

ag) The Secretarial Audit Report for the financial year ended 31st March, 2024, is annexed as **Annexure II** to this report.

ah) Particulars of Employees and Related Disclosures:

The statement containing particulars in terms of Section 197(12) of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report and is annexed as **Annexure V**.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in Rules 5(2) and 5(3) of the aforesaid rules forms part of this report. However, in terms of the first provision of Section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof such members may write to the Company Secretary, whereupon a copy would be sent.

ai) Other Disclosures :

During the Financial Year 2023-24:

- The Company has complied with the applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.
- The Company has obtained Shareholders' approval through a Postal Ballot for the 'ZIM Laboratories Employee Stock Option Scheme 2023' and the Approval of the grant of employee stock options to the eligible employees of the subsidiary company(ies) under the 'ZIM Laboratories Employee Stock Option Scheme 2023'.

(aj) Acknowledgements

We take this opportunity to thank our employees for their dedicated service and contribution to the Company. We also thank our Bankers, business associates, and other stakeholders for their continued support to the Company.

For and on behalf of the Board of Directors

(Dr. Anwar Siraj Daud)
Chairman
DIN: 00023529

Place: Paris
Date: 3rd June, 2024

Annexure - I

The Annual Report on CSR Activities for the Financial Year 2023-24

1. A Brief outline of the CSR Policy of the Company:

ZIM Laboratories Limited is committed to ensuring the social wellbeing of the communities in the vicinity of its business operations through Corporate Social Responsibility (CSR) initiatives in alignment with its Corporate Social Responsibility Policy.

The CSR policy of the Company encompasses its philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanisms for undertaking Corporate Social Responsibility Projects for the welfare & sustainable development of the community at large.

The Company has identified Healthcare & Sanitation, Education, Women Empowerment, and Environment Conservation as the areas where assistance is provided on a need-based and case-by-case basis. Your Company was focused on participation in such activities at the local, grass root level during the year.

2. Composition of CSR Committee:

Sr. No.	Name of Director Designation / Nature of Directorship	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Kakasaheb Mahadik	Chairman, Independent Director	3	2
2	Mr. Padmakar Joshi	Member, Independent Director	3	3
3	Mr. Niraj Dhadiwal	Member, Whole-Time Director	3	2

3.		The web link(s) where Composition of the CSR Committee, CSR Policy, and CSR Projects approved by the Board are disclosed on the website of the company.	: https://www.zimlab.in/investor-reports-policies
4.		The executive summary, along with web - link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	: Not Applicable
5.	(a)	Average net profit of the company as per sub-section (5) of section 135.	: ₹ 2,145.71 Lakhs
	(b)	Two percent of the average net profit of the company as per sub-section (5) of Section 135.	: ₹ 42.91 Lakhs
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	: NIL
	(d)	Amount required to be set-off for the financial year, if any	: NIL
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	: ₹ 42.91 Lakhs
6.	(a)	Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects)	: ₹ 46.98 Lakhs
	(b)	Amount spent on Administrative overheads	: NIL
	(c)	Amount spent on Impact Assessment, if applicable	: NIL
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	: ₹ 46.98 Lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per the second proviso to sub-section (5) of Section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
46,97,936	Not Applicable				

*Note : For the F.Y. 2023-24, the Company has not undertaken any ongoing projects under CSR.

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (in ₹ Lakhs)
(i)	Two percent of the average net profit of the company as per sub-section (5) of Section 135	42.91
(ii)	Total amount spent for the Financial Year	46.98
(iii)	Excess amount spent for the Financial Year [(ii) - (i)]	04.07
(iv)	Surplus arising out of the CSR projects, programmes, or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set-off in succeeding Financial Years [(iii)-(iv)]	04.07

7. Details of the Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired : **Not Applicable.**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset (s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable.	Name	Registered Address
Not Applicable							

(All the fields should be captured as appearing in the revenue record: flat no., house no., Municipal Office / Municipal Corporation / Gram Panchayat are to be specified, and also the area of the immovable property as well as boundaries.)

9. Specify the reason(s) if the company has failed to spend two percent of the average net profit as per sub-section (5) of Section 135: Not Applicable

For and on behalf of the Board of Directors

	(Mr. Zulfiquar Kamal)	**(Dr. Kakasaheb Mahadik)**
Place: Nagpur	Director (Finance)	Chairman (CSR Committee)
Date: 3rd June, 2024	DIN : 01786763	DIN: 08688418

Annexure - II

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2023-24

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
ZIM Laboratories Limited
Sadoday Gyan (Ground Floor),
Opp. NADT, Nelson Square,
Nagpur MH 440013

I have conducted the secretarial audit of the applicable statutory provisions and the adherence to good corporate practices followed by ZIM Laboratories Limited (CIN: L99999MH1984PLC032172) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and for expressing my opinion thereon.

Based on my 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, I hereby report that, in my opinion, the company has, during the audit period for the financial year ended on 31st March 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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 and amendments from time to time;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 : **Not Applicable for the period under review**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 : **Not Applicable for the period under review**

(h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 as amended from time to time; **Not Applicable for the period under review;**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have relied on the representations made by the Company and its officers for the systems and mechanism formed by the Company for compliances under other industry specific and general laws and regulations applicable to the Company.

The Company has identified and confirmed that below laws are specifically applicable to the company:

a) Drugs (Price Control) Order, 1995 (Under the Essential Commodities Act)

b) Narcotic Drugs and Psychotropic Substances Act, 1985

c) Drugs and Magic Remedies (Objectional Advertisement) Act, 1954

d) Drugs and Cosmetics Act, 1940 and Drugs and Cosmetic Rules, 1945

I have also examined compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that, during the year under review, the Company has complied with the provisions of all the applicable Acts, Rules, Regulations, Guidelines, Standards mentioned above.

During the Audit period, the following observations were made:

1) The Cost Auditor has submitted the Cost Audit Report in the Form CRA-3 as prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the FY 2022-23 to the Board of Directors of the company as on 18th October 2023 which was supposed to be submitted within 180 days from the closure of financial year. However the Company has filed the Report with MCA in the form CRA-4 as on 25th October 2023 which was well within the stipulated time as per section 148 of Companies Act 2013.

2) During the period under purview company was in receipt of a show cause notice issued by The Cost Audit Branch of Ministry of Corporate Affairs dated 13.02.2024 under section 148 of the Companies Act, 2013 and rules made there under for FY 2021-2022. The company has filed necessary submission with the requirements asked for vide reply letter dated 05th March 2024 and as per explanation provided by the Company, no further communication is received from the ministry in this regard as on the date of this report.

I further report that the Board of Directors of the Company is duly constituted with proper composition of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the 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 convene the Board Meetings, agenda and detailed notes on the 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 active participation in the meeting.

On verification of the minutes, I have not found any dissent/ disagreement on any of the agenda items discussed in the Board or Committee meetings from any of the Directors and all the decisions are passed unanimously.

I further report that, based on the information provided, records maintained and representation made by the company, in my opinion, adequate systems and processes in the Company commensurate with the size and operations of the Company are in place to monitor and ensure compliance with applicable laws, rules, regulations and prescribed guidelines.

This Report is to be read with my letter of even date which is enclosed as **Annexure – A** and forms integral part of this Report.

Yuti Nagarkar
FCS No. 9317
CP No.-10802
PR: 1344/2021
UDIN: F009317F000519860

Place: Nagpur
Date: 3rd June, 2024

Annexure A

To,
The Members
ZIM Laboratories Limited
Sadoday Gyan (Ground Floor),
Opp. NADT, Nelson Square
Nagpur MH 440013

My report of even date is to be read along with this letter.

1) Maintenance of records is the responsibility of the management of the company. My responsibility is to express an opinion on the secretarial records based on my audit.

2) I have followed the practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.

3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the listed entity.

4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test 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.

Yuti Nagarkar
Practicing Company Secretary
FCS No. 9317
CP No.-10802
PR: 1344/2021
UDIN: F009317F000519860

Place: Nagpur
Date: 3rd June, 2024

Annexure - III

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered by the Company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under the fourth proviso thereto:

1. Details of contracts, arrangements, or transactions not at arm's length basis : NIL
2. Details of material contracts, arrangements, or transactions (i.e., exceeding ten percent of the annual consolidated turnover as per the last audited financial statements) at arm's length basis : NIL

Note: All related party transactions are benchmarked for arm's length and approved by the Audit Committee. The Company has not entered into any material contract / arrangement / transaction with its related parties during FY 2023-24.

For and on behalf of the Board of Directors

(Dr. Anwar Siraj Daud)
Chairman
DIN: 00023529

Place: Paris
Date: 3rd June, 2024

Annexure - IV

CORPORATE GOVERNANCE REPORT

1) Company's philosophy on code of governance :

At ZIM Laboratories Limited, we recognize that effective corporate governance is essential for maintaining trust, fostering accountability, and driving sustainable growth. Our corporate governance philosophy is rooted in principles of integrity, transparency, and stakeholder engagement. We are committed to upholding the highest standards of corporate governance to safeguard the interests of our stakeholders, namely, members, creditors, clients, employees, etc., equitably.

A report on compliance with corporate governance principles as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR") is given below.

2) Board of Directors :

(i) The composition of the Board of your Company is in conformity with SEBI LODR Regulations.

Name	DIN No.	Category
Dr. Anwar Siraj Daud, Chairman	00023529	Promoter and Managing Director
Mr. Zulfiquar Kamal	01786763	Promoter and Executive Director
Mr. Niraj Dhadiwal	02007428	Executive Director
Mr. Prakash Sapkal	02007385	Executive Director
Mrs. Kavita Loya	07943519	Independent Director
Mr. Padmakar Joshi	07944709	Independent Director
Dr. Kakasaheb Mahadik	08688418	Independent Director
Dr. Kamlesh Shende	09537666	Independent Director

(ii) Eleven Board Meetings were held during the year on 29.04.2023, 19.05.2023, 16.06.2023, 27.06.2023, 14.08.2023, 18.10.2023, 01.11.2023, 23.12.2023, 20.01.2024, 29.01.2024, 29.03.2024 and 39th Annual General Meeting was held on 10.07.2023.

(iii) The attendance, number of meetings attended, and their directorship in other public companies of the Board of Directors as of 31st March, 2024 are as under:

Name	No. of Board meeting held	No. of Board Meeting Attended	Whether attended last AGM held on 10.07.2023	No. of directorship in other public limited companies	Committee positions in other companies		Directorship in other listed entity (Category of Directorship)
					Chairman	Member	
Dr. Anwar Siraj Daud	11	10	Yes	1	NIL	NIL	NIL
Mr. Zulfiquar Kamal	11	11	Yes	1	NIL	NIL	NIL
Mr. Niraj Dhadiwal	11	9	Yes	NIL	NIL	NIL	NIL
Mr. Prakash Sapkal	11	11	Yes	NIL	NIL	NIL	NIL
Ms. Kavita Loya	11	11	Yes	NIL	NIL	NIL	NIL
Mr. Padmakar Joshi	11	10	Yes	NIL	NIL	NIL	NIL
Dr. Kakasaheb Mahadik	11	10	Yes	NIL	NIL	NIL	NIL
Dr. Kamlesh Shende	11	11	Yes	NIL	NIL	NIL	NIL

(iv) No Director is a relative of another Director.

(v) Number of shares held by the Non-Executive Directors.

Sr. No.	Name of Non-Executive Director	No. of shares held
1	Mrs. Kavita Loya (Joint Holder)	3,600
2	Dr. Kakasaheb Mahadik	2,400

(vi) The Company has not issued any convertible instruments.

(vii) The details of the familiarization program imparted to Independent Directors are disclosed under the Investor section on the website of the company at www.zimlab.in

(viii) The Board has identified the following skills / expertise / competencies for the effective functioning of the Company which are currently available with the Board:

(a) Global Business: Understanding diverse business environments, economic conditions, cultures, and regulatory frameworks and a broad perspective on global market opportunities.

(b) Strategy and Planning: Strategic choices and experience in guiding and leading management teams to make decisions in an unenforceable environment, anticipation of long-term trends in the industry, strong management and leadership in business development.

(c) Corporate Governance: Experience in developing and implementing good governance practices, maintaining board and management accountability, protecting stakeholders' interests, and fullfiling responsibilities towards customers, employees, and suppliers while driving good corporate ethics and values.

(d) General Management: General Know-how of business management, talent management and development, workplace health & safety.

(e) Industry Experience: Significant background and experience in pharmaceuticals sector, science, and technology domain.

(f) Finance & Accounts: Proficiency in financial management, financial reporting processes, budgeting, treasury operations, audit, and capital allocation.

(ix) The skills which are currently available with the Directors have been mapped below:

Skills / Area of Expertise	Name of the Directors of the Company							
	Dr. Anwar Daud	Mr. Zulfiquar Kamal	Mr. Niraj Dhadiwal	Mr. Prakash Sapkal	Ms. Kavita Loya	Mr. Padmakar Joshi	Dr. Kamlesh Shende	Dr. Kakasaheb Mahadik
Global Business	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Strategy and Planning	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Experience	Yes	Yes	Yes	Yes			Yes	Yes
Finance & Accounts	Yes	Yes			Yes	Yes		
Corporate Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
General Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(x) In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

(xi) During the year, no Independent Director has tendered his/her resignation.

3) Audit Committee :

(i) Brief description of terms of reference:

The powers, role, and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Act read with Regulation 18 and Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee discharges such duties and functions as generally indicated under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) 2015, as well as such other functions as may be specifically assigned to it by the Board from time to time.

(ii) Composition :

The composition of Audit Committee is as follows :

1 Mrs. Kavita Loya : Chairperson
2 Dr. Kamlesh Shende : Member
3 Mr. Padmakar Joshi : Member
4 Mr. Zulfiquar Kamal : Member

(iii) Audit Committee Meetings and attendance during the year :

During the year ended 31st March 2024, the Audit Committee meetings were held on 29.04.2023, 19.05.2023, 27.06.2023, 14.08.2023, 18.10.2023, 01.11.2023, 20.01.2024 and 29.01.2024.

Sr. No.	Name of the Committee Member	Committee meetings		Attendance at the last Annual General Meeting
		Held during Tenure	Attended	
1	Mrs. Kavita Loya	8	8	Yes
2	Dr. Kamlesh Shende	8	8	Yes
3	Mr. Padmakar Joshi	8	7	Yes
4	Mr. Zulfiquar Kamal	8	8	Yes

- The gap between two meetings did not exceed one hundred and twenty days.
- The Company Secretary acts as the Secretary to the Audit Committee

4) Nomination & Remuneration Committee :

(i) Brief description of terms of reference :

The powers, role, and terms of reference of the Nomination and Remuneration Committee cover the areas contemplated in Section 178 of the Companies Act, 2013, read with Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) 2015, in addition to other terms as may be referred by the Board of Directors. The role includes the formulation of criteria for determining qualifications, positive attributes, and independence of a director; recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel, and other employees; formulating criteria for the evaluation of Independent Directors and the Board; devising a policy on Board diversity; identifying persons qualified to become Directors and who may be appointed in senior management in accordance with the laid-down criteria, and recommending to the Board their appointment and removal; and administering the ESOS Scheme of the Company.

(ii) Composition :

The composition of Nomination & Remuneration Committee is as follows:

1. Mr. Padmakar Joshi : Chairman
2, Dr. Kakasaheb Mahadik : Member
3. Mrs. Kavita Loya : Member
4. Dr. Anwar Siraj Daud : Member

(iii) Nomination & Remuneration Committee Meetings and attendance during the year:

During the year ended 31st March, 2024, the Nomination & Remuneration Committee meeting was held on 26.06.2023 and 23.12.2023.

Sr. No.	Name of the Committee Member	Committee meetings		Attendance at the last Annual General Meeting
		Held during Tenure	Attended	
1	Mr. Padmakar Joshi	2	2	Yes
2	Dr. Kakasaheb Mahadik	2	1	Yes
3	Mrs. Kavita Loya	2	2	Yes
4	Dr. Anwar Siraj Daud	2	2	Yes

Performance evaluation criteria for Independent Directors :

The performance evaluation criteria for Independent Directors ("IDs") are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes:

- Participation and contribution by Independent Directors in the business of the company discussed at various meetings;
- Contribution in terms of effective deployment of knowledge, expertise, and commitment;
- Preparedness for areas and issues that are likely to be discussed at the Board level;
- Invests time in understanding the Company and its distinctive requirements;
- Conducts himself/ herself in a manner that is ethical and consistent with various laws and Regulations; and
- Stays conscious of being independent of the management.

5) Stakeholder's Relationship Committee :

The terms of reference of the Stakeholders' Relationship Committee are in line with the provisions of Section 178 (5) of the Companies Act, 2013 read with Regulation 20 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders Relationship Committee is primarily responsible for redressal of Shareholders', Investors', and Security Holders' grievances, including complaints related to the transfer of shares, non-receipt of declared dividends, annual reports, etc.

The composition of Stakeholder's Relationship Committee is as follows:

1 Dr. Kamlesh Shende : Chairman
2 Dr. Kakasaheb Mahadik : Member
3 Mr. Prakash Sapkal : Member

During the year ended 31st March, 2024, Stakeholder's Relationship Committee meeting was held on 29.01.2024.

Sr. No.	Name of the Committee Member	Committee meetings		Attendance at the last Annual General Meeting
		Held during Tenure	Attended	
1	Dr. Kamlesh Shende	1	1	Yes
2	Dr. Kakasaheb Mahadik	1	1	Yes
3	Mr. Prakash Sapkal	1	1	Yes

Name and designation of Compliance Officer:

Mr. Piyush Nikhade, Company Secretary, acts as the Secretary to the Stakeholder Relationship Committee and also as the Compliance Officer.

Status of Shareholders' complaints:

During the year, the Company received 4 investor complaints, all of which were satisfactorily resolved. There is no complaint pending for redressal.

5A. Risk Management Committee :

The Risk Management Committee is constituted on voluntary basis to address the risks associated with the company. The Risk Management Committee, constituted by the Board of Directors, is entrusted with the responsibility of reviewing Risk Management Policy to monitor various organisational risks (strategic, operational, and financial).

(i) Composition :

1 Mrs. Kavita Loya : Independent Director
2 Dr. Kamlesh Shende : Independent Director
3 Dr. Anwar Siraj Daud : Managing Director

(ii) Risk Management Committee Meetings and attendance during the year:

During the year ended 31st March, 2024, Risk Management Committee meeting was held on 16.06.2023 and 18.10.2023.

Sr. No.	Name of the Committee Member	Committee meetings		Attendance at the last Annual General Meeting
		Held during Tenure	Attended	
1	Mrs. Kavita Loya	2	2	Yes
2	Dr. Kamlesh Shende	2	2	Yes
3	Dr. Anwar Daud	2	2	Yes

5B. Particulars of the Senior Management of the Company :

Sr. No.	Name of Employee	Designation
1	Mr. Vijay Fudke	Senior Vice President – Technical Services
2	Mr. Pradeep Katariya	Senior Vice President – Operations
3	Mr. Shyam Mohan Patro	Chief Financial Officer
4	Mr. Piyush Nikhade	Company Secretary and Compliance Officer

There has been no change in the Senior Management personnel since the closure of the previous financial year 2022-23.

6) Remuneration of Directors :

(i) Remuneration Policy: Your Company has a well-defined policy for remuneration of the Directors, Key Management Personnel, Senior Management, and other Employees. The policy is available on the website of the Company, and the weblink for the same is https://www.zimlab.in/investor-reports-policies

(ii) Details of remuneration of Independent Directors are as follows : (₹ In Lakhs)

Sr. No.	Name of Director	Remuneration for F.Y. 2023-24
1	Mrs. Kavita Loya	9.00
2	Mr. Padmakar Joshi	7.00
3	Dr. Kamlesh Shende	7.00
4	Dr. Kakasaheb Mahadik	7.00

(iii) Details of Sitting Fees : The Directors are not paid any Sitting Fee.

(iv) Remuneration to Executive Directors :

(₹ in Lakhs)

Sr. No.	Name of Director	Remuneration for F.Y. 2023-24	Stock Option	Performance Linked Incentive F.Y.2023-24	Performance Linked Incentive F.Y. 2022-23	Total Remuneration
1	Dr. Anwar S. Daud	136.50	-	Upto 2% of the Consolidated PAT for FY 2023-24	41.28	177.78
2	Mr. Zulfiquar Kamal	91.87	-	Upto 1% of the Consolidated PAT for FY 2023-24	18.32	110.19
3	Mr. Niraj Dhadiwal	75.25	-	Upto 0.75% of the Consolidated PAT for FY 2023-24	17.95	93.20
4	Mr. Prakash Sapkal	75.25	-	Upto 0.75% of the Consolidated PAT for FY 2023-24	11.52	86.77

1. The performance linked incentive for F.Y. 2022-23 was paid in F.Y. 2023-24 after the evaluation of performance of Directors.

2. The above remuneration of Mr. Prakash Sapkal is exclusive of ₹ 6.89 Lakhs equivalent to Euro 7,680 received as remuneration from the wholly owned subsidiary "SIA ZIM Laboratories Limited, Latvia" for the FY 2023-24.

3. The details mentioned above are based on **Standalone Financials.**

7) Corporate Social Responsibility Committee :

(i) Corporate Social Responsibility (CSR) Committee consists of three Directors as follows:

1 Dr. Kakasaheb Mahadik : Chairman
2 Mr. Padmakar Joshi : Member
3 Mr. Niraj Dhadiwal : Member

The terms and reference of the Committee of the CSR are in line with the provisions of Section 135 of the Companies Act, 2013 (the Act), and inter-alia, includes the following:

a. To formulate and recommend to the Board the Corporate Social Responsibility Policy (CSR Policy) as specified in Schedule VII of the Companies Act, 2013 ('the Act') read with Companies (Corporate Social Responsibility) Rules, 2014.

b. To recommend to the Board the amount of expenditure to be incurred on the activities undertaken by the Company as per the CSR Policy.

c. To monitor the CSR Policy of the company from time to time.

(ii) Committee Meetings and attendance during the year :

During the year ended 31st March, 2024, Corporate Social Responsibility Committee meeting was held on 26.06.2023, 14.10.2023 and 29.01.2024.

Sr. No.	Name of the Committee Member	Committee meetings Held during Tenure	Committee meetings Attended	Attendance at the last Annual General Meeting
1	Dr. Kakasaheb Mahadik	3	2	Yes
2	Mr. Padmakar Joshi	3	3	Yes
3	Mr. Niraj Dhadiwal	3	2	Yes

8) General Body Meetings :

Annual General Meeting

The details of the last three Annual General Meetings are as under:

AGM for the period/year ended	Venue	Date	Time	Special Resolution Passed
39th AGM for the year ended March 31, 2023	Video Conferencing (VC)/Other Audio- Visual Means (OAVM)	10.07.2023	11:30 a.m.	No Special Resolution was passed.
38th AGM for the year ended March 31, 2022	Video Conferencing (VC)/Other Audio- Visual Means (OAVM)	19.09.2022	12:30 p.m	One Special Resolution was passed.
37th AGM for the year ended March 31, 2021	Video Conferencing (VC)/Other Audio- Visual Means (OAVM)	30.09.2021	12:30 p.m	One Special Resolution was passed.

Postal Ballot

During FY 2023-24, Postal Ballot was conducted by the Company for seeking the approvals of the Members.

The details of the Postal Ballot conducted are mentioned below:

Date of Postal Ballot Notice : 23rd December, 2023
Voting Period : 30th December, 2023, at 09:00 a.m. (IST) to 28th January, 2024, at 05:00 p.m. (IST)
Date of Declaration of Results : 30th January, 2024

Voting Pattern:

Item no.	Description	Type of Resolution	No. of votes polled	Votes in Favour No. of votes	Votes in Favour %	Votes against No. of votes	Votes against %
1.	Approval of 'ZIM Laboratories Employee Stock Option Scheme 2023'	Special Resolution	2,51,14,372	2,51,08,981	99.98	5,391	0.02
2.	Approval of grant of employee stock options to the eligible employees of the subsidiary company(ies) of the Company under 'ZIM Laboratories Employee Stock Option Scheme 2023'	Special Resolution	2,51,14,372	2,51,08,981	99.98	5,391	0.02
3.	Approval for payment of remuneration to the Managing Director and Whole Time Directors in case of absence or inadequacy of profits, as per Section II, Part II of Schedule V of the Companies Act, 2013	Special Resolution	2,51,14,372	2,51,08,731	99.98	5,641	0.02

Procedure For Postal ballot :

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

Ms. Roshni Jethani (C.P No.: 17722), Company Secretary in Practice, was appointed as Scrutinizer for conducting the postal ballot/e-voting process.

Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot

9) Means of Communication :

a. The quarterly, half-yearly, and annual financial results of the Company are published in leading newspapers in India which include The Indian Express, Financial Express, and Loksatta. The results are also displayed on the Company's website at www.zimlab.in. Financial Results, Statutory Notices, Press Releases, and Presentations made to institutional investors/analysts after the declaration of the quarterly, half-yearly, and annual results are submitted to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) as well as uploaded on the Company's website, i.e., www.zimlab.in.

b. All periodical compliance filings like, Shareholding Pattern, Corporate Governance Report, and Media Releases are electronically filed with BSE and NSE on the Listing Centre and NEAPS Portal respectively which are further disseminated by the exchanges to Public.

10) General Shareholder information :

i.	AGM: Date, time and venue	The 40th Annual General Meeting of the Company is scheduled to be held on 27th, June, 2024, at 11:30 a.m. through Video-Conferencing (VC)/Other Audio-Visual Means (OAVM). Deemed venue : Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur – 440013. (Registered Office)
ii.	Financial Year	01st April 2023 - 31st March 2024
iii.	Dividend Payment Date	Not applicable
iv.	Listed on stock exchange	BSE Limited and National Stock Exchange of India Limited, Listing Fees as applicable has been paid.
v.	Stock Code	1. BSE Limited : 541400 2. NSE Limited : ZIMLAB
vi.	ISIN Code	INE518E01015
vii.	Registrar and Share Transfer Agent	Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083 Tel No : +91 22 49186000 Email Id: rnt.helpdesk@linkintime.co.in

Share Transfer System:

Shares of the company are traded compulsorily in dematerialised form and are transferable through a depository system. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for the issue of duplicate certificates, claims from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, subdivision/ splitting/ consolidation of certificate, transmission, and transposition which were allowed in physical form, should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company, i.e., www.zimlab.in.

Shareholders holding shares in physical form are advised to dematerialise their shares.

Shareholders should communicate with Link Intime India Private Limited, the Company's Registrars & Share Transfer Agent at rnt.helpdesk@linkintime.co.in quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

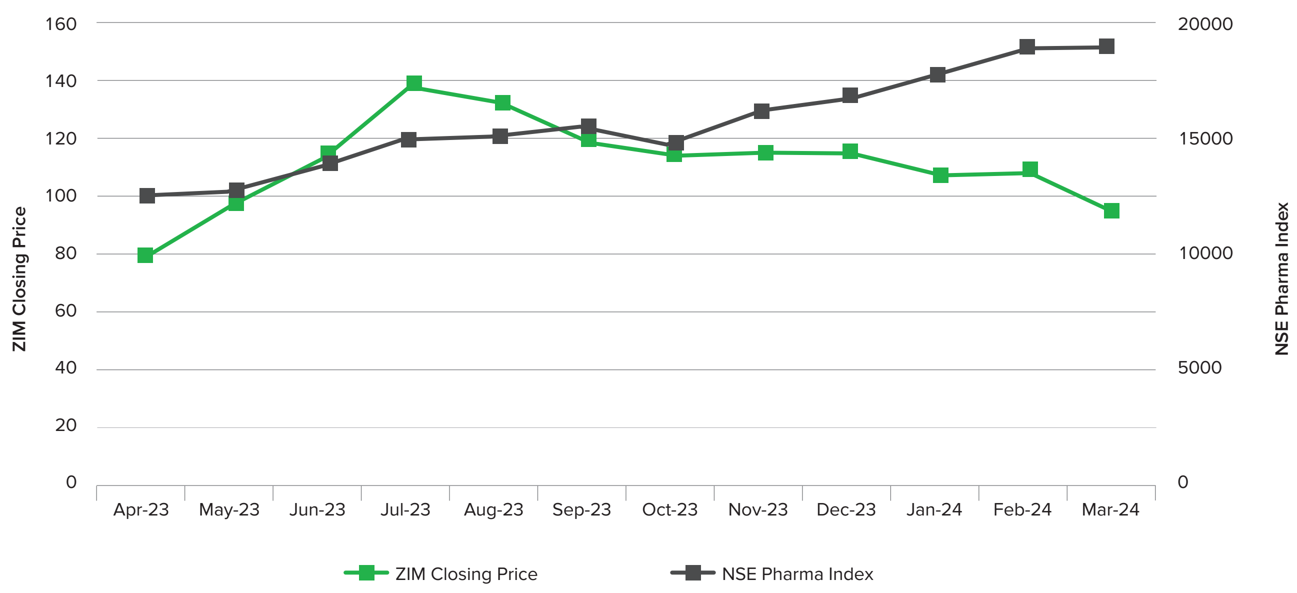
A certificate under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided to the company by the Company Secretary in Practice, who undertakes audit at the end of the financial year of share transfer related activities, which are submitted by the Company to BSE Ltd. & National Stock Exchange of India Limited (NSE Ltd.)

Market Price Data of the Company's shares traded on BSE Ltd. and NSE Ltd. during the FY 2023-24

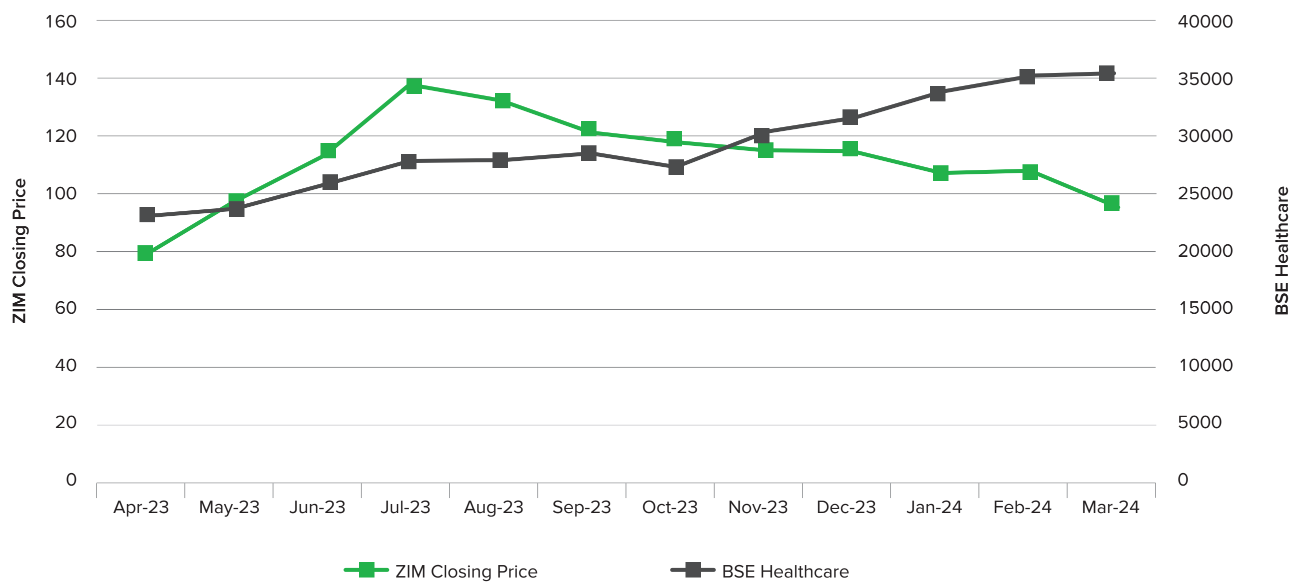
Month	BSE (₹) High	BSE (₹) Low	NSE (₹) High	NSE (₹) Low
April, 2023	93.24	73.01	89.40	73.20
May, 2023	107.00	74.00	108.30	73.95
June, 2023	125.98	98.00	125.80	97.60
July, 2023	145.75	101.00	145.90	100.80
August, 2023	151.75	108.85	152.70	108.65
September, 2023	133.10	115.00	133.15	114.45
October, 2023	124.00	108.35	124.00	108.05
November, 2023	126.45	114.10	128.75	114.35
December, 2023	121.30	107.45	121.20	108.00
January, 2024	123.40	105.60	123.80	105.85
February, 2024	119.00	100.55	120.00	100.65
March, 2024	112.45	89.90	112.50	89.50

Share Price performance in comparison to broad – based Indices - BSE HealthCare & Nifty Pharma:

ZIM Laboratories Limited and Nifty Pharma closing price:



ZIM Laboratories Limited and BSE HealthCare closing price:



Distribution of Shareholding pattern as on 31st March, 2024

Nominal Value of Shareholding	No. of Shareholders	% of Shareholders	Total Shares	% of Share
Upto 500	12,635	72.20%	18,58,056	3.81%
501 – 1000	2,619	14.97%	19,40,498	3.98%
1001 – 2000	1,190	6.80%	17,75,559	3.64%
2001 – 3000	389	2.22%	10,08,014	2.07%
3001 – 4000	161	0.92%	5,81,550	1.19%
4001 – 5000	140	0.80%	6,56,471	1.35%
5001 – 10000	205	1.17%	15,28,923	3.14%
10001 and above	161	0.92%	3,93,76,743	80.81%
Total	**17,500**	**100%**	**4,87,25,814**	**100%**

Shareholding pattern as on 31st March, 2024 of equity shares as per Regulation 31 of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.

Category	No. of Shares	Percentage
Promoter & Promoter Group	1,62,07,980	33.26%
Bodies Corporate	32,63,201	6.69%
FPI (Corporate) - I	2,779	0.01%
Non-Resident Indians	8,06,466	1.66%
Foreign Individuals	12,95,208	2.66%
Unclaimed Suspense & Escrow Account	3,99,000	0.82%
Investor Education And Protection Fund	14,76,860	3.03%
Directors and their relatives (excluding Independent Directors and Nominee Directors)	7,62,887	1.57%
Other Directors/Relatives	8,100	0.02%
Hindu Undivided Family	5,03,964	1.03%
Body Corporate - Ltd. Liability Partnership	1,18,328	0.24%
Other Public Shareholders	2,38,81,041	49.01%
Total	**4,87,25,814**	**100.00**

Dematerialisation of shares:

Category	No. of Shares	Percentage
In NSDL	3,83,67,426	78.75%
In CDSL	75,88,760	15.57%
In Physical form	27,69,628	5.68%
Total	**4,87,25,814**	**100.00**

Outstanding GDRs/ADRs/Warrants or any convertible Instruments, conversion date and likely impact on equity : NIL

Dematerialization of shares and liquidity:

The Company's shares are compulsorily traded in dematerialized form on BSE and NSE. Equity shares of the Company representing 94.32 percent of the Company's equity share capital are dematerialized as on 31st March, 2024.

Foreign exchange risk and hedging activities:

Being an exporter, the company earns about 78% of the revenue from Exports to various markets across the world. As a result, the exchanges are received in the EEFC account maintained at the scheduled bank. The Imports are being financed through the available balances in the EEFC account.

The Company also availed of the EPC/PCFC/PSFC/FBD/FBN/FBP facility from its Bankers - Bank of India and SVC Co-Operative Bank Ltd.

The exchange inflow is being utilized for satisfaction of the credit availed through the referred facility. This referred process provides a natural hedge to the company.

Credit Ratings: The Credit rating agency **Care Ratings Limited** has assigned credit rating CARE BBB; Stable to the long term borrowings and CARE A3 to short term borrowing of the company.

Plant locations :

B-21/22, MIDC Area, Kalmeshwar-441-501, Dist. Nagpur (MH)
Ph. : 091-07118-271370 /271990
Email ID : info@zimlab.in

Address for correspondence:

Registered Office :

Mr. Piyush Nikhade, Company Secretary
ZIM Laboratories Limited
Sadoday Gyan (Ground Floor) Opp. NADT,
Nelson Square, Nagpur-440 013.
Ph. : 0712-2981960
Email ID : cs@zimlab.in

For Share Transfer matters :

Link Intime India Private Limited,
C-101, 247 Park, L.B.S. Marg, Vikhroli (W)
Mumbai - 400 083.
Ph. (022) 49186000
Email ID : rnt.helpdesk@linkintime.co.in

11) Disclosures :

(i) **Disclosure on materially significant related party transactions, i.e., transactions of the company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large:**

No materially significant related party transaction took place during the year ended 31st March, 2024, that had potential conflict with the interests of the Company. All transactions entered with the related parties during the year ended 31st March, 2024, as mentioned under the Companies Act, 2013, and Regulations 23 and 27(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were in the ordinary course of business and on arm's length basis.

(ii) **Details of non-compliance:** There were no non-compliances during the year ended 31.03.2024.

(iii) **Disclosure by Senior Management in accordance with Regulation 4 (1)(i), (2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

The Senior Management of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial, and commercial transactions with the Company that may have a potential conflict with the interests of the Company at large.

(iv) **Whistle Blower Policy:**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are implemented through the Company's Whistle Blower Policy to enable the Directors, employees, and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanisms and make provision for direct access to the Chairman of the Audit Committee.

The Whistle Blower Policy of your Company is available on the Company's website at https://www.zimlab.in/investor-reports-policies

It is affirmed that no personnel have been denied access to the Chairperson of the Audit Committee.

(v) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements:**

All mandatory requirements have been complied with and the non-mandatory requirements will be implemented as and when required and/or deemed necessary by the Board.

(vi) Policy on determining 'material' subsidiaries is disclosed on website of the company at https://www.zimlab.in/investor-reports-policies. As on date, Company does not have any material subsidiary.

(vii) The policy on dealing with related party transactions is disclosed on the website of the company at https://www.zimlab.in/investor-reports-policies

(viii) A Certificate from Ms. Roshni Jethani, Company Secretary in Practice has been received, stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

(ix) Walker Chandiok & Co. LLP Chartered Accountants (Firm Registration No.001076N/ N500013) has been appointed as the Statutory Auditor of the Company. The particulars of payment of Statutory Auditors' fees for all the services provided by them, on a consolidated basis, is ₹ 60.60 Lakhs.

(x) **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2018:**

The details have been disclosed in the Board Report, which forms part of the Annual Report.

(xi) **Disclosure of Loans and advances in the nature of Loans to firms/companies in which directors are interested by name and amount:** The company has not provided loans and advances in the nature of Loan to firms/companies in which directors are interested.

(xii) **Disclosure on the Discretionary requirement as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

- Modified opinion(s) in audit report: The auditor's report on the financial statements of the Company is unmodified.
- Reporting of Internal Auditors: Internal Auditors of the Company make quarterly presentations to the audit committee on their reports.

(xiii) **Declaration by CEO (Managing Director), Director (Finance) and Chief Financial Officer:**

Dr. Anwar Siraj Daud, Managing Director; Mr. Zulfiquar Kamal, Director (Finance); and Mr. Shyam Mohan Patro, Chief Financial Officer of the Company, has furnished to the Board the requisite Compliance Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31.03.2024.

(xiv) **Compliance with Corporate Governance requirements:**

The Company has complied with the requirements of corporate governance specified in Regulations 17 to 27 and clauses (b) to (i) of the sub-regulation of Regulation 46 of the SEBI Listing Regulations. Compliance Certificate issued by Ms. Roshni Jethani, Company Secretary in Practice, regarding compliance of conditions of corporate governance is annexed and forms part of this report.

(xv) **Disclosure of certain type of agreements binding listed entities:**

There are no agreements impacting management or control of the Company, or imposing any restrictions, or creating any liability to the Company.

Disclosures with respect to demat suspense account/ unclaimed suspense account:

In accordance with the requirements of Regulation 34 (3) and Part F of Schedule V of the Listing Regulations 2015, the Company reports the following details in respect of equity shares lying in the Unclaimed Suspense account :

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the Financial Year 2023-24	1,676	4,20,300
Less: Number of shareholders who approached the Company for the transfer of shares and shares transferred from the Suspense Account during the Financial Year 2023-24	14	21,700
Less: Number of shares Transferred to Investor Education and Protection Fund (IEPF)	NIL	NIL
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2023-24	1,662	3,98,600

The voting rights on these shares shall remain frozen until the rightful owner of such shares claims the shares.

Pursuant to SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, the Company has transferred 400 shares to the Suspense Escrow Demat Account during F.Y. 2023-24.

Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company, which is posted on the website of the Company.

All Board Members and Senior Management Personnel have affirmed compliance with the code. A declaration to this effect, signed by the Managing Director, is as follows:

Declaration on Code of Conduct

The Company is committed to conducting its business in accordance with the applicable Laws, Rules, and Regulations and with the highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all directors, officers, and employees.

I hereby certify that the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Ethics and Business conduct for the year 2023-24.

For and on behalf of the Board of Directors

(Dr. Anwar Siraj Daud)
Chairman
DIN : 00023529

Place : Paris
Date : 3rd June, 2024

CEO AND CFO COMPLIANCE CERTIFICATE

To
The Board of Directors of
ZIM Laboratories Limited

As required under Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we, Anwar Daud, Managing Director; Zulfiquar Kamal, Director (Finance); and Shyam Mohan Patro, Chief Financial Officer, certify that:

A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2024, and to the best of our knowledge and belief:

   (1) These statements do not contain any materially untrue statement, omit any material fact, or contain statements that might be misleading.

   (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal, or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting, and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee any deficiencies in the design or operation of such internal controls, if any, of which we are aware, and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

   1. There have been no significant changes in internal control over financial reporting during the year.

   2. There have been no significant changes in accounting policies during the year, and the same has been disclosed in the notes to the financial statements.

   3. We have not noticed any fraud, particularly those involving the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

(Dr. Anwar Siraj Daud)	**(Mr. Zulfiquar Kamal)**	**(Mr. Shyam Mohan Patro)**
Managing Director	Director (Finance)	Chief Financial Officer
DIN: 00023529	DIN: 01786763	

Place : Nagpur
Date : 13th May, 2024

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
ZIM Laboratories Limited
Sadoday Gyan (Ground Floor),
Opp. NADT, Nelson Square,
Nagpur – 440013.

1. I have examined the compliance of the conditions of Corporate Governance by ZIM Laboratories Limited ('the Company') for the year ended on 31st March, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paras C, D, and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and amendments from time to time ("SEBI Listing Regulations").

Management's Responsibility

2. Compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

3. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, in my opinion, the Company has complied in all material respects with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March, 2024.

4. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

(CS. Roshni Jethani)
Practicing Company Secretary
ACS No. 48849
CP No. 17722
Peer Review No.: 1244/2022
UDIN: A048849F000407405

Date: 20th May, 2024
Place: Nagpur

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To
The Members
ZIM Laboratories Limited
Sadoday Gyan (Ground Floor),
Opp. NADT, Nelson Square,
Nagpur – 440013.

I have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of ZIM Laboratories Limited, having Corporate Identification Number (CIN) L99999MH1984PLC032172 and having registered office at Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square, Nagpur-440013 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause (10) (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Director Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ending on 31st March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	DIN	Name of Director	Date of appointment
1	00023529	Dr. Anwar Daud	01/04/2009
2	01786763	Mr. Zulfiquar Kamal	19/10/2012
3	02007385	Mr. Prakash Sapkal	22/11/2013
4	02007428	Mr. Niraj Dhadiwal	22/11/2013
5	07943519	Mrs. Kavita Loya	21/09/2017
6	07944709	Mr. Padmakar Joshi	21/09/2017
7	08688418	Dr. Kakasaheb Mahadik	01/04/2022
8	09537666	Dr. Kamlesh Shende	01/04/2022

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

(CS. Roshni Jethani)
Practicing Company Secretary
Membership No. 48849
COP No. 17722
Peer Review No.: 1244/2022
UDIN : A048849F000407394

Place: Nagpur
Date: 20th May, 2024

Annexure - V

As per the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose following information in the Board's Report.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;

Name of the Director	Ratio with median Remuneration
Dr. Anwar Daud	39.55
Mr. Zulfiquar Kamal	24.51
Mr. Niraj Dhadiwal	20.73
Mr. Prakash Sapkal	19.30
Mr. Padmakar Joshi	01.56
Mrs. Kavita Loya	02.00
Dr. Kakasaheb Mahadik	01.56
Dr. Kamlesh Shende	01.56

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Director	% Increase in Remuneration in FY 2023-24
Dr. Anwar Daud	17.74
Mr. Zulfiquar Kamal	03.47
Mr. Niraj Dhadiwal	06.52
Mr. Prakash Sapkal	-00.83
Ms. Kavita Loya	00.00
Mr. Padmakar Joshi	00.00
Dr. Kakasaheb Mahadik	00.00
Dr. Kamlesh Shende	00.00
Mr. Shyam Mohan Patro*	04.47
Mr. Piyush Nikhade*	21.45

*One time reward has been excluded in the calculation.

(iii) The percentage increase in the median remuneration of financial year : -0.34%

(iv) The number of permanent employees on the rolls of company : 556

(v) Average percentage change made in the salaries of eligible employees other than the managerial personnel in the financial year ending March 31, 2024 was approximately 9.76%, and the average increase in the managerial personnel remuneration was 8.26%.

(vi) The Company affirms that the remuneration paid for FY 2023-24 to the Managerial and Non-Managerial Personnel is as per the remuneration policy of the Company.

(vii) The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further the report and the accounts are being sent to members excluding the aforesaid Annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Annexure - VI

FORM AOC - 1

Pursuant to first proviso to sub-section (3) of section 129, read with rule 5 and rule 8(1) of the Companies (Accounts) Rules, 2014 a statement containing salient features of the financial statement of subsidiaries as on 31.03.2024

(₹ in Lakhs)

Sr. No.	Particulars	Name of the Subsidiary				
		ZIM Laboratories FZE	ZIM Health Technologies Limited	SIA ZIM Laboratories Limited	ZIM Thinorals Private Limited	ZIMTAS PTY Limited
1	Date since when subsidiary was acquired/ incorporated	09.06.2014	16.05.2019*	06.09.2019	18.05.2021	05.03.2024
2	Reporting currency	AED	INR	EURO	INR	AUD
3	Exchange Rate as on 31.03.2024	22.71	1.00	89.88	1.00	54.11
4	Share Capital	731.57	40.00	30.87	10.00	5.41
5	Reserves & Surplus	739.51	70.43	(145.85)	(0.60)	(1.26)
6	Total Assets	1,973.90	130.52	225.22	9.65	4.85
7	Total Liabilities	502.82	20.09	340.20	0.25	0.70
8	Investments	-	-	-	-	-
9	Turnover	2,176.37	260.58	-	-	-
10	Profit / (Loss) before Tax	17.97	43.06	(0.74)	(0.24)	(1.26)
11	Provision for Tax	-	11.20	-	-	-
12	Profit / (Loss) after Tax	17.97	31.86	(0.74)	(0.24)	(1.26)
13	Proposed Dividend	-	-	-	-	-
14	Extent of Shareholding (in percentage)	100%	100%	100%	100%	99%

*The date of Board approval for acquisition of the Company is considered as the date of acquisition.

For and on behalf of the Board of Directors of ZIM Laboratories Limited

(Dr. Anwar Siraj Daud)
Managing Director
DIN : 00023529

(Mr. Zulfiqar Kamal)
Director (Finance)
DIN : 01786763

(Mr. Shyam Mohan Patro)
Chief Financial Officer

(Mr. Piyush Nikhade)
Company Secretary

Place: Nagpur
Date: 13th May, 2024

Notes:

1. Names of subsidiaries, which are yet to commence operations:
   (i) ZIM Thinorals Private Limited
   (ii) SIA ZIM Laboratories Limited
   (iii) ZIMTAS PTY Limited
2. Names of subsidiaries, which have been liquidated or sold during the year : NIL

Independent Auditor's Report

To the Members of ZIM Laboratories Limited,

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **ZIM Laboratories Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in **Annexure 1**, which comprise the Consolidated Balance Sheet as at **31 March 2024**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, 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 consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
a) Capitalization and realisability of 'Product Marketing Authorization' Rights (Refer Note 2(f) to the accompanying consolidated financial statements for material accounting policy information and Note 5(A) and 5(B) for related disclosures)	Our audit procedures with respect to audit of capitalization and realisability of 'Product Marketing Authorization' Rights, included but were not limited to the following: • Obtained an understanding of the management process and controls for calculating the amount to be capitalized and their realisability, and assessed the consistency of the accounting policies with relevant accounting standards; • Evaluated the design and tested the operating effective of internal controls around capitalisation and realisability of 'Product Marking Authorization' Rights;

Key audit matter	How our audit addressed the key audit matter
The Group has applied for registration of its various formulated products in different countries. The applications have been made to secure marketing rights/ product authorisations in respective geographies, some of which are subject to regulatory approvals. The expenses towards registrations are capitalized as 'Product Marketing authorizations'. 'Product Marketing Authorization' (marketing rights) primarily include costs pertaining to bioequivalence studies, analytical method validation studies and product registration costs in respective geographies. Based on management's expectation of its commercial utilization of these products, these costs are amortized over a period of three years from date of capitalization. For marketing rights under process of approval, the primary risk relates to timely securing of requisite regulatory approvals. For capitalized marketing rights, the key risk is the ability to successfully commercialize the individual product concerned in the respective geography over the expected timelines. The assumptions/judgement applied by management in determining the recoverable value of such rights include expected contributions from projected business generated in respective countries. Changes in these assumptions could lead to an impairment to the carrying value of such intangible assets and Intangible assets under development. Considering the materiality of the amounts involved, inherent subjectivity and significant management judgement involved to estimate the recoverable value of the marketing rights, capitalization and realisability of 'Product Marketing Authorization' Rights has been identified as a key audit matter for the current year audit.	• Tested the mathematical accuracy of the amounts capitalized as marketing rights and also evaluated key assumptions regarding market potential used by the Company on sample basis; • Verified sample of costs expensed to supporting documentation such as study reports, invoices and payment records to ensure the correctness of the amounts being expensed; • Obtained an understanding from management as to the status of each marketing right under process and corroborating, on sample basis, these status assessments from the communications of the Company's management (as distinct from the financial management function) with respective authorities; • In respect of marketing rights for products that have received regulatory approvals, we assessed the useful life and amortization period for the capitalized costs and challenged their total estimated profitability based on results achieved till date; • In respect of marketing rights for products that are no longer considered viable, we determined whether the carrying amount had been appropriately written off; and • Evaluated the appropriateness and adequacy of the related disclosures made in the consolidated financial statements in accordance with applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of auditors report.

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of

Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

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

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 Group 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; and

- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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.

13. 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

14. We did not audit the financial statements / financial information of six subsidiaries, whose financial statements / financial information (before eliminating inter-company balances) reflect total assets of ₹ 2,362.76 Lakhs as at 31 March 2024, total revenues (before eliminating inter-company transactions) of ₹ 2,409.21 Lakhs and net cash inflows amounting to ₹ 404.53 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Further, of these subsidiaries, four subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under International Standards on Auditing. The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 14, on separate financial statements of the subsidiaries, we report that the Holding Company, its subsidiaries incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 14 above of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

17. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

books of account maintained for the purpose of preparation of the consolidated financial statements

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, its subsidiaries, and taken on record by the Board of Directors of the Holding Company, its subsidiaries and the reports of the statutory auditors of its subsidiaries covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

g) 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 and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 45(A) to the consolidated financial statements;

ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries during the year ended 31 March 2024;

iv. a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief , on the date of this audit report, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, to or in any person or entity, including foreign entities ('the 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 Holding Company, or any such subsidiaries, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, on the date of this audit report, no funds have been received by the Holding Company or its subsidiaries from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

v. The Holding Company and its subsidiaries have not declared or paid any dividend during the year ended 31 March 2024

vi. As stated in note 51 to the consolidated financial statements and based on our examination which included test checks performed by us on the Holding Company, except for the instance mentioned below, the Holding Company in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below.

Nature of exception noted	Details of Exception
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software (Infionic) used for maintenance of books of account of the Holding Company is operated by a third-party software service provider and in the absence of an 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature at the database level of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: **24042423BKCMNS5530**

Place: Mumbai
Date: 13 May 2024

Annexure I

List of entities included in the Statement

Subsidiary companies

1. ZIM Laboratories FZE
2. ZIM Health Technologies Limited
3. SIA ZIM Laboratories Limited
4. ZIM Thinorals Private Limited
5. ZIMTAS PTY Limited (w.e.f. 5 March 2024)
6. ZIM Laboratories Middle East DMCC (w.e.f. 28 September 2023)

Annexure A to the Independent Auditor's Report of even date to the members of ZIM Laboratories Limited on the consolidated financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of **ZIM Laboratories Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to financial statements of the Holding Company and its two Indian subsidiary companies which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and two subsidiary companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its two subsidiary companies, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Annexure A to the Independent Auditor's Report of even date to the members of ZIM Laboratories Limited on the consolidated financial statements for the year ended 31 March 2024

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and two subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies which is a company covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India(ICAI).

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements(before eliminating intercompany balances/transactions) reflect total assets of ₹ 140.17 Lakhs and net assets of ₹ 119.83 Lakhs as at 31 March 2024, total revenues of ₹ 261.56 Lakhs and net cash outflows amounting to ₹ 34.50 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its two subsidiary companies as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 24042423BKCMNS5530

Place: Mumbai
Date : 13 May 2024

Consolidated Balance Sheet

As at 31 March 2024

(₹ in Lakhs)

	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,693.35	10,372.07
Capital work-in-progress	4	2,351.60	1,783.85
Goodwill on consolidation	5(A)	16.94	16.94
Other intangible assets	5(A)	372.34	476.79
Intangible assets under development	5(B)	1,876.68	915.27
Financial Assets			
Investments	6	5.15	5.15
Other financial assets	7	78.55	91.67
Income tax assets (net)	8	386.78	222.49
Other non-current assets	9	1,135.99	1,178.83
		21,917.38	15,063.06
Current assets			
Inventories	10	8,126.29	5,370.62
Financial Assets			
Trade receivables	11	10,016.54	9,524.87
Cash and cash equivalents	12	960.02	642.05
Bank balances other than cash and cash equivalents	13	86.38	109.80
Other financial assets	14	31.85	14.23
Other current assets	15	3,543.77	3,433.23
		22,764.85	19,094.80
TOTAL ASSETS		44,682.23	34,157.86
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	4,872.58	4,872.58
Other equity	17	19,002.00	15,162.02
Equity attributable to owners		23,874.58	20,034.60
Non controlling interest		0.03	-
Total equity		23,874.61	20,034.60
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	18	3,560.06	2,462.45
Lease liabilities	19	294.95	101.78
Deferred tax liabilities (net)	20	1,010.09	480.32
		4,865.10	3,044.55
Current liabilities			
Financial Liabilities			
Borrowings	21	7,075.20	3,494.36
Lease liabilities	22	247.18	157.22
Trade payables	23		
- total outstanding due of micro enterprises and small enterprises		6.31	232.97
- total outstanding due of creditors other than micro enterprises and small enterprises		6,231.78	5,590.93
Other financial liabilities	24	1,077.72	838.62
Other current liabilities	25	1,224.65	705.12
Provisions	26	79.68	59.49
		15,942.52	11,078.71
TOTAL LIABILITIES		20,807.62	14,123.26
TOTAL EQUITY AND LIABILITIES		44,682.23	34,157.86
Material accounting policy information and other explanatory information	1 - 52		

This is the Consolidated Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: 13 May 2024

Anwar S. Daud
Managing Director
DIN: 00023529

Shyam Mohan Patro
Chief Financial Officer

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 13 May 2024

Consolidated Statement of Profit and Loss

For the year ended 31 March 2024

(₹ in Lakhs)

		Note	Year ended 31 March 2024	Year ended 31 March 2023
I.	**Income**			
	Revenue from operations	27	36,742.44	39,852.71
	Other income	28	518.39	641.32
	Total Income		37,260.83	40,494.03
II.	**Expenses**			
	Cost of materials consumed	29	17,769.83	16,498.32
	Purchase of stock in trade	30	779.61	1,739.16
	Changes in inventories of finished goods and work-in-progress	31	(1,405.32)	1,646.35
	Employee benefits expense	32	5,334.27	4,931.82
	Finance costs	33	692.44	557.54
	Depreciation and amortisation expense	34	1,595.18	1,746.90
	Other expenses	35	10,130.58	9,838.44
	Total Expenses		34,896.59	36,958.53
III.	**Profit before tax**		2,364.24	3,535.50
IV.	**Tax (expense):**	36		
	(i) Current Tax		(88.59)	(629.09)
	(ii) Tax adjustment pertaining to earlier years		(5.56)	-
	(iii) Deferred Tax		(545.46)	(462.96)
			(639.61)	(1,092.05)
V.	**Net Profit after tax**		1,724.63	2,443.45
VI.	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Measurements of defined employee benefit plans		(53.88)	(65.13)
	- Income tax relating to items that will not be reclassified to profit or loss		15.69	18.97
	Items that may be reclassified to profit or loss			
	- Exchange differences on translation of foreign operations		13.29	113.86
	- Income tax relating to items that will be reclassified to profit or loss		-	-
			(24.90)	67.70
VII.	**Total Comprehensive Income**		1,699.73	2,511.15
VIII.	**Net Profit after tax attributable to**			
	Owners		1,724.64	2,443.45
	Non-controlling interest		(0.01)	-
			1,724.63	2,443.45
IX.	**Other Comprehensive Income attributable to**			
	Owners		(24.90)	67.70
	Non-controlling interest		-	-
			(24.90)	67.70
X.	**Total Comprehensive Income attributable to**			
	Owners		1,699.74	2,511.15
	Non-controlling interest		(0.01)	-
			1,699.73	2,511.15
XI.	**Earnings per equity share: Nominal value of ₹ 10 each**	48		
	Basic (In ₹)		3.54	5.01
	Diluted (In ₹)		3.54	5.01
Material accounting policy information and other explanatory information		1 - 52		

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: 13 May 2024

Anwar S. Daud
Managing Director
DIN: 00023529

Shyam Mohan Patro
Chief Financial Officer

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 13 May 2024

Consolidated Statement of Cash Flow

For the year ended 31 March 2024

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	**2,364.24**	**3,535.50**
Depreciation and amortisation expense	1,595.18	1,746.90
Government Incentive	(9.26)	(8.20)
Interest on lease deposits	(4.55)	(9.21)
(Gain) on sale of property, plant and equipment (net)	(46.97)	(2.00)
Property, plant and equipment written off	-	65.97
Unrealized foreign exchange (gain)	(113.98)	(101.76)
Provision for employee benefits	(0.04)	(105.46)
Dividend income on investments	(0.60)	(0.60)
Interest income	(4.29)	(6.82)
Bad debts written off	110.07	-
Loss allowance - trade receivables	(17.47)	79.14
Finance costs	692.44	557.54
Operating profit before working capital changes	**4,564.77**	**5,751.00**
Movement in working capital :		
Increase in trade & other payables and provisions	790.81	(3,646.59)
(Increase)/decrease in inventories	(2,755.67)	2,157.80
(Increase)/decrease in trade and other receivables	(713.65)	269.46
Net Cash generated from operations	**1,886.26**	**4,531.67**
Direct taxes paid (net of refunds)	(258.44)	(714.85)
Net cash generated from operating activities (A)	**1,627.82**	**3,816.82**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangibles (Refer note i)	(7,392.32)	(3,666.79)
Sale proceeds of property, plant and equipment	54.81	2.00
Deposits placed with bank (having original maturity of more than three months)	(28.39)	-
Maturity of bank deposits (having original maturity of more than three months)	59.71	35.99
Interest received	4.33	7.85
Dividend received	0.60	0.60
Net cash used in investing activities (B)	**(7,301.26)**	**(3,620.35)**
Cash flow from financing activities		
Transaction cost for issue of bonus shares (Refer note 16 (d))	-	(47.50)
Deemed equity contribution from shareholder (net) (Refer note 17)	2,140.24	-
Proceeds from long term borrowings	2,814.69	1,835.30
(Repayment) of long term borrowings	(1,293.25)	(1,547.08)
(Repayment)/proceeds of short term borrowings	3,215.47	559.16
(Repayment) of principal portion of lease obligations	(172.39)	(191.97)
Finance costs paid	(751.36)	(553.35)
Changes in unclaimed dividend bank balances	4.93	5.85
Dividends paid on equity shares (unclaimed)	(4.93)	(5.85)
Net cash generated from/ (used in) financing activities (C)	**5,953.40**	**54.56**

Consolidated Statement of Cash Flow (Contd.)

For the year ended 31 March 2024

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Effects of exchange rate changes on cash and cash equivalents (D)	**38.01**	**48.99**
Net (decrease)/increase in cash and cash equivalents (A+B+C+D)	317.97	300.02
Opening cash and cash equivalents	642.05	342.03
Closing cash and cash equivalents	**960.02**	**642.05**
Components of cash and cash equivalents		
Cash on hand	11.76	8.02
Balances with banks in:		
- Current accounts	948.26	634.03
Total cash and cash equivalents (Refer note 12)	**960.02**	**642.05**

Notes:

i) Includes capital work-in-progress, capital advance, payables for property, plant and equipment, intangible assets and intangible assets under development.

ii) The Consolidated Statement of Cashflow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash flows.

Material accounting policy information and other explanatory information 1 - 52

This is the Consolidated Statement of Cash Flow referred to in our report of even date

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: 13 May 2024

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 13 May 2024

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

Equity share capital (Refer note 16)

	Number of shares	₹ in Lakhs
As at 01 April 2022	16,241,938	1,624.19
Changes during the year	32,483,876	3,248.39
As at 31 March 2023	48,725,814	4,872.58
Changes during the year	-	-
As at 31 March 2024	**48,725,814**	**4,872.58**

Other equity (Refer note 17)

(₹ in Lakhs)

	Other equity attributable to owners					
	Reserves & Surplus				Other reserves	Total other equity
	Securities premium	General reserve	Retained earnings	Deemed equity contribution from shareholder	Foreign currency translation reserve	
Opening balance as at 1 April 2022	4,098.87	106.20	11,659.41	-	82.28	**15,946.76**
Transactions during the year						
Total comprehensive income for the year						
Net Profit after tax	-	-	2,443.45	-	-	2,443.45
Other comprehensive income	-	-	(46.16)	-	113.86	67.70
Amount utilized for issue of bonus shares	(3,248.39)	-	-	-	-	(3,248.39)
Transaction cost for issue of bonus shares	(47.50)	-	-	-	-	(47.50)
Closing balance as at 31 March 2023	**802.98**	**106.20**	**14,056.70**	**-**	**196.14**	**15,162.02**
Transactions during the year						
Total comprehensive income for the year						
Net Profit after tax	-	-	1,724.64	-	-	1,724.64
Other comprehensive income	-	-	(38.19)	-	13.29	(24.90)
Deemed equity contribution from shareholder (net)	-	-	-	2,140.24	-	2,140.24
Closing balance as at 31 March 2024	**802.98**	**106.20**	**15,743.15**	**2,140.24**	**209.43**	**19,002.00**

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: 13 May 2024

For and on behalf of the Board of Directors

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 13 May 2024

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

1. Background of the Company

ZIM Laboratories Limited ('the Company / Holding Company / Parent') is a public limited company domiciled in India with its registered office at Sadodaya Gyan (Ground Floor), Opposite N.A.D.T., Nelson square,Nagpur-440013. The Company has primarily listed on BSE/NSE .The Company is engaged in the manufacturing of formulation drugs and pre formulation ingredients in India and marketing and selling these within and outside India. Company also has wholly owned subsidiaries (ZIM Laboratories FZE,UAE , SIA ZIM Laboratories Limited, Latvia, ZIM Health Technologies Limited, India and ZIM Thinorals Private Limited, India) and subsidiary (ZIMTAS PTY Limited, Australia) (the Company and its subsidiaries are together referred to as 'the Group') which are engaged in manufacturing & wholesale of pharmaceutical products, market research and research & development activities.

The consolidated financial statements ("the financial statements") of the Company for the year ended 31 March 2024 were authorised for issue in accordance with resolution of the Board of Directors on 13 May 2024."

2. Material accounting policy information

a Basis for preparation of financial statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value;

2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;

3) defined benefit plans - plan assets measured at fair value;

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

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

b Principles of consolidation

-Subsidiary

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

c Use of estimates

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

d Property, plant and equipment (including Capital Work-in-Progress)

The group had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 01 April 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

e Depreciation methods and estimated useful lives

The group provides for depreciation on additions and disposals made during the year on pro-rata basis from the date of additions upto the date of disposal. Depreciation on property, plant and equipment is provided under the straight line method over the useful lives of assets, as prescribed under Part C of Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets Class	Useful Life
Building	5 years & 30 years
Plant and Equipment	10 years & 15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment's	3-6 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Leasehold Improvements are amortized over the lower of the lease term or useful life of the respective asset prescribed as above.

Leasehold land, in the nature of finance lease, is amortised over the primary period of lease.

f Intangible assets (including Intangible assets under development)

Intangible assets are stated at acquisition/development cost, net of tax credit on initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditure incurred for obtaining regulatory approvals and registration of the products for overseas markets are considered as product marketing authorisations.

Intangible assets are amortised on a straight line basis over the estimated useful economic life, which is estimated to be five years for software and brands and three years for product marketing authorisations.

g Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

During the period of development, the asset is tested for impairment annually. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the Statement of Profit and Loss.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

h Measurement and recognition of leases

The Group considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Group as a lessee

At lease commencement date, the Group recognises 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 Group and any lease payments made in advance of the lease commencement date.

The Group 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 Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group 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 Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

The Group has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Group's benefit.

Group as a lessor

Lease income from operating leases where the Group is a lessor is recognised as income on straight line basis over the lease term .

i Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

j Borrowing costs

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

k Impairment of non-financial assets

Assessment is carried out at each Balance Sheet date as to whether there is any indication that an asset may

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication of impairment exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed if there was no impairment.

l Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected useful lives of the related assets and presented within other income.

m Investments and financial assets

Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss, when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of profit and loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

Measurement of equity instruments

The group measures its equity investment (other than in subsidiaries) at fair value through profit and loss. However where the group's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the group applies the simplified approach permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- The group has transferred the rights to receive cash flows from the financial asset or they have expired or
- The group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

n Derivatives and embedded derivatives

The group uses derivative financial instruments i.e. foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such contracts are accounted for at fair value through profit or loss. Derivatives are carried as financial assets/liabilities when the fair value is positive/negative, respectively.

Derivatives embedded in a host contracts that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

o Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

p Inventories

Inventories are stated at lower of cost and net realisable value. Cost of raw materials, stores, spares and packing

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materials is determined at weighted average cost or net realisable value, whichever is lower. The cost of finished goods and work in progress comprises raw materials cost, packing materials cost, direct labour, other direct costs and related production overheads, as applicable. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

q Foreign Currency Transactions

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (Rs.) whereas the functional currency of foreign subsidiaries is the currency of their country of domicile.

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gains or losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities are translated at the closing rate on the balance sheet date

(b) Income and expenses are translated at the average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated based on rates prevailing at the date of transaction).

(c) All resulting exchange differences are recognised in other comprehensive income

When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate."

r Revenue Recognition

The group derives revenues primarily from sale of manufactured goods and traded goods.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the group expects to receive in exchange for those products.

The group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the group's performance as the group performs; or

2. The group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The group's performance does not create an asset with an alternative use to the group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Other operating revenue - Product development service income

Income from product development is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable i.e. over time.

The Group enters into certain product development and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Group recognises or defers the upfront payments received under these arrangements.

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Export incentives

Export Incentives under various schemes are accounted in the year of export.

Out-licensing income

Revenues include amounts derived from outlicensing income. These income typically depends on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Group has continuing performance obligations, if the milestones are not considered substantive.

Contract assets

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

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects entity's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The entity holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

s Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. Dividend Income is recognised when right to receive the payment is established by the balance sheet date.

t Employee Benefits

Defined Contribution Plan

The group has Defined Contribution Plan for post employment benefit namely Provident Fund and National Pension Fund which are recognised by the income tax authorities and administered through appropriate authorities. The group contributes to a Government administered Provident Fund and National Pension Fund and has no further obligation beyond making its contribution.

The group's contributions to the above fund are charged to Statement of Profit and Loss every year as and when due.

Defined Benefit Plan - Gratuity

The group has Defined Benefit Plan comprising of Gratuity. The Gratuity scheme is funded through Group Gratuity Cum Life Assurance Scheme from LIC. The adequacy of accumulated fund balance available with LIC has been established by comparing such balance based on actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. All other absences are treated as long term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused

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entitlement as at the year end. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

At present, short term benefits are the only employee benefits applicable to the subsidiaries, while all benefits are applicable to the Company.

u Current and Deferred Tax

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Income tax (current-tax) assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets (Including Minimum Alternate Tax(MAT)) are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the group and it is probable that reversal will not occur in the foreseeable future.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

v Provisions and Contingent Liabilities

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

w Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

x Recent accounting pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first time these amendments.

(i) Definition of Accounting Estimates-Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies-Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'Material accounting policy information and adding guidance on how entitles apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction-Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such has leases.

The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

y Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

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For the year ended 31 March 2024

The areas involving critical estimates or judgement are:

- Useful life and residual value of property, plant and equipment (PPE) and intangible assets (Refer note 3, 4, 5(A) & 5(B)

  The Group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

- Recognition and measurement of defined benefit obligations (Refer note 46)

  The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

- Valuation of taxes on income (Refer note 36)

  The Group reviews the carrying amount of tax expenses, deferred tax (including MAT credit) and tax payable at the end of each reporting period.

- Loss Allowance (Refer note 11)

  Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off if the same are not collectible.

- Leases – Estimating the incremental borrowing rate (Refer Note 2(f))

  The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

- Inventory (Refer note 10) - The Group reviews the allowance for defective and obsolete items inventory at the end of each reporting period.

Material accounting policy information and other explanatory information to the consolidated financial statements

for the year ended 31 March 2024

3 Property, plant and equipment

(₹ in Lakhs)

	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipments	Vehicles	Right to use Assets: Leasehold Land	Right to use Assets: Other Right to use Assets	Total
Gross carrying amount										
Balance as at 1 April 2022	961.57	4,714.00	7,634.94	162.74	1,054.68	412.71	172.19	645.51	719.27	16,477.61
Additions/Adjustments	-	318.14	792.75	73.21	84.66	67.34	-	-	272.12	1,608.22
Deletions	-	-	271.83	-	-	-	-	-	-	271.83
Balance as at 31 March 2023	**961.57**	**5,032.14**	**8,155.86**	**235.95**	**1,139.34**	**480.05**	**172.19**	**645.51**	**991.39**	**17,814.00**
Additions/Adjustments	-	2,868.15	2,314.53	91.33	562.61	151.48	108.15	-	542.10	6,638.35
Deletions	-	-	-	-	-	-	28.24	-	-	28.24
Balance as at 31 March 2024	**961.57**	**7,900.29**	**10,470.39**	**327.28**	**1,701.95**	**631.53**	**252.10**	**645.51**	**1,533.49**	**24,424.11**
Accumulated Depreciation/ Amortisation										
Balance as at 1 April 2022	-	934.80	3,841.33	126.93	512.97	282.91	119.82	11.87	470.23	6,300.86
Charge for the year	-	180.94	712.33	18.34	108.84	55.78	14.68	9.95	246.07	1,346.93
Deletions	-	-	205.86	-	-	-	-	-	-	205.86
Balance as at 31 March 2023	**-**	**1,115.74**	**4,347.80**	**145.27**	**621.81**	**338.69**	**134.50**	**21.82**	**716.30**	**7,441.93**
Charge for the year	-	198.73	684.85	19.99	111.28	69.01	17.12	9.98	198.27	1,309.23
Deletions	-	-	-	-	-	-	20.40	-	-	20.40
Balance as at 31 March 2024	**-**	**1,314.47**	**5,032.65**	**165.26**	**733.09**	**407.70**	**131.22**	**31.80**	**914.57**	**8,730.76**
Net carrying amount										
Balance as at 31 March 2023	**961.57**	**3,916.40**	**3,808.06**	**90.68**	**517.53**	**141.36**	**37.69**	**623.69**	**275.09**	**10,372.07**
Balance as at 31 March 2024	**961.57**	**6,585.82**	**5,437.74**	**162.02**	**968.86**	**223.83**	**120.88**	**613.71**	**618.92**	**15,693.35**

(₹ in Lakhs)

i **Building includes those constructed on leasehold land:**	As at 31 March 2024	As at 31 March 2023
Gross carrying amount	8,695.12	4,957.02
Depreciation charged during the year	197.68	179.05
Accumulated depreciation	1,306.08	1,107.56
Net carrying amount	**7,389.04**	**3,849.46**

ii Vehicles includes vehicles in the personal name of directors & employees having Gross carrying amount ₹ 20.47 Lakhs and net carrying value of ₹ 1.37 Lakhs (31 March 2023 - Gross carrying amount ₹ 74.77 Lakhs and net carrying value of ₹ 15.53 Lakhs)

iii Refer note 45 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

iv Refer note 18 and 21 for information on property, plant and equipment pledged as security by the Holding Company.

Material accounting policy information and other explanatory information to the consolidated financial statements

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4 Capital work-in-progress (CWIP)

(₹ in Lakhs)

Balance as at 1 April 2022	509.74
Additions	2,882.33
Capitalisation	(1,608.22)
Balance as at 31 March 2023	**1,783.85**
Additions	7,206.10
Capitalisation	(6,638.35)
Balance as at 31 March 2024	**2,351.60**

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at 31 March 2024					
Projects in progress	2,266.66	84.94	-	-	2,351.60
Projects temporarily suspended	-	-	-	-	-
	2,266.66	**84.94**	**-**	**-**	**2,351.60**
Balance as at 31 March 2023					
Projects in progress	1,747.11	6.95	8.88	20.91	1,783.85
Projects temporarily suspended	-	-	-	-	-
	1,747.11	**6.95**	**8.88**	**20.91**	**1,783.85**

Note:

Capital work-in-progress (CWIP) as at 31 March 2024 includes cost incurred towards construction of property, plant and equipment of the Company. The CWIP under age bracket of more than 3 years has been capitalised subsequent to 31 March 2023.

5(A) Intangible assets

(₹ in Lakhs)

	Softwares	Product Marketing Authorisation	Brands	Total	Goodwill on consolidation
Gross carrying amount					
Balance as at 1 April 2022	**176.26**	**764.89**	**588.54**	**1,529.69**	**16.94**
Additions - Internally developed	-	293.19	-	293.19	-
- Acquired	205.11	-	-	205.11	-
Deletions/Adjustments	-	7.70	-	7.70	-
Foreign exchange adjustment	-	-	15.22	15.22	-
Balance as at 31 March 2023	**381.37**	**1,050.38**	**603.76**	**2,035.51**	**16.94**
Additions - Internally developed	-	139.70	-	139.70	-
- Acquired	46.79	-	-	46.79	-
Deletions/Adjustments	-	6.90	-	6.90	-
Foreign exchange adjustment	-	0.12	0.69	0.81	-
Balance as at 31 March 2024	**428.16**	**1,183.30**	**604.45**	**2,215.91**	**16.94**
Accumulated Amortisation					
Balance as at 1 April 2022	**164.49**	**617.40**	**377.62**	**1,159.51**	**-**
Charge for the year	26.74	245.09	128.14	399.97	-
Deletions/Adjustments	-	0.76	-	0.76	-
Balance as at 31 March 2023	**191.23**	**861.73**	**505.76**	**1,558.72**	**-**
Charge for the year	47.58	139.68	98.69	285.95	-
Deletions/Adjustments	-	1.10	-	1.10	-
Balance as at 31 March 2024	**238.81**	**1,000.31**	**604.45**	**1,843.57**	**-**
Net carrying amount					
Balance as at 31 March 2023	**190.14**	**188.65**	**98.00**	**476.79**	**16.94**
Balance as at 31 March 2024	**189.35**	**182.99**	**-**	**372.34**	**16.94**

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5(B) Intangible assets under development (IAUD)

(₹ in Lakhs)

Balance as at 1 April 2022		**664.76**
Additions	- Internally developed	650.09
	- Acquired	98.72
Capitalisation	- Internally developed	(293.19)
	- Acquired	(205.11)
Balance as at 31 March 2023		**915.27**
Additions	- Internally developed	1,025.14
	- Acquired	122.76
Capitalisation	- Internally developed	(139.70)
	- Acquired	(46.79)
Balance as at 31 March 2024		**1,876.68**

(₹ in Lakhs)

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at 31 March 2024					
Projects in progress	1,016.95	840.63	19.10	-	1,876.68
Projects temporarily suspended	-	-	-	-	-
	1,016.95	**840.63**	**19.10**	**-**	**1,876.68**
Balance as at 31 March 2023					
Projects in progress	875.95	37.89	1.43	-	915.27
Projects temporarily suspended	-	-	-	-	-
	875.95	**37.89**	**1.43**	**-**	**915.27**

Note:

Represents expenditure incurred towards obtaining regulatory approvals and registration of the products for overseas markets.

Non- current :

6 Investments

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Investment in body corporate:		
Quoted equity investment carried at fair value through profit or loss 20,000 equity shares of ₹ 25 each fully paid-up in Shamrao Vithal co-operative Bank Limited	**5.00**	**5.00**
Investments in government securities		
Unquoted at amortised cost		
National Saving Certificate	0.15	0.15
	5.15	**5.15**

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7 Other financial assets

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Earnest money and security deposit	70.29	70.58
Bank deposit with maturity more than 12 months	8.26	21.09
Bank deposit includes fixed deposits with banks ₹ 8.26 Lakhs (₹ 21.09 Lakhs as at 31 March 2023) marked as lien for guarantees issued by banks on behalf of the Holding Company		
	78.55	91.67

8 Income tax assets (net)

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Advance income-tax (net of provision for taxation)	386.78	222.49
	386.78	222.49

9 Other non-current assets

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)		
Capital advances	964.75	1,051.47
Prepaid expenses	22.50	30.62
Security deposits	148.74	96.74
	1,135.99	1,178.83

Current :

10 Inventories

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Raw materials and packing materials		
Goods-in-transit	-	1.08
Others	4,966.52	3,618.70
Work-in-progress	197.17	588.45
Finished goods		
Goods-in-transit	185.42	68.68
Others	2,511.59	831.73
Stores and spares	265.59	261.98
	8,126.29	5,370.62

11 Trade receivables (Unsecured, Refer note (a) below)

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Trade receivables - considered good	10,016.54	9,524.87
Trade receivables - credit impaired	81.25	79.14
Trade receivables which have significant increase in credit risk	70.70	90.28
	10,168.49	9,694.29
Less: Loss allowance	(151.95)	(169.42)
	10,016.54	9,524.87

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(a) Ageing of Trade receivables

(₹ in Lakhs)

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Undisputed Trade Receivables – considered good	7,132.48	2,399.14	322.82	155.81	6.29	-	10,016.54
Undisputed Trade Receivables – which have significant increase in credit risk	2.45	3.23	4.30	10.04	14.83	35.85	70.70
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	20.27	60.98	-	-	81.25
	7,134.93	2,402.37	347.39	226.83	21.12	35.85	10,168.49
Less: Loss allowance	(2.45)	(3.23)	(24.57)	(71.02)	(14.83)	(35.85)	(151.95)
	7,132.48	2,399.14	322.82	155.81	6.29	-	10,016.54
As at 31 March 2023							
Undisputed Trade Receivables – considered good	6,323.07	2,478.92	511.70	211.18	-	-	9,524.87
Undisputed Trade Receivables – which have significant increase in credit risk	8.20	-	21.56	15.46	-	45.06	90.28
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	79.14	-	-	-	79.14
	6,331.27	2,478.92	612.40	226.64	-	45.06	9,694.29
Less: Loss allowance	(8.20)	-	(100.70)	(15.46)	-	(45.06)	(169.42)
	6,323.07	**2,478.92**	**511.70**	**211.18**	**-**	**-**	**9,524.87**

No trade receivable are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member other than those disclose in the note 44

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Refer note 38 for information about credit risk and market risk of trade receivables.

12 Cash and cash equivalents

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Cash on hand	11.76	8.02
Balances with banks in current accounts	948.26	634.03
	960.02	642.05

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

13 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Unclaimed dividend accounts	14.92	19.85
Bank Deposits		
Margin money deposits	43.07	89.95
Bank deposits	28.39	-
Deposit includes fixed deposits with banks ₹ 43.07 Lakhs (₹ 89.95 Lakhs as at 31 March 2023) marked as lien against guarantees issued by banks on behalf of the Company		
	86.38	109.80

14 Other financial assets

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Current		
(Unsecured, considered good)		
Earnest money and security deposits	24.44	6.89
Interest receivable:		
from Banks	0.06	0.10
Others	3.32	2.71
Others	4.03	4.53
	31.85	**14.23**

15 Other current assets

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise specified)		
Advances other than capital advances		
Advance to suppliers	191.24	839.68
Advance against expenses to related party (Refer note 44)	-	1.98
Balances with government authorities	2,798.34	1,996.17
Contract assets	332.38	346.28
Prepaid expenses	182.97	175.49
Asset held for sale	5.80	6.94
Gratuity- plan assets (Refer note 46)	33.04	66.69
	3,543.77	**3,433.23**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

16 Equity share capital

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Authorised		
75,000,000 (31 March 2023: 75,000,000) equity shares of ₹ 10 each	7,500.00	7,500.00
Issued		
48,725,814 (31 March 2023: 48,725,814) equity shares of ₹ 10 each fully paid up	4,872.58	4,872.58
Subscribed and Paid-Up:		
48,725,814 (31 March 2023: 48,725,814) equity shares of ₹ 10 each fully paid up	4,872.58	4,872.58
	4,872.58	**4,872.58**

(a) Reconciliation of share capital:

(₹ in Lakhs)

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance as at the beginning of the year	48,725,814	4,872.58	16,241,938	1,624.19
Add: Bonus issue of shares to existing shareholders	-	-	32,483,876	3,248.39
Balance as at the end of the year	**48,725,814**	**4,872.58**	**48,725,814**	**4,872.58**

(b) Rights, preferences and restrictions

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

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares:				
Anwar Daud*	13,336,320	27.37%	13,336,320	27.37%
Mathew Cyriac	7,101,800	14.58%	10,652,700	21.86%
Zakir Vali	5,047,420	10.36%	8,547,420	17.54%

* Including 1,500,000 shares jointly held with Tasneem Daud (wife of Mr. Anwar Daud).

(d) During the previous year, the Holding Company allotted 32,483,876 equity shares of face value ₹ 10 each as fully paid up bonus shares by capitalisation of securities premium aggregating to ₹ 3,248.39 lakhs, pursuant to an ordinary resolution passed by the shareholders in the extra ordinary general meeting on 12 December 2022. The Holding Company has issued two bonus equity shares against one equity share held by its shareholders.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

16 Equity share capital (Contd.)

(e) Details of shares held by promoters

Promoter Name	No. of shares at the beginning of the year	Change during the year (Refer note (d) above)	No. of shares at the end of the year	% of Total Shares	% change during the year
As at 31 March 2024					
Anwar Daud	13,336,320	-	13,336,320	27.37%	-
Zulfiquar Kamal	1,194,060	1,200	1,195,260	2.45%	0.10%
Tasneem Daud	30,000	-	30,000	0.06%	-
Shabbar Daud	42,000	-	42,000	0.09%	-
Sabbah Kamal	1,500,000	-	1,500,000	3.08%	-
Hasan Kamal	104,400	-	104,400	0.21%	-
Zahida Kamal	1,200	(1,200)	-	0.00%	-100.00%
Total	**16,207,980**	**-**	**16,207,980**	**33.26%**	**-**
As at 31 March 2023					
Anwar Daud	4,445,440	8,890,880	13,336,320	27.37%	-
Zulfiquar Kamal	398,020	796,040	1,194,060	2.45%	-
Tasneem Daud	10,000	20,000	30,000	0.06%	-
Shabbar Daud	14,000	28,000	42,000	0.09%	-
Sabbah Kamal	500,000	1,000,000	1,500,000	3.08%	-
Hasan Kamal	34,800	69,600	104,400	0.21%	-
Zahida Kamal	400	800	1,200	0.00%	-
Total	**5,402,660**	**10,805,320**	**16,207,980**	**33.26%**	**-**

17 Other equity

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Securities premium *	802.98	802.98
General reserve**	106.20	106.20
Foreign currency translation reserve ***	209.43	196.14
Deemed equity contribution from shareholder****	2,140.24	-
Retained earnings	15,743.15	14,056.70
Total	**19,002.00**	**15,162.02**
*** Securities premium**		
Balance as at the beginning of the year	802.98	4,098.87
Less: Amount utilized for issue of bonus shares (Refer note 16(d))	-	(3,248.39)
Transaction cost for issue of bonus shares	-	(47.50)
Balance at the end of the year	**802.98**	**802.98**

*Nature and Purpose - Security premium is used to record the premium on issue of shares, the reserve is utilised in accordance with the provisions of the Companies Act, 2013

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

17 Other equity (Contd.)

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
**** General reserve**		
Balance as at the beginning of the year	106.20	106.20
Additions during the year	-	-
Utilisation during the year	-	-
Balance at the end of the year	**106.20**	**106.20**

**Nature and Purpose - General reserve represents transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

	As at 31 March 2024	As at 31 March 2023
***** Foreign currency translation reserve**		
Balance as at the beginning of the year	196.14	82.28
Movement during the year	13.29	113.86
Balance as at the end of the year	**209.43**	**196.14**

***Nature and Purpose - Foreign currency translation reserve represents the exchange differences on translation of reporting currency for foreign subsidiaries into the Company's presentation currency.

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
******Deemed equity contribution from shareholder**		
Balance as at the beginning of the year	-	-
Transaction during the year	2,140.24	-
Balance as at the end of the year	**2,140.24**	**-**

****Nature and Purpose - The difference between the fair value of trade receivable proceeds from shareholder and the transaction price is recognised as a deemed equity component of the shareholder.

The Holding Company had entered into an escrow agreement in 2017 (with subsequent renewals) with one of its shareholders, wherein the shareholder had provided his holdings to the extent of 30 Lakhs equity shares (including 25 Lakhs bonus shares) as a security towards realization of covered trade receivables. During the year, the equity shares have been liquidated at a gross consideration of ₹ 3,067.58 lakhs. Accordingly, the net amount realised (which is gross consideration as reduced by the applicable taxes and charges) has been recognised as a credit to the 'Deemed equity contribution from shareholder' under 'Other equity' in accordance with the guidance under Ind AS 1- Presentation of Financial Statements, which states that transactions with shareholders (being the owners of Company), shall be recognized under Equity.

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Retained earnings		
Balance as at the beginning of the year	14,056.70	11,659.41
Net profit for the year	**1,724.64**	**2,443.45**
Transfer from other comprehensive income	(38.19)	(46.16)
Net surplus in the Statement of Profit and Loss	**15,743.15**	**14,056.70**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

Non- current :

18 Borrowings

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Secured		
Term Loans from banks		
Term Loans from banks	4,431.83	2,599.51
From Non-Banking Financial Company (NBFC)	685.49	1,053.48
	5,117.32	3,652.99
Less: Current maturities of long term borrowings (Refer note 21)	(1,557.26)	(1,190.54)
	3,560.06	**2,462.45**

Nature of security and terms of repayment for secured borrowings

(i) Loan from a bank and a NBFC are secured by way of first charge on all present and future property, plant and equipment including Land & Building, Plant & Machinery and second charge on all current assets on pari passu basis with lead banker & other members under consortium arrangement. The loans are also secured by personal guarantee of managing director.

(ii)

	As at 31 March 2024			As at 31 March 2023		
	Principal o/s (₹ in lakhs)	Effective interest rate in %	Repayment terms	Principal o/s (₹ in lakhs)	Effective interest rate in %	Repayment terms
Indian rupee loan from banks						
Bank of India (Repayment start from: February 2022 and last installment in January 2026)	282.20	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 13.52 lakhs	411.49	1 Year RBLR +1 % (10.35%)	Repayable in 48 equated monthly Installments of ₹ 13.52 lakhs
Bank of India (Repayment start from: May 2022 and last installment in April 2026)	225.30	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 9.58 lakhs	314.87	1 Year RBLR +1 % (10.35%)	Repayable in 48 equated monthly Installments of ₹ 9.58 lakhs
Bank of India (Repayment start from: November 2023 and last installment in October 2027)	254.74	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 6.79 lakhs	278.69	1 Year RBLR +1 % (10.35%)	Repayable in 48 equated monthly Installments of ₹ 6.79 lakhs
Bank of India (Repayment start from: January 2023 and last installment in June 2026)	683.32	1 Year RBLR +0.55 % (9.90%)	Repayable in 42 equated monthly Installments of ₹ 27.78 lakhs	771.61	1 Year RBLR +0.55 % (9.90%)	Repayable in 42 equated monthly Installments of ₹ 27.78 lakhs
Bank of India (Repayment start from: August 2024 and last installment in July 2029)	850.00	1 Year RBLR +0.55 % (9.80%)	Repayable in 60 equated monthly Installments of ₹ 14.17 lakhs	-	-	-
Bank of India (Repayment start from: September 2023 and last installment in August 2026)	241.67	1 Year RBLR +0.55 % (9.80%)	Repayable in 36 equated monthly Installments of ₹ 8.33 lakhs	-	-	-

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

18 Borrowings (Contd.)

	As at 31 March 2024			As at 31 March 2023		
	Principal o/s (₹ in lakhs)	Effective interest rate in %	Repayment terms	Principal o/s (₹ in lakhs)	Effective interest rate in %	Repayment terms
SVC Co-Operative Bank Limited, (Repayment start from: January 2021 and last installment in December 2023)	-	-	-	277.91	PLR minus 10.55% (9.90%)	Repayable in 36 equated monthly Installments of ₹ 29.27 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: February 2024 and last installment in January 2028)	527.08	PLR minus 11.20% (9.25%)	Repayable in 48 equated monthly Installments of ₹ 11.46 lakhs	549.99	PLR minus 11.20% (9.25%)	Repayable in 48 equated monthly Installments of ₹ 11.46 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: May 2024 and last installment in April 2029)	1,300.00	PLR minus 10.45% (10.25%)	Repayable in 60 equated monthly Installments of ₹ 29.61 lakhs	-	-	-
SVC Co-Operative Bank Limited, (Repayment start from: June 2023 and last installment in November 2025)	140.00	PLR minus 10.45% (10.25%)	Repayable in 30 equated monthly Installments of ₹ 6.67 lakhs	-	-	-
Indian rupee loan from Non-Banking Financial Company (NBFC)						
Tata Capital Financial Services Limited (Repayment start from: August 2021 and last installment in April 2023)	-	-	-	78.32	LTLR minus 9.00% (10.25%)	Repayable in 19 equated monthly Install-ments of ₹ 78.32 lakhs
Tata Capital Financial Services Limited (Repayment start from: April 2023 and last installment in March 2028)	400.00	LTLR minus 10.80% (11.00%)	Repayable in 60 equated monthly Install-ments of ₹ 8.33 lakhs	500.00		Repayable in 60 equated monthly Install-ments of ₹ 8.33 lakhs
Tata Capital Financial Services Limited (Repayment start from: April 2023 and last installment in September 2025)	300.00	LTLR minus 10.80% (11.00%)	Repayable in 30 equated monthly Install-ments of ₹ 16.66 lakhs	500.00		Repayable in 30 equated monthly Install-ments of ₹ 16.66 lakhs
Deferred expense towards pro-cessing fees is netted of against loan.	(86.99)			(29.89)		
	5,117.32			**3,652.99**		

Assets Pledged as security

The gross carrying amounts of assets Pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Non-current assets		
- Property, plant and equipment (including leasehold land but excluding other right to use assets)	22,885.32	16,817.31
Current assets	21,771.32	17,864.05
Total assets Pledged as security	**44,656.64**	**34,681.36**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

Non- current :

19 Lease liabilities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Lease liabilities (Refer note 42)	294.95	101.78
	294.95	**101.78**

20 Deferred tax liabilities (net)

The movement in deferred tax assets and liabilities during the year ended 31 March 2024 and 31 March 2023:

(₹ in Lakhs)

Movement during the year ended 31 March 2024	As at 31 March 2023	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2024
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	900.64	230.84	-	1,131.48
Advance payment of employee benefits	2.10	0.01	(15.69)	(13.58)
	902.74	**230.85**	**(15.69)**	**1,117.90**
Deferred tax assets				
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	29.63	(13.76)	-	15.87
Loss allowance - trade receivables	49.33	-5.09	-	44.24
Lease payments	13.40	34.30	-	47.70
	92.36	**15.45**	**-**	**107.81**
Minimum alternative tax credit entitlement / (utilisation)	330.06	(330.06)	-	-
Net Deferred tax (assets) / liabilities	**480.32**	**545.46**	**(15.69)**	**1,010.09**

(₹ in Lakhs)

Movement during the year ended 31 March 2023	As at 31 March 2022	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2023
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	951.49	(50.85)	-	900.64
Advance payment of employee benefits	-	21.07	(18.97)	2.10
	951.49	**(29.78)**	**(18.97)**	**902.74**
Deferred tax assets				
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	23.97	5.66	-	29.63
Loss allowance - trade receivables	26.29	23.04	-	49.33

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

20 Deferred tax liabilities (net) (Contd.)

(₹ in Lakhs)

Movement during the year ended 31 March 2023	As at 31 March 2022	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2023
Carry forward business losses/unabsorbed depreciation	-	-	-	-
Provision for employee benefits	9.65	(9.65)	-	-
Lease payments	13.63	(0.23)	-	13.40
	73.54	**18.82**	**-**	**92.36**
Minimum alternative tax credit entitlement / (utilisation)	841.62	(511.56)	-	330.06
Net Deferred tax (assets) / liabilities	**36.33**	**462.96**	**(18.97)**	**480.32**

Current :

21 Borrowings

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Secured		
From Banks, repayable on demand		
- Cash credit / packing credit	5,503.96	2,288.03
Current maturities of long term borrowings	1,557.26	1,190.54
Interest accrued but not due on borrowings	13.98	15.79
	7,075.20	**3,494.36**

Cash credit / packing credit from banks are secured by the first charge on all current assets both present and future and second charge on all the property, plant and equipment of the Company both present and future on pari pasu basis with all members of consortium. The loans are secured by personal guarantee of Managing Director.

22 Lease liabilities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Lease liabilities (Refer note 42)	247.18	157.22
	247.18	157.22

23 Trade payables

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Dues of micro enterprises and small enterprises (Refer note below)	6.31	232.97
Payables to related parties (Refer note 44)	18.40	30.31
Dues of creditors other than micro enterprises and small enterprises	6,213.38	5,560.62
	6,238.09	5,823.90

Disclosures required under Section 22 of the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

23 Trade payables (Contd.)

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	6.31	232.97
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
d. the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

Note:- This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Group.

Ageing of Trade Payables

(₹ in Lakhs)

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Total outstanding dues of micro enterprises and small enterprises	6.31	-	-	-	6.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,102.48	123.44	5.86	-	6,231.78
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	6,108.79	123.44	5.86	-	6,238.09
As at 31 March 2023					
Total outstanding dues of micro enterprises and small enterprises	232.97	-	-	-	232.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,982.91	551.83	54.32	1.87	5,590.93
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	5,215.88	**551.83**	**54.32**	**1.87**	**5,823.90**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

Current :

24 Other financial liabilities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Un-claimed dividends*	14.92	19.85
Employee related liabilities	484.83	554.87
Payable for capital expenditure	577.97	263.90
	1,077.72	**838.62**

* During the year unpaid dividend amount of ₹ 5.36 lakhs (pertaining to FY 2015-16) have been transferred to the Investor Education and Protection Fund under section 125 of the Companies Act,2013.

25 Other current liabilities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Advance received from customers	945.05	441.27
Statutory dues	223.74	224.93
Deferred Government grants	48.76	36.56
Others	7.10	2.36
	1,224.65	**705.12**

26 Provisions

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Provision for compensated absences	79.68	59.49
	79.68	**59.49**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

27 Revenue from operations

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Manufactured goods	34,444.15	36,436.22
Stock in trade	1,107.10	2,436.66
Other operating revenue		
Out-licensing income	657.43	521.72
Export incentives	528.94	427.46
Others	4.82	30.65
	36,742.44	**39,852.71**

Disclosure as per Ind AS 115

A The operations of the Group are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

There are no variable components such as discounts, chargebacks, rebates, sales returns, etc.

B Disaggregation of revenue:

(₹ in Lakhs)

Nature of segment	Year ended 31 March 2024	Year ended 31 March 2023
A. Major Product/Service line:		
- Sale of pharmaceutical goods	35,551.25	38,872.88
- Out-licensing income	657.43	521.72
- Others (Export incentives, others, etc.)	533.76	458.11
Total revenue from contracts with customers	**36,742.44**	**39,852.71**
B. Primary geographical market:		
- In India	8,046.36	6,033.78
- Outside India	28,696.08	33,818.93
Total revenue from contracts with customers	**36,742.44**	**39,852.71**
C. Timing of the revenue recognition:		
- Goods/services transferred at a point in time	36,742.44	39,852.71
- Goods/services transferred over time	-	-
Total revenue from contracts with customers	**36,742.44**	**39,852.71**

C Contract Balances

Significant changes in contract asset balances are as follows:

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Contract Assets		
Opening Balance	346.28	822.60
Add: Revenue recognised during the year	-	-
Less: Invoiced/adjustment during the year	13.90	476.32
Closing balance	**332.38**	346.28

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

27 Revenue from operations (Contd.)

Contract Balances (Contd.)

Contract assets are initially recognised for Product development service income

D Outstanding service obligation regarding product development contracts

The Group has entered into contracts pertaining to product development projects. The outstanding service obligations pertaining to these contracts aggregates ₹ Nil (31 March 2023 : Nil) as at year end.

28 Other income

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on financial assets measured at amortised cost		
-Fixed deposits	4.29	6.82
-Others	8.70	26.83
Dividend income on investments	0.60	0.60
Exchange rate difference (net)	380.63	554.91
Apportioned income from government grant	9.26	8.20
Reversal of Loss allowance - trade receivables (Refer note no. 38 (B))	17.47	-
Other non-operating income	97.44	43.96
	518.39	**641.32**

29 Cost of materials consumed

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Opening inventory	3,619.78	4,137.77
Add: Purchases	19,896.18	17,719.49
Less: Closing inventory	4,966.52	3,619.78
	18,549.44	**18,237.48**
Less: Cost of material sold	779.61	1,739.16
	17,769.83	**16,498.32**

30 Purchase of stock in trade

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Details of purchases of traded goods		
Tablets	3.11	1.23
Capsules	14.33	11.27
Bulk Drugs	264.26	384.05
DC Granules	179.22	1,050.83
Others (including Gel, Kits, etc.)	318.69	291.78
	779.61	**1,739.16**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

31 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
At the end of the year		
Work-in-progress	197.17	588.45
Finished goods	2,697.01	900.41
	2,894.18	**1,488.86**
At the beginning of the year		
Work-in-progress	588.45	1,265.94
Finished goods	900.41	1,869.27
	1,488.86	**3,135.21**
	(1,405.32)	**1,646.35**

32 Employee benefits expense

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	4,871.41	4,575.92
Contribution to provident and other funds (Refer note 45(A) and 46(a))	165.80	149.10
Gratuity expense (Refer note 46)	56.53	51.04
Staff welfare expenses	240.53	155.76
	5,334.27	**4,931.82**

33 Finance costs

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest on borrowings	557.30	477.10
Interest on delayed payment of income tax	30.89	19.92
Other borrowing costs	104.25	60.52
	692.44	**557.54**

34 Depreciation and amortisation expense

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation and amortisation on property, plant and equipment	1,309.23	1,346.93
Amortisation of intangible assets	285.95	399.97
	1,595.18	**1,746.90**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

35 Other expenses

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spares	93.14	109.76
Power and fuel	1,330.71	1,096.24
Water charges	15.93	12.66
Insurance	66.30	41.96
Repairs and maintenance		
Machines	525.26	425.87
Buildings	184.78	173.80
Others	299.97	239.43
Contract labour	2,093.80	1,780.76
Printing & stationery	50.87	37.20
Communication costs	49.70	44.34
Legal and professional fees	948.39	1,169.02
Payment to auditors (Refer note below (a))	60.60	56.88
Advertisement & sales promotion	191.11	191.39
Travelling and conveyance	536.56	499.46
Commission on sales	1,416.15	1,720.95
Freight and forwarding charges	840.74	881.44
Bad debts written off	110.07	-
Loss allowance - trade receivables	-	79.14
Rates and taxes	63.82	84.23
Property, plant and equipment written off	-	65.97
Loss on sale of property, plant and equipment (net)	1.56	-
Rent (Refer note 42)	21.27	22.28
Laboratories Expenses	737.08	653.01
Corporate social responsibility expenses (Refer note 49)	46.98	17.98
Miscellaneous expenses	445.79	434.67
	10,130.58	**9,838.44**

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Note		
(a) Auditors' remuneration (of the Parent Company) (excluding taxes)		
As Auditors	55.50	51.00
Other Services	3.75	5.20
Out of Pocket Expenses	1.35	0.68
	60.60	**56.88**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

36 Tax (expense) / credit

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Current tax for the year (net of Minimum alternative tax utilisation ₹ 330.06 lakhs) (31 March 2023: ₹ 511.56 lakhs)	(88.59)	(629.09)
Tax adjustments pertaining to earlier years	(5.56)	-
Deferred tax expenses		
(Decrease) in deferred tax assets	(314.61)	(492.74)
(Increase) / Decrease in deferred tax liabilities	(215.16)	48.75
	(529.77)	**(443.99)**
	(623.92)	**(1,073.08)**
Tax (expense) / credit recognised in Statement of profit and loss	(639.61)	(1,092.05)
Tax (expense) / credit recognised in other comprehensive income	**15.69**	**18.97**
	(623.92)	**(1,073.08)**
Tax reconciliation		
Profit before tax	**2,364.24**	**3,535.50**
Tax at the rate of 29.12% (31 March 2023 : 29.12%)	(688.47)	**(1,029.54)**
Tax adjustment pertaining to earlier years	(5.56)	-
Tax effect of amounts which are mentioned below		
Income / (expenses) exempted from income taxes	5.05	(17.65)
Difference in tax rates for certain entities of the Group	1.34	0.13
Permanent Disallowances	(9.00)	(19.64)
Allowances / Disallowances under specific provisions of Income tax act, 1961 (net)	15.40	12.35
Disallowance of Donation / Corporate social responsibility expenses	(16.32)	(11.31)
Other tax deductions	57.95	(26.39)
	(639.61)	**(1,092.05)**

37 Fair value measurements

Financial instruments by category:

All financial assets and financial liabilities, except derivative instruments of the Group are under the amortised cost measurement category at each of the reporting date.

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received on selling of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

37 Fair value measurements (Contd.)

Financial assets and liabilities measured at fair value at each reporting date

Investment in equity shares (other than subsidiaries) are measured at fair value through profit and loss at each reporting date. Since the valuation involves use of quoted (unadjusted) prices in active markets, valuation is considered as Level 1.

Financial assets and financial liabilities measured at amortised cost, but for which fair values are disclosed as below:

(₹ in Lakhs)

Fair value for assets and liabilities measured at amortised cost	31 March 2024				31 March 2023			
	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3	Carrying amount
Financial liabilities								
Non-current borrowings (including current maturities)	-	5,117.32	-	5,117.32	-	3,652.99	-	3,652.99
Lease liabilities (other than current portion)	-	-	294.95	-	-	-	101.78	-

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of security deposits, trade receivables, current loans, other financial assets, fixed deposits with banks, current borrowings, trade payables and other current financial liabilities are considered to be approximately equal to their fair value.

The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current market interest rate.

Valuation processes

The Group evaluates the fair value of financial assets and financial liabilities on periodic basis using the best and most relevant data available.

38 Financial risk management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Risk Committee.

The Group is exposed to market risk, credit risk and liquidity risk.

A Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may 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 deposits , foreign currency receivables, payables and loans, and borrowings.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Chief financial officer. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market risk - Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

38 Financial risk management (Contd.)

expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Group, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Total Borrowings	10,635.26	5,956.81
% of Borrowings out of above bearing variable rate of interest	100%	100%

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax and Other Equity

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
50 bp increase would decrease the profit before tax by	(53.18)	(29.78)
50 bp decrease would increase the profit before tax by	53.18	29.78

Market risk - Foreign currency risk management

The Group operates internationally wherein portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies . Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

(a) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31 March 2024

(Amount in lakhs)

Particulars	USD		EURO		AED		CAD	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	85.42	7,125.26	2.59	233.13	-	-	0.88	53.79
Trade payables	2.66	221.48	0.02	2.16	-	-	0.01	0.38
Advance received from customers	1.95	161.62	1.69	150.99	4.63	104.14	-	-
Balance in EEFC Account	-	-	-	-	-	-	-	-
PCFC and PFCFC	1.37	114.27	-	-	-	-	-	-
Export commission	9.11	759.41	1.44	129.30	-	-	-	-

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

38 Financial risk management (Contd.)

As at 31 March 2023

(Amount in lakhs)

Particulars	USD		EURO		AED		CAD	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	84.37	6,932.15	4.43	396.51	-	-	-	-
Trade payables	6.08	499.84	0.18	16.48	-	-	-	-
Advance received from customers	3.72	306.89	0.76	66.65	0.02	0.43	-	-
Balance in EEFC Account	0.73	60.14	0.23	20.86	-	-	-	-
PCFC and PFCFC	14.95	1,228.60	-	-	-	-	-	-
Export commission	11.02	905.25	0.76	67.65	-	-	-	-

Sensitivity to foreign currency risk

(₹ in Lakhs)

Particulars	Impact on profit before tax and Other Equity	
	Year ended 31 March 2024	Year ended 31 March 2023
USD sensitivity		
INR / USD		
Increase by 5%	293.42	202.59
Decrease by 5%	(293.42)	(202.59)
Euro sensitivity		
INR / Euro		
Increase by 5%	(2.47)	13.33
Decrease by 5%	2.47	(13.33)
AED sensitivity		
INR / AED		
Increase by 5%	(5.21)	(0.02)
Decrease by 5%	5.21	0.02
CAD sensitivity		
INR / CAD		
Increase by 5%	2.67	-
Decrease by 5%	(2.67)	-

B Credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

38 Financial risk management (Contd.)

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

Credit risk management

To manage credit risk, the Group periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. There is no significant concentration of credit risk.

Bank balances are held with only high rated banks and majority of security deposits are placed majorly with government agencies. Trade receivables are generally recovered within the credit period. The Group measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Trade receivables

(₹ in Lakhs)

	Not due	0-12 months	1-2 years	2-3 years	more than 3 years	Total
As at 31 March 2024						
Gross Carrying amount of - trade receivables	7,134.93	2,749.76	226.83	21.12	35.85	10,168.49
Gross Carrying amount of - contract assets	332.38	-	-	-	-	332.38
Expected credit loss - trade receivables (%)	0.03%	0.27%	4.43%	70.22%	100.00%	-
Expected credit loss - trade receivables	2.45	7.53	10.04	14.83	35.85	70.70
Expected credit impaired - trade receivables	-	20.27	60.98	-	-	81.25
Carrying amount of trade receivables (net of impairment)	**7,132.48**	**2,721.96**	**155.81**	**6.29**	**-**	**10,016.54**
Carrying amount of contract assets (net of impairment)	**332.38**	**-**	**-**	**-**	**-**	**332.38**
As at 31 March 2023						
Gross Carrying amount of - trade receivables	6,331.27	3,091.32	226.64	-	45.06	9,694.29
Gross Carrying amount of - contract assets	346.28	-	-	-	-	346.28
Expected credit loss - trade receivables (%)	0.13%	0.70%	6.82%	0.00%	100.00%	-
Expected credit loss - trade receivables	8.20	21.56	15.46	-	45.06	90.28
Expected credit impaired - trade receivables	-	79.14	-	-	-	79.14
Carrying amount of trade receivables (net of impairment)	**6,323.07**	**2,990.62**	**211.18**	**-**	**-**	**9,524.87**
Carrying amount of contract assets (net of impairment)	**346.28**	**-**	**-**	**-**	**-**	**346.28**

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

38 Financial risk management (Contd.)

Reconciliation of expected credit loss of trade receivables

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	169.42	90.28
Additions	81.25	79.14
Reversal against recoveries/bad debts	(98.72)	-
	(17.47)	79.14
Balance at the end of the year	**151.95**	**169.42**

C Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Group, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables, lease liabilities and other financial liabilities.

Liquidity risk management

The Group's corporate treasury department is responsible for liquidity and funding as well as settlement management. The processes and policies related to such risks are overseen by Chief Financial Officer. The management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of non – derivative financial liabilities

As at 31 March 2024

(₹ in Lakhs)

Particulars	0 month to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-current borrowings (including current maturities)	1,557.26	3,560.06	-	**5,117.32**
Current Borrowings	5,503.96	-	-	**5,503.96**
Interest accrued but not due on borrowings	13.98	-	-	**13.98**
Trade payables	6,238.09	-	-	**6,238.09**
Lease liabilities (non-discounted)	290.84	319.27	-	**610.11**
Other current financial liabilities	1,077.72	-	-	**1,077.72**
Total	**14,681.85**	**3,879.33**	**-**	**18,561.18**

As at 31 March 2023

(₹ in Lakhs)

Particulars	0 month to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-current borrowings (including current maturities)	1,190.54	2,462.45	-	**3,652.99**
Current Borrowings	2,288.03	-	-	**2,288.03**
Interest accrued but not due on borrowings	15.79	-	-	**15.79**
Trade payables	5,823.90	-	-	**5,823.90**
Lease liabilities (non-discounted)	176.37	105.65		**282.02**
Other current financial liabilities	838.62	-	-	**838.62**
Total	**10,333.25**	**2,568.10**	**-**	**12,901.35**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

39 Capital management

Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders.

The Company has complied with financial covenants.

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
The capital composition is as follows:		
Net debt#	9,675.24	5,314.76
Total equity	23,874.61	20,034.60
Net debt to equity ratio	**41%**	**27%**

includes non-current borrowings, current borrowings, current maturities of non-current borrowings and interest accrued but not due on borrowings (net of cash and cash equivalents)

40 Changes in liabilities arising from financing activities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents	960.02	642.05
Non- current borrowings	(5,117.32)	(3,652.99)
Current borrowings	(5,503.96)	(2,288.03)
Lease liabilities	(542.13)	(259.00)
Interest accrued but not due on borrowings	(13.98)	(15.79)
Net Debt	**(10,217.37)**	**(5,573.76)**

(₹ in Lakhs)

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Lease liabilities	Interest accrued but not due on borrowings	Total
Net as at 01 April 2022	**342.03**	**(3,383.94)**	**(1,734.45)**	**(212.97)**	**(12.35)**	**(5,001.68)**
Cash flows (net)	300.02	(288.22)	(559.16)	191.97	-	(355.39)
IND AS adjustments	-	19.17	-	(238.00)	-	(218.83)
Foreign exchange adjustments	-	-	5.58	-	-	5.58
Finance cost expense	-	-	-	-	(557.54)	(557.54)
Finance cost paid	-	-	-	-	554.10	554.10
Net as at 31 March 2023	**642.05**	**(3,652.99)**	**(2,288.03)**	**(259.00)**	**(15.79)**	**(5,573.76)**
Cash flows (net)	317.97	(1,521.44)	(3,215.47)	172.39	-	(4,246.55)
IND AS adjustments	-	57.11	-	(455.52)	-	(398.41)
Foreign exchange adjustments	-	-	(0.46)	-	-	(0.46)
Finance cost expense	-	-	-	-	(692.44)	(692.44)
Finance cost paid	-	-	-	-	694.25	694.25
Net as at 31 March 2024	**960.02**	**(5,117.32)**	**(5,503.96)**	**(542.13)**	**(13.98)**	**(10,217.37)**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

41 Subsidiaries considered in the consolidated financial statement are as follows :

Sr. No	Name of the Subsidiaries	Principal place of business and country of incorporation	Proportion of ownership interest
1	ZIM Laboratories FZE	UAE	100%
2	ZIM Health Technologies Limited	INDIA	100%
3	SIA ZIM Laboratories Limited	LATVIA	100%
4	ZIM Thinorals Private Limited	INDIA	100%
5	ZIMTAS PTY Limited, Australia (w.e.f. 5 March 2024)	AUSTRALIA	99%
6	ZIM Laboratories Middle East DMCC (w.e.f. 28 September 2023)*	UAE	70%

*During the year ZIM Laboratories Middle East DMCC was incorporated as subsidiary of ZIM Laboratories FZE with Share Capital of AED 100,000 divided into 100 Shares, of value AED 1,000 each share.

ZIM Laboratories FZE holds 70 Equity shares (70%) and 30 equity shares (30%) are held by VIDIMED DWC-LLC in ZIM Laboratories Middle East DMCC. However, the business operations of the Company are yet to commence.

Statement pursuant to details to be furnished for subsidiaries as prescribed by Companies Act, 2013

Name of the entity	2023-24							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	(₹ in Lakhs)	As % of consolidated profit or loss	(₹ in Lakhs)	As % of other Comprehensive Income	(₹ in Lakhs)	As % of total Comprehensive Income	(₹ in Lakhs)
Parent: ZIM Laboratories Limited	97.16%	23,195.42	97.15%	1,675.55	153.37%	(38.19)	96.33%	1,637.36
Foreign subsidiaries								
ZIM Laboratories FZE	6.16%	1,471.09	1.04%	17.97	-	-	1.06%	17.97
SIA ZIM Laboratories Limited	-0.48%	(114.98)	0.04%	0.74	-	-	0.04%	0.74
ZIMTAS PTY Limited	0.02%	4.15	-0.07%	(1.26)	-	-	-0.07%	(1.26)
Indian subsidiaries								
ZIM Health Technologies Limited	0.46%	110.43	1.85%	31.86	-	-	1.87%	31.86
ZIM Thinorals Private Limited	0.04%	9.40	-0.01%	(0.24)	-	-	-0.01%	(0.24)
Total elimination/adjustment	-3.35%	(800.90)	-	0.01	-53.37%	13.29	0.78%	13.30
TOTAL	**100.00%**	**23,874.61**	**100.00%**	**1,724.63**	**100.00%**	**(24.90)**	**100.00%**	**1,699.73**
Attributable to								
Owners	100.00%	23,874.58	7.22%	1,724.64	-0.10%	(24.90)	7.12%	1,699.74
Non-controlling interest	0.00%	0.03	0.00%	(0.01)	0.00%	-	0.00%	(0.01)

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

41 Subsidiaries considered in the consolidated financial statement are as follows (Contd.)

Name of the entity	2022-23							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	(₹ in lakhs)	As % of consolidated profit or loss	(₹ in lakhs)	As % of other Comprehensive Income	(₹ in lakhs)	As % of total Comprehensive Income	(₹ in lakhs)
Parent: ZIM Laboratories Limited	96.92%	19,417.82	102.35%	2,500.88	85.61%	(46.16)	97.75%	2,454.72
Foreign subsidiaries								
ZIM Laboratories FZE	7.18%	1,439.26	0.13%	3.11	-	-	0.12%	3.11
SIA ZIM Laboratories Limited	-0.57%	(115.15)	-2.60%	(63.52)	-	-	-2.53%	(63.52)
Indian subsidiaries								
ZIM Health Technologies Limited	0.39%	78.57	0.13%	3.18	-	-	0.13%	3.18
ZIM Thinorals Private Limited	0.05%	9.64	-0.01%	(0.20)			-0.01%	(0.20)
Total elimination/adjustment	-3.97%	(795.54)	-	-	14.39%	113.86	4.53%	113.86
TOTAL	**100.00%**	**20,034.60**	**100.00%**	**2,443.45**	**100.00%**	**67.70**	**100.00%**	**2,511.15**
Attributable to								
Owners	100.00%	20,034.60	100.00%	2,443.45	100.00%	67.70	100.00%	2,511.15
Non-controlling interest	0.00%	-	0.00%	-	0.00%	-	0.00%	-

42 Leases

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
The Balance sheet discloses the following amounts relating to leases:		
Leasehold Land*	613.71	623.69
Other Right to use Assets		
Buildings	82.82	76.24
Plant and equipment	536.10	198.85
	1,232.63	**898.78**
Lease liabilities		
Current	247.18	157.22
Non-current	294.95	101.78
	542.13	**259.00**

*There are no lease liabilities in respect of the leasehold land as the entire amount has been paid upfront on the date of the execution of the lease agreement with respective authorities.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

42 Leases (Contd.)

(₹ in Lakhs)

Amounts recognised in statement of profit and loss	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation charge on		
Leasehold Land	9.98	9.95
Other Right to use Assets		
Buildings	48.60	18.40
Plant and equipment	149.67	227.67
	208.25	**256.02**
Interest expense included in finance cost	24.00	34.38
Expense relating to short-term leases	21.27	22.28
Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
Expense relating to variable lease payments not included in lease liability	-	-
Total cash outflow for leases during current financial year (excluding short term leases)	172.39	191.97
Additions to the right of use assets during the current financial year	542.10	272.12

43 Research and development expenditure

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue expenditure charged to Statement of Profit and Loss (under notes 32, 34 and 35)	1,959.72	1,873.83
Capital Expenditure (under notes 3 and 4)	584.71	200.34
	2,544.43	**2,074.17**

44 Related Party Disclosures

As per Ind AS 24 "Related Party Disclosures", disclosure of transactions with the related parties as defined in the Indian Accounting Standard are given below:

A. List of related parties and relationship (to the extent where transactions have taken place and relationship of control) :

(i) Key Managerial Personnel:	Nature of relationship
Dr. Anwar S. Daud	Managing Director and shareholder with significant influence
Mr. Zulfiquar Kamal	Director (Finance)
Mr. Niraj Dhadiwal	Executive Director
Mr. Prakash Sapkal	Executive Director
Mr. Padmakar Joshi	Independent Director
Mrs. Kavita Loya	Independent Director
Dr. Kamlesh Shende	Independent Director
Dr. Kakasaheb Mahadik	Independent Director
Mr. Piyush Nikhade	Company Secretary & Compliance Officer
Mr. Shyam Mohan Patro	Chief Financial Officer

(ii) Key Managerial Personnel: Wholly owned subsidiary companies

Dr. Chandrashekhar Mainde	Executive Director and Chief Executive Officer (ZIM Health Technologies Limited, India)
Mrs. Rashida Daud	General Manager (ZIM Laboratories FZE, UAE)

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

44 Related Party Disclosures (Contd.)

(iii) Other relatives:

Mrs. Sabbah Kamal	Wife of Director (Finance)

(iv) Partnership LLP in which director of Wholly owned subsidiary company is a Partner

Pachira Financial Services LLP, India (w.e.f. 1 June 2022)	Related Party of ZIM Health Technologies Limited, India

(v) Other Significant influences

Mathew Cyriac	Shareholder exercising significant influence
Zakir Vali	Shareholder exercising significant influence

B. Nature of transactions:

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
1) Remuneration		
Dr. Anwar S. Daud	177.79	160.44
Mr. Zulfiquar Kamal	110.20	106.50
Mr. Niraj Dhadiwal	93.20	87.50
Mr. Prakash Sapkal	93.67	91.78
Mr. Piyush Nikhade	36.20	28.69
Mr. Shyam Mohan Patro	77.50	73.79
Dr. Chandrashekhar Mainde	216.21	250.00
Mrs. Rashida Daud	16.24	11.88
2) Director's fees		
Mr. Padmakar Joshi	7.00	7.00
Mrs. Kavita Loya	9.00	9.00
Dr. Kamlesh Shende	7.00	7.00
Dr. Kakasaheb Mahadik	7.00	7.00
3) Professional fees		
Pachira Financial Services LLP, India	90.44	77.54
4) Rent paid		
Dr. Anwar S. Daud	27.01	11.04
Mrs. Sabbah Kamal	-	2.40
5) Deemed equity contribution from shareholder (net of charges) (Refer note 17)		
Mr. Zakir Vali	3,049.97	-

C. Balances outstanding at year end

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Advance for expenses to Key Managerial Personnel		
Mr. Prakash Sapkal	-	1.98
Payable to Key Managerial Personnel		
Dr. Anwar S. Daud	7.92	4.71
Mr. Zulfiquar Kamal	3.15	5.33
Mr. Niraj Dhadiwal	2.96	2.32
Mr. Prakash Sapkal	6.05	5.25
Mr. Piyush Nikhade	-	1.72

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

44 Related Party Disclosures (Contd.)

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Mr. Shyam Mohan Patro	2.98	3.74
Dr. Chandrashekhar Mainde	6.38	57.12
Mrs. Rashida Daud	1.36	1.34
Trade payable		
Dr. Anwar S. Daud	6.23	2.48
Mrs. Sabbah Kamal	-	0.44
Pachira Financial Services LLP, India	5.40	20.62
Dr. Kamlesh Shende	1.58	1.58
Dr. Kakasaheb Mahadik	1.58	1.58
Mr. Padmakar Joshi	1.58	1.58
Mrs. Kavita Loya	2.03	2.03
Executive Directors' compensation		
a) Short- term employee benefits	681.63	**688.11**
b) Post- employment benefits	9.44	**8.11**
Total compensation **	691.07	**696.22**

**The remuneration to Key management personnel does not include provision for employee benefits determined on actuarial basis.

All the transactions stated above with related parties are on arm's length basis.

All borrowings from banks and NBFC's are guaranteed by the managing director of the Company (Refer notes 18 & 21).

45 Contingent liabilities and commitments

(A) Contingent liabilities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Income Tax Assessments for earlier years, pending in appeal	500.04	551.42
Gram Panchayat Tax	12.58	15.43
Duty saved considering export obligation to be fulfilled subsequent to the reporting date, within the period allowed under the Advance License scheme	72.14	100.30

Notes:

1. The Group does not expect any reimbursement in respect of the above contingent liabilities.

2. It is not practical to estimate the timing of cash outflows, if any, in respect of matters above, pending resolution/completion of the appellate proceedings/other proceedings, as applicable.

Other matter

The Honourable Supreme Court, had passed a judgement on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The management, based on legal advice, is of the view that the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered due to interpretative challenges, and resultant impact on the past provident fund liability, cannot be reasonably ascertained.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

45 Contingent liabilities and commitments (Contd.)

(B) Commitments

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Estimated value of contracts in capital account remaining to be executed (net of capital advance)	1,359.72	2,487.04

46 Employee benefits

As per Indian Accounting Standard-19, 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Employer's Contribution to Provident fund	134.06	125.00
Employer's Contribution to ESIC	7.00	6.72
Employer's Contribution to Labour welfare fund	2.18	1.37
Employer's Contribution to Pension fund	22.56	16.02

(b) Defined Benefits Plan :

Gratuity

Under the gratuity plan, every employee is entitled to the benefit equivalent to fifteen days salary (as per last drawn salary) for each completed year of service or part thereof in excess of six months depending on the date of joining and eligibility terms, in terms of provisions of the Payment of Gratuity Act,1972. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method. The scheme is funded with an insurance company in the form of qualifying insurance policy.

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Mortality Table	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Discount rate	7.19%	7.39%
Salary growth rate	5.00%	5.00%
Withdrawal rate	12.00%	12.00%
Expected rate & return on Plan assets	7.19%	7.39%
Changes in the Fair value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	858.75	700.07
Investment Income	63.46	47.88
Employer's Contribution	30.72	112.61
Benefits Paid	(13.70)	-

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

46 Employee benefits (Contd.)

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Actuarial adjustment: Return on plan assets, excluding amount recognised in net interest expense	(7.55)	(1.81)
Fair Value of Plan Assets at the end of the year	**931.68**	**858.75**
Changes in the Present Value of Obligation		
Present Value of Obligation at the beginning of the year	792.06	661.52
Current Service Cost	61.46	53.68
Interest Expenses or Cost	58.53	45.24
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in the demographic assumptions	-	-
- change in the financial assumptions	8.05	(20.38)
- experience variance (i.e. Actual experience v/s assumptions)	38.28	83.70
Past Service Cost	-	-
Benefits Paid	(59.74)	(31.70)
Present Value of Obligation at the end of the year	**898.64**	**792.06**

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Amount recognised in the Balance Sheet		
Present Value of Obligation at the end of the year	898.64	792.06
Fair Value of Plan Assets at the end of the year	(931.68)	(858.75)
Net (Asset) recognised at the end of the year	**(33.04)**	**(66.69)**
Percentage of each category of plan assets to total fair value of plan assets as at year end:		
Administered by Life Insurance Corporation of India	**100.00%**	**100.00%**

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Expenses recognised in the Statement of Profit and Loss		
Current service cost	61.46	53.68
Past service cost	-	-
Loss / (gain) on settlement	-	-
Net Interest cost / (income) on the Net Defined Benefit Liability / (Asset)	(4.93)	(2.64)
Total expenses recognised in the Statement of Profit and Loss	**56.53**	**51.04**
Actuarial (gain) / loss		
Actuarial (gain) / loss on Obligation for the period	46.33	63.32
Return on Plan Assets, excluding interest income	7.55	1.81
Actuarial (gain) / loss recognised in Other Comprehensive Income	**53.88**	**65.13**

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

46 Employee benefits (Contd.)

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	6 years	6 years

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Expected cash flows over the next (valued on undiscounted basis) as follows :		
Year 1	155.81	129.41
Year 2	127.50	102.62
Year 3	101.06	116.87
Year 4	109.28	83.81
Year 5	94.27	93.10
Thereafter	760.16	681.21

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, withdrawal rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Defined Benefit Obligation (Base)	898.64	792.06

(₹ in Lakhs)

	Year ended 31 March 2024		Year ended 31 March 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	42.83	(38.73)	37.94	(34.31)
(% change compared to base due to sensitivity)	4.8%	-4.3%	4.8%	-4.3%
Salary Growth Rate (-/+ 1%)	(36.58)	39.15	(32.42)	34.88
(% change compared to base due to sensitivity)	-4.1%	4.4%	-4.1%	4.4%
Attrition Rate (+/- 1%)	5.34	(5.92)	5.48	(6.05)
(% change compared to base due to sensitivity)	0.6%	-0.7%	0.7%	-0.8%

(c) Compensated absences

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and net charge to the Statement of Profit and Loss for the year is ₹ 159.00 Lakhs (Previous Year: ₹ 119.53 Lakhs).

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

47 Segment information

The Group is primarily engaged in the business of pharmaceuticals. The Group has entrusted decision making authority to the Managing Director (highest authority) who is the Chief Operating Decision Maker (CODM) who has complete control over the operating decisions and is responsible for the information presented to the Board of Directors. Managing Director reviews the Group's performance based on the analysis of the Profit Before Tax (PBT) at an overall entity level and therefore there is no other separate reportable segment for the Group as defined by Ind AS 108 "Operating Segment".

Information about geographical areas are as under :

(₹ in Lakhs)

Particulars	31 March 2024			31 March 2023		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from operations *	8,046.36	28,696.08	36,742.44	6,033.78	33,818.93	39,852.71
Carrying amount of segment assets (non-current)**	19,463.21	1,983.69	21,446.90	13,541.84	1,201.91	14,743.75
Carrying amount of segment assets (current)***	14,102.07	7,613.00	21,715.07	9,679.49	8,660.65	18,340.14
Capital expenditure for the year	7,328.86	1,025.14	8,354.00	2,981.87	649.27	3,631.14
- Tangible	7,206.10	-	7,206.10	2,882.04	0.29	2,882.33
- Intangible	122.76	1,025.14	1,147.90	99.83	648.98	748.81

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2.1

*As per Ind AS 108 - Operating Segments, the Company is required to disclose revenue from individual external customers when it is 10 per cent or more of entity's revenue. Details of individual external customers has revenue equal to or more than 10 per cent Group's revenue are as follows :

(₹ in Lakhs)

Customer	31 March 2024			31 March 2023		
	In India	Outside India	Total	In India	Outside India	Total
Customer A#	-	641.08	641.08	-	5,458.10	5,458.10
Customer B	-	3,730.69	3,730.69	-	4,993.74	4,993.74

Revenue from Customer A doesn't exceed 10% or more of entity's revenue in current year.

**The carrying amount of non-current segment assets exclude financial assets, income tax assets (net).

***The carrying amount of current segment assets exclude Cash and cash equivalents, Bank balances other than cash and cash equivalents & Interest receivable.

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

48 Earnings per share

(₹ in Lakhs)

		Year ended 31 March 2024	Year ended 31 March 2023
I.	Profit Computation for both Basic and Diluted Earnings per share:		
	Net Profit attributable to equity share holders	1,724.64	2,443.45
II.	Computation of weighted average number of equity shares :		
	Weighted average number of equity shares in calculating basic EPS	48,725,814	48,725,814
	Weighted average number of equity shares in calculating diluted EPS	48,725,814	48,725,814
III.	Earnings Per Share:		
	Basic Earning Per Share (₹) (Face value of ₹ 10 per share)	3.54	5.01
	Diluted Earning Per Share (₹) (Face value of ₹ 10 per share)	3.54	5.01

49 Contribution towards Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 Crores or more, or turnover of ₹ 1,000 Crores or more or a net profit of ₹ 5 Crores or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows :

(₹ in Lakhs)

		Year ended 31 March 2024	Year ended 31 March 2023
Average net profit of the Company for last three financial years		2,145.71	877.72
Prescribed CSR expenditure (2% of the average net profit as computed above)		42.91	17.55
Details of CSR expenditure during the financial year :			
(a) Total amount required to be spent for the financial year		42.91	17.55
(b) Amount approved by the Board to be spent for the financial year		46.98	17.98
(c) Amount spent for the financial year ending on 31March 2024 :	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	46.98	-	46.98
(d) Amount spent for the financial year ending on 31March 2023:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	17.98	-	17.98

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(e) Details related to spent/ unspent obligations :		
(i) Contribution to Public Trust	-	-
(ii) Contribution to Charitable Trust	46.98	17.98
(iii) Unspent amount in relation to :		
- Ongoing project	-	-
- Other than ongoing project	-	-
	46.98	17.98

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

49 Contribution towards Corporate Social Responsibility (CSR) (Contd.)

Details of other than ongoing project

In case of Section 135(5) (Other than ongoing Project)				
Opening Balance	**Amount deposited in Specified Fund of Schedule VII within 6 months**	**Amount required to be spent for the year**	**Amount spent for the year**	**Closing Balance**
0.89	-	42.91	46.98	**4.96**

In case of Section 135(5) Excess amount spent			
Opening Balance	**Amount required to be spent for the year**	**Amount spent for the year**	**Closing Balance**
0.89	42.91	46.98	**4.96**

50 Ratio Analysis and its elements

Ratio	Basis		Year ended 31 March 2024	Year ended 31 March 2023	% change
Current ratio	Current Assets / Current Liabilities	Times	1.43	1.72	-17%
Debt- Equity Ratio	Total Debt / Total Equity	%	45%	30%	50%
Debt Service Coverage Ratio *	Earnings for Debt service / Debt Service	Times	2.03	2.28	-11%
Return on Equity Ratio	Profit After Tax / Average Equity	%	7.86%	13.00%	-40%
Inventory Turnover Ratio	Cost of Goods Sold / Avg. Inventory	Times	2.54	3.08	-18%
Trade Receivable Turnover Ratio	Revenue from Sale of Products / Average Trade Receivables	Times	3.64	4.21	-14%
Trade Payable Turnover Ratio	Cost of Goods Sold / Average Trade Payables **	Times	5.00	4.82	4%
Net Capital Turnover Ratio	Revenue from Operations / Working Capital ***	Times	5.39	4.97	8%
Net Profit Ratio	Net Profit After Tax / Revenue from operations	%	4.69%	6.13%	-23%
Return on Capital Employed	Earnings before Interest and Tax **** / Capital Employed *****	%	10.10%	16.81%	-40%
Return on Investment			NA ##	NA ##	0%
Operating Profit Margin	Earnings before Interest and Tax **** / Revenue from operations	%	8.32%	10.27%	-19%
Basic EPS	Net Profit attributable to equity share holders / Weighted average number of equity shares	Times	3.54	5.01	-29%
Interest coverage ratio	Earnings before Interest and Tax **** / Finance costs	Times	4.41	7.34	-40%

* Earnings for Debt Service = Net Profit after tax + Depreciation and amortisation expense + Finance costs (recognised excluding lease), Debt Service = Principal Repayments +Finance costs (recognised excluding lease)

** Average Trade Payables = Average Trade payables for the materials purchase

*** Working Capital = Current Assets - Current Liabilities

Material accounting policy information and other explanatory information to the consolidated financial statements

For the year ended 31 March 2024

50 Ratio Analysis and its elements(Contd.)

**** Earnings before Interest and Tax = Profit before exceptional item and tax + Finance costs (recognised)

***** Capital Employed = Average of equity and total borrowings

The Group has insignificant trade investment.

(i) Debt Equity Ratio: Increased by 50% in the current year is mainly on account of working capital utilisation and decrease in profitability of the Group

(ii) Return on Equity Ratio: Decreased by 40% in the current year due to decrease in profitability of the Group

(iii) Net Profit Ratio: Decreased by 23% in the current year due to decrease in profitability of the Group

(iv) Return on Capital Employed: Decreased by 40% in the current year due to decrease in profitability of the Group

(v) Basic EPS: Decreased by 29% in the current year due to decrease in profitability of the Group

(vi) Interest coverage ratio : Decreased by 40% in the current year is mainly due to increase in the finance costs on account of working capital utilisation

51 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding Company has used an accounting software (Infionic) which is operated by a third party software service provider for maintaining its books of account. The audit trail (edit logs) feature was enabled at application level of the accounting software used for maintenance of all accounting records. However, the audit trail (edit logs) is not enabled at the database level.

52 Figures of the previous year has been re-grouped/re-arranged wherever necessary. The impact of the same is not material to the users of financial statement.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: 13 May 2024

For and on behalf of the Board of Directors

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 13 May 2024

Independent Auditor's Report

To the Members of ZIM Laboratories Limited,

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **ZIM Laboratories Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

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

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone 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.

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

Key audit matter	How our audit addressed the key audit matter
a) Capitalization and realisability of 'Product Marketing Authorization' Rights (Refer Note 2.1(d) to the accompanying standalone financial statements for material accounting policy information and Note 5(A) and 5(B) for related disclosures) The Company has applied for registration of its various formulated products in different countries. The applications have been made to secure marketing rights/ product authorisations in respective geographies, some of which are subject to regulatory approvals. The expenses towards registrations are capitalized as 'Product Marketing authorizations'. 'Product Marketing Authorization' (marketing rights) primarily include costs pertaining to bioequivalence studies, analytical method validation studies and product registration costs in respective geographies. Based on management's expectation of its commercial utilization of these products, these costs are amortized over a period of three years from date of capitalization.	Our audit procedures with respect to audit of capitalization and realisability of 'Product Marketing Authorization' Rights, included but were not limited to the following: • Obtained an understanding of the management process and controls for calculating the amount to be capitalized and their realisability, and assessed the consistency of the accounting policies with relevant accounting standards; • Evaluated the design and tested the operating effective of internal controls around capitalisation and realisability of 'Product Marking Authorization' Rights; • Tested the mathematical accuracy of the amounts capitalized as marketing rights and also evaluated key assumptions regarding market potential used by the Company on sample basis;

Key audit matter	How our audit addressed the key audit matter
For marketing rights under process of approval, the primary risk relates to timely securing of requisite regulatory approvals. For capitalized marketing rights, the key risk is the ability to successfully commercialize the individual product concerned in the respective geography over the expected timelines. The assumptions/judgement applied by management in determining the recoverable value of such rights include expected contributions from projected business generated in respective countries. Changes in these assumptions could lead to an impairment to the carrying value of such intangible assets and Intangible assets under development. Considering the materiality of the amounts involved, inherent subjectivity and significant management judgement involved to estimate the recoverable value of the marketing rights, capitalization and realisability of 'Product Marketing Authorization' Rights has been identified as a key audit matter for the current year audit.	• Verified sample of costs expensed to supporting documentation such as study reports, invoices and payment records to ensure the correctness of the amounts being expensed; • Obtained an understanding from management as to the status of each marketing right under process and corroborating, on sample basis, these status assessments from the communications of the Company's management (as distinct from the financial management function) with respective authorities; • In respect of marketing rights for products that have received regulatory approvals, we assessed the useful life and amortization period for the capitalized costs and challenged their total estimated profitability based on results achieved till date; • In respect of marketing rights for products that are no longer considered viable, we determined whether the carrying amount had been appropriately written off; and • Evaluated the appropriateness and adequacy of the related disclosures made in the standalone financial statements in accordance with applicable accounting standards.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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.

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

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

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

10. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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.

12. 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.

13. 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.

14. 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. 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.

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

17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;

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

b) The standalone financial statements dealt with by this report are in agreement with the books of account;

c) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

d) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

e) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

f) 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, as detailed in note 46 (A) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

iv.

a. The management has represented that, to the best of its knowledge and belief, on the date of this audit report, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, on the date of this audit report, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

vi. As stated in Note 51 to the financial statements and based on our examination which included test checks, except for instance mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below:

Nature of exception noted	Details of Exception
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software (Infionic) used for maintenance of books of account of the Company is operated by a third party software service provider and in absence of an 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature at the database level of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: **24042423BKCMNR9168**

Place: Mumbai
Date: 13 May 2024

Annexure I referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of ZIM Laboratories Limited on the standalone financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

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

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3 to the standalone financial statements, are held in the name of the Company.

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

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) As disclosed in Note 21 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 Crores by banks and/or financial institutions based on the security of current assets. The quarterly returns/ statements, in respect of the working capital limits have been filed by the Company with such banks and/or financial institutions and such returns/ statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit.

(iii) (a) During the year, the Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity or party. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.

(b) The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in one subsidiary, amounting to ₹ 5.37 Lakhs (year-end balance ₹ 5.37 Lakhs) and in our opinion, and according to the information and explanations given to us, the investments made are, prima facie, not prejudicial to the interest of the Company.

(c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies

Independent Auditor's Report on the Audit of the Standalone Financial Statements
Annexure I (Contd.)

(Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	395.94	84.00	Assessment Year 2010-11	Commissioner of Income Tax (Appeal) and Income Tax Appellate Tribunal
		104.10	33.00	Assessment Year 2008-09, 2009-10 and 2011-12 to 2014-15	Income Tax Appellate Tribunal
The Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships Act, 1965	Gram panchayat tax	12.58	-	Financial year 2009-10 to 2023-24	Kalmeshwar Municipal Council

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or Joint Venture.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including

Independent Auditor's Report on the Audit of the Standalone Financial Statements

Annexure I (Contd.)

debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

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

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

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

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

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

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, 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, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN : **24042423BKCMNR9168**

Place: Mumbai
Date: 13 May 2024

Annexure II to the Independent Auditor's Report of even date to the members of ZIM laboratories Limited on the standalone financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of **ZIM Laboratories Limited** ('the Company') as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to

error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India(ICAI).

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: **24042423BKCMNR9168**

Place: Mumbai
Date : 13 May 2024

Standalone Balance Sheet

As at 31 March 2024

(₹ in Lakhs)

	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,691.89	10,369.03
Capital work-in-progress	4	2,351.60	1,783.85
Intangible assets	5(A)	357.43	346.22
Intangible assets under development	5(B)	1,673.11	842.05
Financial Assets			
Investment in subsidiaries	6	817.81	812.44
Other Investments	6A	5.15	5.15
Other financial assets	7	78.30	91.42
Income tax assets (net)	8	367.43	193.56
Other non-current assets	9	1,135.99	1,178.83
		22,478.71	15,622.55
Current assets			
Inventories	10	8,126.29	5,370.62
Financial Assets			
Trade receivables	11	10,009.25	8,836.35
Cash and cash equivalents	12	17.35	110.98
Bank balances other than cash and cash equivalents	13	57.99	109.80
Other financial assets	14	31.85	14.23
Other current assets	15	3,528.59	3,422.07
		21,771.32	17,864.05
TOTAL ASSETS		44,250.03	33,486.60
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	4,872.58	4,872.58
Other equity	17	18,322.84	14,545.24
		23,195.42	19,417.82
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	18	3,560.06	2,462.45
Lease liabilities	19	294.95	101.78
Deferred tax liabilities (net)	20	1,010.09	480.32
		4,865.10	3,044.55
Current liabilities			
Financial Liabilities			
Borrowings	21	7,075.20	3,494.36
Lease liabilities	22	247.18	157.22
Trade payables	23		
- total outstanding due of micro enterprises and small enterprises		6.31	232.97
- total outstanding due of creditors other than micro enterprises and small enterprises		6,260.15	5,695.12
Other financial liabilities	24	1,063.51	776.04
Other current liabilities	25	1,457.48	609.03
Provisions	26	79.68	59.49
		16,189.51	11,024.23
TOTAL LIABILITIES		21,054.61	14,068.78
TOTAL EQUITY AND LIABILITIES		44,250.03	33,486.60
Material accounting policy information and other explanatory information	1 - 52		-

This is the Standalone Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Khushroo B. Panthaky
Partner
Membership No.: 042423

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Mumbai
Date: 13 May 2024

Place: Nagpur
Date: 13 May 2024

Standalone Statement of Profit and Loss

For the year ended 31 March 2024

(₹ in Lakhs)

		Note	Year ended 31 March 2024	Year ended 31 March 2023
I.	**Income**			
	Revenue from operations	27	36,547.32	39,653.13
	Other income	28	469.10	643.06
	Total Income		37,016.42	40,296.19
II.	**Expenses**			
	Cost of materials consumed	29	17,769.83	16,498.32
	Purchase of stock in trade	30	779.61	1,739.16
	Changes in inventories of finished goods and work-in-progress	31	(1,405.32)	1,646.35
	Employee benefits expense	32	5,081.03	4,647.00
	Finance costs	33	692.44	557.54
	Depreciation and amortisation expense	34	1,482.93	1,612.83
	Other expenses	35	10,311.93	10,003.19
	Total Expenses		34,712.45	36,704.39
III.	**Profit before tax**		2,303.97	3,591.80
IV.	**Tax (expense):**	36		
	(i) Current Tax		(77.43)	(627.96)
	(ii) Tax adjustment pertaining to earlier years		(5.53)	-
	(iii) Deferred Tax		(545.46)	(462.96)
			(628.42)	(1,090.92)
V.	**Net Profit after tax**		1,675.55	2,500.88
VI.	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Measurements of defined employee benefit plans		(53.88)	(65.13)
	- Income tax relating to items that will not be reclassified to profit or loss		15.69	18.97
			(38.19)	(46.16)
VII.	**Total Comprehensive Income**		1,637.36	2,454.72
VIII.	Earnings per equity share: Nominal value of ₹ 10 each	48		
	Basic (In ₹)		3.44	5.13
	Diluted (In ₹)		3.44	5.13
	Material accounting policy information and other explanatory information	1 - 52		

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
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Khushroo B. Panthaky
Partner
Membership No.: 042423

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Mumbai
Date: 13 May 2024

Place: Nagpur
Date: 13 May 2024

Standalone Statement of Cash Flow

For the year ended 31 March 2024

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	**2,303.97**	**3,591.80**
Depreciation and amortisation expense	1,482.93	1,612.83
Government Incentive	(9.26)	(8.20)
Interest on lease deposits	(4.55)	(9.21)
(Gain) on sale of property, plant and equipment (net)	(0.19)	(2.00)
Property, plant and equipment written off	-	65.97
Unrealized foreign exchange (gain)	(113.98)	(101.76)
Provision for employee benefits	(0.04)	(105.46)
Dividend income on investments	(0.60)	(0.60)
Interest income	(3.18)	(6.82)
Bad debts written off	110.07	-
Loss allowance - trade receivables	(17.47)	79.14
Finance costs	692.44	557.54
Operating profit before working capital changes	**4,440.14**	**5,673.23**
Movement in working capital :		
Increase/(decrease) in trade and other payables and provisions	1,117.00	(3,705.66)
(Increase)/decrease in inventories	(2,755.67)	2,157.80
(Increase)/decrease in trade and other receivables	(1,397.44)	96.03
Net Cash generated from operations	**1,404.03**	**4,221.40**
Direct taxes paid (net of refunds)	(256.83)	(698.22)
Net cash generated from operating activities (A)	**1,147.20**	**3,523.18**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangibles (Refer note i)	(7,259.31)	(3,567.42)
Sale proceeds of property, plant and equipment	6.92	2.00
Investment in subsidiary	(5.37)	-
Maturity of bank deposits (having original maturity of more than three months)	59.71	35.99
Interest received	3.22	7.85
Dividend received	0.60	0.60
Net cash (used in) investing activities (B)	**(7,194.23)**	**(3,520.98)**
Cash flow from financing activities		
Transaction cost for issue of bonus shares (Refer note 16 (d))	-	(47.50)
Deemed equity contribution from shareholder(net) (Refer note 17)	2,140.24	-
Proceeds from long term borrowings	2,814.69	1,835.30
(Repayment) of long term borrowings	(1,293.25)	(1,547.08)
Proceeds of short term borrowings (net)	3,215.47	559.16
(Repayment) of principal portion of lease obligations	(172.39)	(191.97)
Finance costs paid	(751.36)	(553.35)
Changes in unclaimed dividend bank balances	4.93	5.85
Dividends paid on equity shares (unclaimed)	(4.93)	(5.85)
Net cash generated from financing activities (C)	**5,953.40**	**54.56**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(93.63)	56.76

Standalone Statement of Cash Flow (Contd.)

For the year ended 31 March 2024

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Opening cash and cash equivalents	110.98	54.22
Closing cash and cash equivalents	17.35	110.98
Components of cash and cash equivalents		
Cash on hand	11.75	8.02
Balances with banks in:		
- Current accounts	5.60	102.96
Total cash and cash equivalents (Refer note 12)	**17.35**	**110.98**

Notes:

i) Includes capital work-in-progress, capital advance, payables for property, plant and equipment, intangible assets and intangible assets under development.

ii) The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

Material accounting policy information and other explanatory information 1 - 52

This is the Standalone Statement of Cash Flow referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: 13 May 2024

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 13 May 2024

Standalone Statement of Changes in Equity

For the year ended 31 March 2024

Equity share capital (Refer note 16)

	Number of shares	₹ in Lakhs
As at 01 April 2022	16,241,938	1,624.19
Changes during the year	32,483,876	3,248.39
As at 31 March 2023	48,725,814	4,872.58
Changes during the year	-	-
As at 31 March 2024	**48,725,814**	**4,872.58**

Other equity (Refer note 17)

(₹ in Lakhs)

	Reserves & Surplus				
	Securities premium	General reserve	Retained earnings	Deemed equity contribution from shareholder	Total
Opening balance as at 1 April 2022	4,098.87	106.20	11,181.34	-	15,386.41
Transactions during the year					
Total comprehensive income for the year					
Net Profit after tax	-	-	2,500.88	-	2,500.88
Other comprehensive income	-	-	(46.16)	-	(46.16)
Amount utilized for issue of bonus shares	(3,248.39)	-	-	-	(3,248.39)
Transaction cost for issue of bonus shares	(47.50)	-	-	-	(47.50)
Closing balance as at 31 March 2023	802.98	106.20	13,636.06	-	14,545.24
Transactions during the year					
Total comprehensive income for the year					
Net Profit after tax	-	-	1,675.55	-	1,675.55
Other comprehensive income	-	-	(38.19)	-	(38.19)
Deemed equity contribution from shareholder (net)	-	-	-	2,140.24	2,140.24
Closing balance as at 31 March 2024	**802.98**	**106.20**	**15,273.42**	**2,140.24**	**18,322.84**

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: 13 May 2024

For and on behalf of the Board of Directors

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 13 May 2024

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

1. Background of the Company

ZIM Laboratories Limited ('the Company') is a public limited company domiciled in India with its registered office at Sadodaya Gyan (Ground Floor), Opposite N.A.D.T., Nelson square, Nagpur-440013. The Company has primarily listed on BSE/NSE. The Company is engaged in the manufacturing of formulation drugs and pre formulation ingredients in India and marketing and selling these within and outside India.

The standalone financial statements ("the financial statements") of the Company for the year ended 31 March 2024 were authorised for issue in accordance with resolution of the Board of Directors on 13 May 2024.

2. Basis for preparation of financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that are measured at fair value;

2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;

3) defined benefit plans - plan assets measured at fair value;

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

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

2.1 Material accounting policy information

a Use of estimates

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

b Property, plant and equipment (including Capital Work-in-Progress)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1 April 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

c Depreciation methods and estimated useful lives

The Company provides for depreciation on additions and disposals made during the year on pro-rata basis from the date of additions upto the date of disposal. Depreciation on property, plant and equipment is provided under the straight line method over the useful lives of assets, as prescribed under Part C of Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets Class	Useful Life
Building	5 years & 30 years
Plant and Equipment	10 years & 15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipments	3-6 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Leasehold Improvements are amortized over the lower of the lease term or useful life of the respective asset prescribed as above.

Leasehold land, in the nature of finance lease, is amortised over the primary period of lease.

d Intangible assets (including Intangible assets under development)

Intangible assets are stated at acquisition/ development cost, net of tax credit on initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditure incurred for obtaining regulatory approvals and registration of the products for overseas markets are considered as product marketing authorisations.

Intangible assets are amortised on a straight line basis over the estimated useful economic life, which is estimated to be five years for software and three years for product marketing authorisations.

e Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

During the period of development, the asset is tested for impairment annually. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the Statement of Profit and Loss.

f Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as a lessee

At lease commencement date, the Company recognises 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 and any lease payments made in advance of the lease commencement date.

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 the 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), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on straight line basis over the lease term .

g Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

h Borrowing costs

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

i Impairment of non-financial assets

Assessment is carried out at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication of impairment exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

their recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed if there was no impairment.

j Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected useful lives of the related assets and presented within other income.

k Investments in subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27 except when they are classified as held for sale, they shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

l Investments and financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss."

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss, when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of profit and loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

Measurement of equity instruments

The Company measures its equity investment (other than in subsidiaries) at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or they have expired or
- The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses."

m Derivatives and embedded derivatives

The Company uses derivative financial instruments i.e. foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such contracts are accounted for at fair value through profit or loss. Derivatives are carried as financial assets/liabilities when the fair value is positive/ negative, respectively.

Derivatives embedded in a host contracts that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

n Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

o Inventories

Inventories are stated at lower of cost and net realisable value. Cost of raw materials, stores, spares and packing materials is determined at weighted average cost or net realisable value, whichever is lower. The cost of finished goods and work in progress comprises raw materials cost, packing materials cost, direct labour, other direct costs and related production overheads, as applicable. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

p Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss, unless they are considered as an adjustment to borrowing costs, in which case they are classified along with the borrowing cost. Non-monetary foreign currency items are carried at cost.

q Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods and traded goods.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Other operating revenue -

Product development service income

Income from product development is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

The Company enters into certain product development and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognises or defers the upfront payments received under these arrangements.

Export incentives

Export Incentives under various schemes are accounted in the year of export.

Out-licensing income

Revenues include amounts derived from out-licensing income. These income typically depends on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive.

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 recognised for the earned consideration that is conditional.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects entity’s unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The entity holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

r Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. Dividend Income is recognised when right to receive the payment is established by the balance sheet date.

s Employee Benefits

Defined Contribution Plan

The Company has Defined Contribution Plan for post employment benefit namely Provident Fund and National Pension Fund which are recognised by the income tax authorities and administered through appropriate authorities. The Company contributes to a Government administered Provident Fund and National Pension Fund and has no further obligation beyond making its contribution.

The Company's contributions to the above funds are charged to Statement of Profit and Loss every year as and when due.

Defined Benefit Plan - Gratuity

The Company has Defined Benefit Plan comprising of Gratuity. The Gratuity scheme is funded through Group Gratuity Cum Life Assurance Scheme from LIC. The adequacy of accumulated fund balance available with LIC has been established by comparing such balance based on actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. All other absences are treated as long term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated

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absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

t Current and Deferred Tax

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Income tax (current-tax) assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets (Including Minimum Alternate Tax(MAT)) are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

u Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their 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 where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

v Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

w Recent accounting pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first time these amendments.

(i) Definition of Accounting Estimates-Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies-Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'Material accounting policy information and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction-Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such has leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

Apart from these, consequential amendments and editorials have been made to other Ind

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AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34

x Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- Useful life and residual value of property, plant and equipment (PPE) and intangible assets (Refer note 3, 4, 5(A) & 5(B)

  The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

- Recognition and measurement of defined benefit obligations (Refer note 45)

  The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

- Valuation of taxes on income (Refer note 36)

  The Company reviews the carrying amount of tax expenses, deferred tax (including MAT credit) and tax payable at the end of each reporting period.

- Loss Allowance (Refer note 11)

  Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off if the same are not collectible.

- Leases – Estimating the incremental borrowing rate (Refer Note 2(f))

  The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

- Inventory (Refer note 10) - The Company reviews the allowance for defective and obsolete items inventory at the end of each reporting period.

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3 Property, plant and equipment

(₹ in Lakhs)

	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipments	Vehicles	Right to use Assets		Total
								Leasehold Land	Other Right to use Assets	
Gross carrying amount										
Balance as at 1 April 2022	961.57	4,714.00	7,634.94	162.74	1,054.30	408.11	172.19	645.51	719.27	16,472.63
Additions	-	318.14	792.75	73.21	84.66	67.02	-	-	272.12	1,607.90
Deletions	-	-	271.83	-	-	-	-	-	-	271.83
Balance as at 31 March 2023	**961.57**	**5,032.14**	**8,155.86**	**235.95**	**1,138.96**	**475.13**	**172.19**	**645.51**	**991.39**	**17,808.70**
Additions	-	2,868.15	2,314.53	91.33	562.61	151.48	108.15	-	542.10	6,638.35
Deletions	-	-	-	-	-	-	28.24	-	-	28.24
Balance as at 31 March 2024	**961.57**	**7,900.29**	**10,470.39**	**327.28**	**1,701.57**	**626.61**	**252.10**	**645.51**	**1,533.49**	**24,418.81**
Accumulated Depreciation/ Amortisation										
Balance as at 1 April 2022	-	934.80	3,841.33	126.93	512.91	282.31	119.82	11.87	470.23	6,300.20
Charge for the year	-	180.94	712.33	18.34	108.81	54.21	14.68	9.95	246.07	1,345.33
Deletions	-	-	205.86	-	-	-	-	-	-	205.86
Balance as at 31 March 2023	**-**	**1,115.74**	**4,347.80**	**145.27**	**621.72**	**336.52**	**134.50**	**21.82**	**716.30**	**7,439.67**
Charge for the year	-	198.73	684.85	19.99	111.25	67.46	17.12	9.98	198.27	1,307.65
Deletions	-	-	-	-	-	-	20.40	-	-	20.40
Balance as at 31 March 2024	**-**	**1,314.47**	**5,032.65**	**165.26**	**732.97**	**403.98**	**131.22**	**31.80**	**914.57**	**8,726.92**
Net carrying amount										
Balance as at 31 March 2023	961.57	3,916.40	3,808.06	90.68	517.24	138.61	37.69	623.69	275.09	10,369.03
Balance as at 31 March 2024	**961.57**	**6,585.82**	**5,437.74**	**162.02**	**968.60**	**222.63**	**120.88**	**613.71**	**618.92**	**15,691.89**

(₹ in Lakhs)

i **Building includes those constructed on leasehold land:**	As at 31 March 2024	As at 31 March 2023
Gross carrying amount	8,695.12	4,957.02
Depreciation charged during the year	197.68	179.05
Accumulated depreciation	1,306.08	1,107.56
Net carrying amount	7,389.04	3,849.46

ii Vehicles includes vehicles in the personal name of directors & employees having Gross carrying amount ₹ 20.47 Lakhs and net carrying value of ₹ 1.37 Lakhs (31 March 2023 - Gross carrying amount ₹ 74.77 Lakhs and net carrying value of ₹ 15.53 Lakhs)

iii Refer note 44 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

iv Refer note 18 and 21 for information on property, plant and equipment pledged as security by the Company.

Material accounting policy information and other explanatory information to the standalone financial statements

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4 Capital work-in-progress (CWIP)

(₹ in Lakhs)

Balance as at 1 April 2022	**509.74**
Additions	2,882.01
Capitalisation	(1,607.90)
Balance as at 31 March 2023	**1,783.85**
Additions	7,206.10
Capitalisation	(6,638.35)
Balance as at 31 March 2024	**2,351.60**

(₹ in Lakhs)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at 31 March 2024					
Projects in progress	2,266.66	84.94	-	-	2,351.60
Projects temporarily suspended	-	-	-	-	-
	2,266.66	**84.94**	**-**	**-**	**2,351.60**
Balance as at 31 March 2023					
Projects in progress	1,747.11	6.95	8.88	20.91	1,783.85
Projects temporarily suspended	-	-	-	-	-
	1,747.11	**6.95**	**8.88**	**20.91**	**1,783.85**

Note:

Capital work-in-progress (CWIP) as at 31 March 2024 includes cost incurred towards construction of property, plant and equipment of the Company. The CWIP under age bracket of more than 3 years has been capitalised subsequent to 31 March 2023.

5(A) Intangible assets

(₹ in Lakhs)

	Softwares	Product Marketing Authorisation	Total
Gross carrying amount			
Balance as at 1 April 2022	**176.26**	**763.41**	**939.67**
Additions - Internally developed	-	250.46	250.46
- Acquired	205.11	-	205.11
Deletions	-	-	-
Balance as at 31 March 2023	**381.37**	**1,013.87**	**1,395.24**
Additions - Internally developed	-	139.70	139.70
- Acquired	46.79	-	46.79
Deletions	-	-	-
Balance as at 31 March 2024	**428.16**	**1,153.57**	**1,581.73**
Accumulated Amortisation			
Balance as at 1 April 2022	**164.49**	**617.03**	**781.52**
Charge for the year	26.74	240.76	267.50
Deletions	-	-	-
Balance as at 31 March 2023	**191.23**	**857.79**	**1,049.02**
Charge for the year	47.58	127.70	175.28
Deletions	-	-	-
Balance as at 31 March 2024	**238.81**	**985.49**	**1,224.30**
Net carrying amount			
Balance as at 31 March 2023	190.14	156.08	346.22
Balance as at 31 March 2024	**189.35**	**168.08**	**357.43**

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5(B) Intangible assets under development (IAUD)

(₹ in Lakhs)

Balance as at 1 April 2022		**632.67**
Additions	- Internally developed	566.23
	- Acquired	98.72
Capitalisation	- Internally developed	(250.46)
	- Acquired	(205.11)
Balance as at 31 March 2023		**842.05**
Additions	- Internally developed	894.79
	- Acquired	122.76
Capitalisation	- Internally developed	(139.70)
	- Acquired	(46.79)
Balance as at 31 March 2024		**1,673.11**

Intangible assets under development (IAUD) Ageing Schedule

(₹ in Lakhs)

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Balance as at 31 March 2024					
Projects in progress	886.60	767.41	19.10	-	1,673.11
Projects temporarily suspended	-	-	-	-	-
	886.60	**767.41**	**19.10**	**-**	**1,673.11**
Balance as at 31 March 2023					
Projects in progress	803.84	36.78	1.43	-	842.05
Projects temporarily suspended	-	-	-	-	-
	803.84	**36.78**	**1.43**	**-**	**842.05**

Note:

Represents expenditure incurred towards obtaining regulatory approvals and registration of the products for overseas markets.

Non- current :

6 Investment in subsidiaries

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Investment in equity instruments :		
Unquoted equity investment carried at cost		
3,766 (31 March 2023: 3,766) equity shares of AED 1,000 each fully paid-up in ZIM Laboratories FZE,UAE	731.57	731.57
400,000 (31 March 2023: 400,000) equity shares of ₹10 each fully paid-up in ZIM Health Technologies Limited, India	40.00	40.00
80 (31 March 2023: 80) equity shares of EURO 500 each fully paid-up in SIA ZIM Laboratories Limited, Latvia	30.87	30.87
100,000 (31 March 2023: 100,000) equity shares of ₹10 each fully paid-up in ZIM Thinorals Private Limited, India	10.00	10.00
9,900 (31 March 2023: Nil) equity shares of AUD 1 each fully paid-up in ZIMTAS PTY Limited, Australia	5.37	-
	817.81	**812.44**

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6A Other Investments

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Investment in body corporate:		
Quoted equity investment carried at fair value through profit or loss 20,000 equity shares of ₹ 25 each fully paid-up in Shamrao Vithal co-operative Bank Limited	5.00	5.00
Investments in government securities		
Unquoted at amortised cost		
National Saving Certificate	0.15	0.15
	5.15	**5.15**

7 Other financial assets

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Earnest money and security deposit	70.04	70.33
Bank deposit with maturity more than 12 months	8.26	21.09
Bank deposit includes fixed deposits with banks ₹ 8.26 Lakhs (₹ 21.09 Lakhs as at 31 March 2023) marked as lien for guarantees issued by banks on behalf of the Company		
	78.30	91.42

8 Income tax assets (net)

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Advance income-tax (net of provision for taxation)	367.43	193.56
	367.43	193.56

9 Other non-current assets

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)		
Capital advances	964.75	1,051.47
Prepaid expenses	22.50	30.62
Security deposits	148.74	96.74
	1,135.99	**1,178.83**

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Current :

10 Inventories

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Raw materials and packing materials		
Goods-in-transit	-	1.08
Others	4,966.52	3,618.70
Work-in-progress	197.17	588.45
Finished goods		
Goods-in-transit	185.42	68.68
Others	2,511.59	831.73
Stores and spares	265.59	261.98
	8,126.29	**5,370.62**

11 Trade receivables (Unsecured, Refer note (a) and (b) below)

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Receivables from related parties (Refer note 43)	-	360.76
Trade receivables - considered good	10,009.25	8,475.59
Trade receivables - credit impaired	81.25	79.14
Trade receivables which have significant increase in credit risk	70.70	90.28
	10,161.20	**9,005.77**
Less: Loss allowance	(151.95)	(169.42)
	10,009.25	**8,836.35**

(a) Ageing of Trade receivables

(₹ in Lakhs)

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Undisputed Trade Receivables – considered good	7,125.19	2,399.14	322.82	155.81	6.29	-	10,009.25
Undisputed Trade Receivables – which have significant increase in credit risk	2.45	3.23	4.30	10.04	14.83	35.85	70.70
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	20.27	60.98	-	-	81.25
	7,127.64	2,402.37	347.39	226.83	21.12	35.85	10,161.20
Less: Loss allowance	(2.45)	(3.23)	(24.57)	(71.02)	(14.83)	(35.85)	(151.95)
	7,125.19	**2,399.14**	**322.82**	**155.81**	**6.29**	**-**	**10,009.25**

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11 Trade receivables (Unsecured, Refer note (a) and (b) below) (Contd.)

(₹ in Lakhs)

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023							
Undisputed Trade Receivables – considered good	6,323.07	1,895.62	406.48	211.18	-	-	8,836.35
Undisputed Trade Receivables – which have significant increase in credit risk	8.20	-	21.56	15.46	-	45.06	90.28
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	79.14	-	-	-	79.14
	6,331.27	1,895.62	507.18	226.64	-	45.06	9,005.77
Less: Loss allowance	(8.20)	-	(100.70)	(15.46)	-	(45.06)	(169.42)
	6,323.07	**1,895.62**	**406.48**	**211.18**	**-**	**-**	**8,836.35**

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member other than those disclose in the note 43

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Refer note 38 for information about credit risk and market risk of trade receivables.

Current :

12 Cash and cash equivalents

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Cash on hand	11.75	8.02
Balances with banks in current accounts	5.60	102.96
	17.35	**110.98**

13 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Unclaimed dividend accounts	14.92	19.85
Margin money deposits	43.07	89.95
Deposit includes fixed deposits with banks ₹ 43.07 Lakhs (₹ 89.95 Lakhs as at 31 March 2023) marked as lien against guarantees issued by banks on behalf of the Company		
	57.99	**109.80**

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14 Other financial assets

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Current		
(Unsecured, considered good)		
Earnest money and security deposits	24.44	6.89
Interest receivable:		
from Banks	0.06	0.10
Others	3.32	2.71
Others	4.03	4.53
	31.85	**14.23**

15 Other current assets

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise specified)		
Advances other than capital advances		
Advance to suppliers	182.83	835.66
Advance against expenses to related party (Refer note 43)	-	1.98
Balances with government authorities	2,797.40	1,995.97
Contract assets	332.38	346.28
Prepaid expenses	182.94	175.49
Gratuity- plan assets (Refer note 45)	33.04	66.69
	3,528.59	3,422.07

16 Equity share capital

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Authorised		
75,000,000 (31 March 2023: 75,000,000) equity shares of ₹ 10 each	7,500.00	7,500.00
Issued		
48,725,814 (31 March 2023: 48,725,814) equity shares of ₹ 10 each fully paid up	4,872.58	4,872.58
Subscribed and Paid-Up:		
48,725,814 (31 March 2023: 48,725,814) equity shares of ₹ 10 each fully paid up	4,872.58	4,872.58
	4,872.58	**4,872.58**

(a) Reconciliation of share capital:

(₹ in Lakhs)

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance as at the beginning of the year	48,725,814	4,872.58	16,241,938	1,624.19
Add: Bonus issue of shares to existing shareholders (Refer note (d) below)	-	-	32,483,876	3,248.39
Balance as at the end of the year	**48,725,814**	**4,872.58**	**48,725,814**	**4,872.58**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

16 Equity share capital (Contd.)

(b) Rights, preferences and restrictions

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

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares:				
Anwar Daud*	13,336,320	27.37%	13,336,320	27.37%
Mathew Cyriac	7,101,800	14.58%	10,652,700	21.86%
Zakir Vali	5,047,420	10.36%	8,547,420	17.54%

* Including 1,500,000 shares jointly held with Tasneem Daud (wife of Mr. Anwar Daud).

(d) During the previous year, the Company allotted 32,483,876 equity shares of face value ₹ 10 each as fully paid up bonus shares by capitalisation of securities premium aggregating to ₹ 3,248.39 Lakhs, pursuant to an ordinary resolution passed by the shareholders in the extraordinary general meeting on 12 December 2022. The Company has issued two bonus equity shares against one equity share held by its shareholders.

(e) Details of shares held by promoters

Promoter Name	No. of shares at the beginning of the year	Change during the year (Refer note (d) above)	No. of shares at the end of the year	% of Total Shares	% change during the year
As at 31 March 2024					
Anwar Daud	13,336,320	-	13,336,320	27.37%	-
Zulfiquar Kamal	1,194,060	1,200	1,195,260	2.45%	0.10%
Tasneem Daud	30,000	-	30,000	0.06%	-
Shabbar Daud	42,000	-	42,000	0.09%	-
Sabbah Kamal	1,500,000	-	1,500,000	3.08%	-
Hasan Kamal	104,400	-	104,400	0.21%	-
Zahida Kamal	1,200	(1,200)	-	0.00%	-100.00%
Total	**16,207,980**	**-**	**16,207,980**	**33.26%**	**-**
As at 31 March 2023					
Anwar Daud	4,445,440	8,890,880	13,336,320	27.37%	-
Zulfiquar Kamal	398,020	796,040	1,194,060	2.45%	-
Tasneem Daud	10,000	20,000	30,000	0.06%	-
Shabbar Daud	14,000	28,000	42,000	0.09%	-
Sabbah Kamal	500,000	1,000,000	1,500,000	3.08%	-
Hasan Kamal	34,800	69,600	104,400	0.21%	-
Zahida Kamal	400	800	1,200	0.00%	-
Total	**5,402,660**	**10,805,320**	**16,207,980**	**33.26%**	**-**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

17 Other equity

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Securities premium *	802.98	802.98
General reserve**	106.20	106.20
Deemed equity contribution from shareholder***	2,140.24	-
Retained earnings	15,273.42	13,636.06
Total	**18,322.84**	**14,545.24**
*** Securities premium**		
Balance as at the beginning of the year	802.98	4,098.87
Less: Amount utilized for issue of bonus shares (Refer note 16(d))	-	(3,248.39)
Transaction cost for issue of bonus shares	-	(47.50)
Balance at the end of the year	**802.98**	**802.98**

*Nature and Purpose - Security premium is used to record the premium on issue of shares, the reserve is utilised in accordance with the provisions of the Companies Act, 2013

	As at 31 March 2024	As at 31 March 2023
**** General reserve**		
Balance as at the beginning of the year	106.20	106.20
Additions during the year	-	-
Utilisation during the year	-	-
Balance at the end of the year	**106.20**	**106.20**

**Nature and Purpose - General reserve represents transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

	As at 31 March 2024	As at 31 March 2023
*****Deemed equity contribution from shareholder**		
Balance as at the beginning of the year	-	-
Transaction during the year	2,140.24	-
Balance as at the end of the year	**2,140.24**	**-**

***Nature and Purpose - The difference between the fair value of trade receivable proceeds from shareholder and the transaction price is recognised as a deemed equity component of the shareholder.

The Company had entered into an escrow agreement in 2017 (with subsequent renewals) with one of its shareholders, wherein the shareholder had provided his holdings to the extent of 30 Lakhs equity shares (including 25 Lakhs bonus shares) as a security towards realization of covered trade receivables. During the year, the equity shares have been liquidated at a gross consideration of ₹ 3,067.58 Lakhs. Accordingly, the net amount realised (which is gross consideration as reduced by the applicable taxes and charges) has been recognised as a credit to the 'Deemed equity contribution from shareholder' under 'Other equity' in accordance with the guidance under Ind AS 1- Presentation of Financial Statements, which states that transactions with shareholders (being the owners of Company), shall be recognized under Equity.

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Retained earnings		
Balance as at the beginning of the year	13,636.06	11,181.34
Net profit for the year	1,675.55	2,500.88
Transfer from other comprehensive income	(38.19)	(46.16)
Net surplus in the Statement of Profit and Loss	**15,273.42**	**13,636.06**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

Non-current :

18 Borrowings

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Secured		
Term Loans from banks	4,431.83	2,599.51
From Non-Banking Financial Company (NBFC)	685.49	1,053.48
	5,117.32	3,652.99
Less: Current maturities of long term borrowings (Refer note 21)	(1,557.26)	(1,190.54)
	3,560.06	**2,462.45**

Nature of security and terms of repayment for secured borrowings

(i) Loan from a bank and a NBFC are secured by way of first charge on all present and future property, plant and equipment including Land & Building, Plant & Machinery and second charge on all current assets on pari passu basis with lead banker & other members under consortium arrangement. The loans are also secured by personal guarantee of managing director.

(ii)

	As at 31 March 2024			As at 31 March 2023		
	Principal o/s (₹ in Lakhs)	Effective interest rate in %	Repayment terms	Principal o/s (₹ in Lakhs)	Effective interest rate in %	Repayment terms
Indian rupee loan from banks						
Bank of India (Repayment start from: February 2022 and last installment in January 2026)	282.20	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 13.52 Lakhs	411.49	1 Year RBLR +1 % (10.35%)	Repayable in 48 equated monthly Installments of ₹ 13.52 lakhs
Bank of India (Repayment start from: May 2022 and last installment in April 2026)	225.30	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 9.58 Lakhs	314.87	1 Year RBLR +1 % (10.35%)	Repayable in 48 equated monthly Installments of ₹ 9.58 lakhs
Bank of India (Repayment start from: November 2023 and last installment in October 2027)	254.74	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly Installments of ₹ 6.79 Lakhs	278.69	1 Year RBLR +1 % (10.35%)	Repayable in 48 equated monthly Installments of ₹ 6.79 lakhs
Bank of India (Repayment start from: January 2023 and last installment in June 2026)	683.32	1 Year RBLR +0.55 % (9.90%)	Repayable in 42 equated monthly Installments of ₹ 27.78 Lakhs	771.61	1 Year RBLR +0.55 % (9.90%)	Repayable in 42 equated monthly Installments of ₹ 27.78 lakhs
Bank of India (Repayment start from: August 2024 and last installment in July 2029)	850.00	1 Year RBLR +0.55 % (9.80%)	Repayable in 60 equated monthly Installments of ₹ 14.17 Lakhs	-	-	-

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

Non-current :

18 Borrowings (Contd.)

	As at 31 March 2024			As at 31 March 2023		
	Principal o/s (₹ in Lakhs)	Effective interest rate in %	Repayment terms	Principal o/s (₹ in Lakhs)	Effective interest rate in %	Repayment terms
Bank of India (Repayment start from: September 2023 and last installment in August 2026)	241.67	1 Year RBLR +0.55 % (9.80%)	Repayable in 36 equated monthly Installments of ₹ 8.33 Lakhs	-	-	-
SVC Co-Operative Bank Limited, (Repayment start from: January 2021 and last installment in December 2023)	-	-	-	277.91	PLR minus 10.55% (9.90%)	Repayable in 36 equated monthly Installments of ₹ 29.27 Lakhs
SVC Co-Operative Bank Limited, (Repayment start from: February 2024 and last installment in January 2028)	527.08	PLR minus 11.20% (9.25%)	Repayable in 48 equated monthly Installments of ₹ 11.46 Lakhs	549.99	PLR minus 11.20% (9.25%)	Repayable in 48 equated monthly Installments of ₹ 11.46 Lakhs
SVC Co-Operative Bank Limited, (Repayment start from: May 2024 and last installment in April 2029)	1,300.00	PLR minus 10.45% (10.25%)	Repayable in 60 equated monthly Installments of ₹ 29.61 Lakhs	-	-	-
SVC Co-Operative Bank Limited, (Repayment start from: June 2023 and last installment in November 2025)	140.00	PLR minus 10.45% (10.25%)	Repayable in 30 equated monthly Installments of ₹ 6.67 Lakhs	-	-	-
Indian rupee loan from Non-Banking Financial Company (NBFC)						
Tata Capital Financial Services Limited (Repayment start from: August 2021 and last installment in April 2023)	-	-	-	78.32	LTLR minus 9.00% (12.30%)	Repayable in 19 equated monthly Installments of ₹ 78.32 Lakhs
Tata Capital Financial Services Limited (Repayment start from: April 2023 and last installment in March 2028)	400.00	LTLR minus 10.80% (11.00%)	Repayable in 60 equated monthly Install-ments of ₹ 8.33 Lakhs	500.00	LTLR minus 10.80% (10.50%)	Repayable in 60 equated monthly Install-ments of ₹ 8.33 Lakhs
Tata Capital Financial Services Limited (Repayment start from: April 2023 and last installment in September 2025)	300.00	LTLR minus 10.80% (11.00%)	Repayable in 30 equated monthly Install-ments of ₹ 16.66 Lakhs	500.00	LTLR minus 10.80% (10.50%)	Repayable in 30 equated monthly Install-ments of ₹ 16.66 Lakhs
Deferred expense towards pro-cessing fees is netted of against loan.	(86.99)			(29.89)		
	5,117.32			**3,652.99**		

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

Non-current :

18 Borrowings (Contd.)

Assets Pledged as security

The gross carrying amounts of assets Pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Non-current assets		
- Property, plant and equipment (including leasehold land but excluding other right to use assets)	22,885.32	16,817.31
Current assets	21,771.32	17,864.05
Total assets Pledged as security	**44,656.64**	**34,681.36**

19 Lease liabilities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Lease liabilities (Refer note 41)	294.95	101.78
	294.95	**101.78**

20 Deferred tax liabilities (net)

The movement in deferred tax assets and liabilities during the year ended 31 March 2024 and 31 March 2023:

(₹ in Lakhs)

Movement during the year ended 31 March 2024	As at 31 March 2023	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2024
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	900.64	230.84	-	1,131.48
Advance payment of employee benefits	2.10	0.01	(15.69)	(13.58)
	902.74	**230.85**	**(15.69)**	**1,117.90**
Deferred tax assets				
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	29.63	(13.76)	-	15.87
Loss allowance - trade receivables	49.33	(5.09)	-	44.24
Lease payments	13.40	34.30	-	47.70
	92.36	**15.45**	**-**	**107.81**
Minimum alternative tax credit entitlement / (utilisation)	330.06	(330.06)	-	-
Net Deferred tax (assets) / liabilities	**480.32**	**545.46**	**(15.69)**	**1,010.09**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

20 Deferred tax liabilities (net) (Contd.)

(₹ in Lakhs)

Movement during the year ended 31 March 2023	As at 31 March 2022	(Credit)/charge in statement of profit and loss	(Credit)/ charge in other comprehensive income	As at 31 March 2023
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	951.49	(50.85)	-	900.64
Advance payment of employee benefits	-	21.07	(18.97)	2.10
	951.49	**(29.78)**	**(18.97)**	**902.74**
Deferred tax assets				
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	23.97	5.66	-	29.63
Loss allowance - trade receivables	26.29	23.04	-	49.33
Provision for employee benefits	9.65	(9.65)	-	-
Lease payments	13.63	(0.23)	-	13.40
	73.54	**18.82**	**-**	**92.36**
Minimum alternative tax credit entitlement / (utilisation)	841.62	(511.56)	-	330.06
Net Deferred tax (assets) / liabilities	**36.33**	**462.96**	**(18.97)**	**480.32**

Current :

21 Borrowings

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Secured		
From Banks, repayable on demand		
- Cash credit / packing credit	5,503.96	2,288.03
Current maturities of long term borrowings	1,557.26	1,190.54
Interest accrued but not due on borrowings	13.98	15.79
	7,075.20	**3,494.36**

Cash credit/ packing credit from banks are secured by the first charge on all current assets both present and future and second charge on all the property, plant and equipment of the Company both present and future on pari pasu basis with all members of consortium. The loans are secured by personal guarantee of Managing Director.

22 Lease liabilities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Lease liabilities (Refer note 41)	247.18	157.22
	247.18	**157.22**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

Current :

23 Trade payables

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Dues of micro enterprises and small enterprises (Refer note below)	6.31	232.97
Payables to related parties (Refer note 43)	105.12	125.25
Dues of creditors other than micro enterprises and small enterprises	6,155.03	5,569.87
	6,266.46	**5,928.09**
Disclosures required under Section 22 of the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006		
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	6.31	232.97
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
d. the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

Note:- This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company.

Ageing of Trade payables

(₹ in Lakhs)

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Total outstanding dues of micro enterprises and small enterprises	6.31	-	-	-	6.31
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,130.85	123.44	5.86	-	6,260.15
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	6,137.16	**123.44**	**5.86**	**-**	**6,266.46**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

Current :

23 Trade payables (Contd.)

(₹ in Lakhs)

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Total outstanding dues of micro enterprises and small enterprises	232.97	-	-	-	232.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,087.10	551.83	54.32	1.87	5,695.12
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	5,320.07	**551.83**	**54.32**	**1.87**	**5,928.09**

24 Other financial liabilities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Un-claimed dividends*	14.92	19.85
Employee related liabilities	470.62	492.29
Payable for capital expenditure	577.97	263.90
	1,063.51	**776.04**

*During the year unpaid dividend amount of ₹ 5.36 Lakhs (pertaining to FY 2015-16) have been transferred to the Investor Education and Protection Fund under section 125 of the Companies Act,2013.

25 Other current liabilities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Advance received from customers (Refer note 43)	1,197.90	409.07
Statutory dues	210.82	163.40
Deferred Government grants	48.76	36.56
	1,457.48	**609.03**

26 Provisions

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Provision for compensated absences	79.68	59.49
	79.68	**59.49**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

27 Revenue from operations

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Manufactured goods	34,249.03	36,236.64
Stock in trade	1,107.10	2,436.66
Other operating revenue		
Out-licensing income	657.43	521.72
Export incentives	528.94	427.46
Others	4.82	30.65
	36,547.32	**39,653.13**

Disclosure as per Ind AS 115

A The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

There are no variable components such as discounts, chargebacks, rebates, sales returns etc

B Disaggregation of revenue:

(₹ in Lakhs)

Nature of segment	Year ended 31 March 2024	Year ended 31 March 2023
A. Major Product/Service line:		
- Sale of pharmaceutical goods	35,356.13	38,673.30
- Out-licensing income	657.43	521.72
- Others (Export incentives, others, etc.)	533.76	458.11
Total revenue from contracts with customers	**36,547.32**	**39,653.13**
B. Primary geographical market:		
- In India	8,046.36	6,033.78
- Outside India	28,500.96	33,619.35
Total revenue from contracts with customers	**36,547.32**	**39,653.13**
C. Timing of the revenue recognition:		
- Goods/services transferred at a point in time	36,547.32	39,653.13
Total revenue from contracts with customers	**36,547.32**	**39,653.13**

C Contract Balances

Significant changes in contract asset balances are as follows:

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Contract Assets		
Opening Balance	346.28	822.60
Add: Revenue recognised during the year	-	-
Less: Invoiced/adjustment during the year	13.90	476.32
Closing balance	**332.38**	**346.28**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

27 Revenue from operations (Contd.)

Contract assets are initially recognised for Product development service income

D Outstanding service obligation regarding product development contracts

The Company has entered into contracts pertaining to product development projects. The outstanding service obligations pertaining to these contracts aggregates ₹ Nil (31 March 2023 : Nil) as at year end.

28 Other income

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on financial assets measured at amortised cost		
- Fixed deposits	3.18	6.82
- Others	8.70	26.30
Dividend income on investments	0.60	0.60
Exchange rate difference (net)	379.23	557.18
Apportioned income from government grant	9.26	8.20
Reversal of Loss allowance - trade receivables (Refer note no 38 (B))	17.47	-
Other non-operating income	50.66	43.96
	469.10	**643.06**

29 Cost of materials consumed

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Opening inventory	3,619.78	4,137.77
Add: Purchases	19,896.18	17,719.49
Less: Closing inventory	4,966.52	3,619.78
	18,549.44	**18,237.48**
Less: Cost of material sold	779.61	1,739.16
	17,769.83	**16,498.32**

30 Purchase of stock in trade

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Details of purchases of traded goods		
Tablets	3.11	1.23
Capsules	14.33	11.27
Bulk Drugs	264.26	384.05
DC Granules	179.22	1,050.83
Others (including Gel, Kits, etc.)	318.69	291.78
	779.61	**1,739.16**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

31 Changes in inventories of finished goods and work-in-progress

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
At the end of the year		
Work-in-progress	197.17	588.45
Finished goods	2,697.01	900.41
	2,894.18	**1,488.86**
At the beginning of the year		
Work-in-progress	588.45	1,265.94
Finished goods	900.41	1,869.27
	1,488.86	**3,135.21**
	(1,405.32)	**1,646.35**

32 Employee benefits expense

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	4,619.80	4,292.11
Contribution to provident and other funds (Refer note 44(A) and 45(a))	164.17	148.09
Gratuity expense (Refer note 45)	56.53	51.04
Staff welfare expenses	240.53	155.76
	5,081.03	**4,647.00**

33 Finance costs

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest on borrowings	557.30	477.10
Interest on delayed payment of income tax	30.89	19.92
Other borrowing costs	104.25	60.52
	692.44	**557.54**

34 Depreciation and amortisation expense

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation and amortisation on property, plant and equipment	1,307.65	1,345.33
Amortisation of intangible assets	175.28	267.50
	1,482.93	**1,612.83**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

35 Other expenses

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spares	93.14	109.76
Power and fuel	1,330.71	1,096.24
Water charges	15.93	12.66
Insurance	66.30	41.96
Repairs and maintenance		
Machines	525.26	425.87
Buildings	184.78	173.80
Others	299.85	239.31
Contractual services	2,093.80	1,780.76
Printing & stationery	50.87	37.20
Communication costs	49.67	44.30
Legal and professional fees	1,172.76	1,367.16
Payment to auditors (Refer note below (a))	60.60	56.88
Advertisement & sales promotion	185.65	188.31
Travelling and conveyance	528.89	491.56
Commission on sales	1,400.36	1,712.94
Freight and forwarding charges	840.74	881.44
Bad debts written off	110.07	-
Loss allowance - trade receivables	-	79.14
Rates and taxes	63.82	84.23
Property, plant and equipment written off	-	65.97
Loss on sale of property, plant and equipment (net)	1.56	-
Rent (Refer note 41)	8.91	10.49
Laboratories Expenses	737.08	653.01
Corporate social responsibility expenses (Refer note 49)	46.98	17.98
Miscellaneous expenses	444.20	432.22
	10,311.93	**10,003.19**

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Note		
(a) Auditors' Remuneration (excluding taxes)		
As Auditors	55.50	51.00
Other Services	3.75	5.20
Out of Pocket Expenses	1.35	0.68
	60.60	**56.88**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

36 Tax (expense) / credit

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Current tax for the year (net of Minimum alternative tax utilisation ₹ 330.06 lakhs) (31 March 2023: ₹ 511.56 lakhs)	(77.43)	(627.96)
Tax adjustments pertaining to earlier years	(5.53)	-
Deferred tax expenses		
(Decrease) in deferred tax assets	(314.61)	(492.74)
(Increase) / decrease in deferred tax liabilities	(215.16)	48.75
	(529.77)	**(443.99)**
	(612.73)	**(1,071.95)**
Tax (expense) / credit recognised in Statement of profit and loss	(628.42)	(1,090.92)
Tax (expense) / credit recognised in other comprehensive income	15.69	18.97
	(612.73)	**(1,071.95)**
Tax reconciliation		
Profit before tax	2,303.97	3,591.80
Tax at the rate of 29.12% (31 March 2023: 29.12%)	(670.92)	(1,045.93)
Tax adjustment pertaining to earlier years	(5.53)	-
Tax effect of amounts which are mentioned below		
Permanent Disallowances	(9.00)	(19.64)
Allowances / Disallowances under specific provisions of Income tax act, 1961 (net)	15.40	12.35
Disallowance of Donation/Corporate social responsibility expenses	(16.32)	(11.31)
Other tax deductions	57.95	(26.39)
	(628.42)	**(1,090.92)**

37 Fair value measurements

Financial instruments by category:

All financial assets and financial liabilities, except investment in equity shares (not made in subsidiaries) of the Company are under the amortised cost measurement category at each of the reporting date.

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received on selling of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

37 Fair value measurements (Contd.)

Financial assets and liabilities measured at fair value at each reporting date

Investment in equity shares (other than subsidiaries) are measured at fair value through profit and loss at each reporting date. Since the valuation involves use of quoted (unadjusted) prices in active markets, valuation is considered as Level 1.

Financial assets and financial liabilities measured at amortised cost, but for which fair values are disclosed as below:

(₹ in Lakhs)

Fair value for assets and liabilities measured at amortised cost	31 March 2024				31 March 2023			
	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3	Carrying amount
Financial liabilities								
Non-current borrowings (including current maturities)	-	5,117.32	-	5,117.32	-	3,652.99	-	3,652.99
Lease liabilities (other than current portion)	-	-	294.95	-	-	-	101.78	-

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of security deposits, trade receivables, current loans, other financial assets, fixed deposits with banks, current borrowings, trade payables, lease liabilities and other current financial liabilities are considered to be approximately equal to their fair value.

Valuation processes

The Company evaluates the fair value of financial assets and financial liabilities on periodic basis using the best and most relevant data available.

38 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Risk Committee.

The Company is exposed to market risk, credit risk and liquidity risk.

A Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may 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 deposits , foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Chief financial officer. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market risk - Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

38 Financial risk management (Contd.)

According to the Company, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Total Borrowings	10,635.26	5,956.81
% of Borrowings out of above bearing variable rate of interest	100%	100%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax and Other Equity

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
50 bp increase would decrease the profit before tax by	(53.18)	(29.78)
50 bp decrease would increase the profit before tax by	53.18	29.78

Market risk - Foreign currency risk management

The Company operates internationally wherein portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31 March 2024

(₹ in Lakhs)

Particulars	USD		EURO		AED		CAD	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	85.42	7,125.26	2.59	233.13	-	-	0.88	53.79
Trade payables	2.66	221.48	0.02	2.16	-	-	0.01	0.38
Advance received from customers	2.17	180.30	1.69	150.99	36.90	832.66	-	-
Balance in EEFC Account	-	-	-	-	-	-	-	-
PCFC and PFCFC	1.37	114.27	-	-	-	-	-	-
Export commission	9.11	759.41	1.44	129.30	-	-	-	-

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

38 Financial risk management (Contd.)

As at 31 March 2023

(₹ in Lakhs)

Particulars	USD		EURO		AED		CAD	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	88.73	7,291.32	4.43	396.51	-	-	-	-
Trade payables	6.08	499.84	0.18	16.48	-	-	-	-
Advance received from customers	3.72	306.89	0.76	66.65	0.02	0.43	-	-
Balance in EEFC Account	0.73	60.14	0.23	20.86	-	-	-	-
PCFC and PFCFC	14.95	1,228.60	-	-	-	-	-	-
Export commission	11.02	905.25	0.76	67.65	-	-	-	-

Sensitivity to foreign currency risk

(₹ in Lakhs)

Particulars	Impact on Profit Before Tax and Other Equity	
	Year ended 31 March 2024	Year ended 31 March 2023
USD sensitivity		
INR / USD		
Increase by 5%	292.49	220.54
Decrease by 5%	(292.49)	(220.54)
Euro sensitivity		
INR / Euro		
Increase by 5%	(2.47)	13.33
Decrease by 5%	2.47	(13.33)
AED sensitivity		
INR / AED		
Increase by 5%	(41.63)	(0.02)
Decrease by 5%	41.63	0.02
CAD sensitivity		
INR / CAD		
Increase by 5%	2.67	-
Decrease by 5%	(2.67)	-

B Credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

38 Financial risk management (Contd.)

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

Credit risk management

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. There is no significant concentration of credit risk.

Bank balances are held with only high rated banks and majority of security deposits are placed majorly with government agencies. Trade receivables are generally recovered within the credit period. The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Trade receivables

(₹ in Lakhs)

	Not due	0-12 months	1-2 years	2-3 years	more than 3 years	Total
As at 31 March 2024						
Gross Carrying amount of - trade receivables	7,127.64	2,749.76	226.83	21.12	35.85	10,161.20
Gross Carrying amount of - contract assets	332.38	-	-	-	-	332.38
Expected credit loss - trade receivables (%)	0.03%	0.27%	4.43%	70.22%	100.00%	
Expected credit loss - trade receivables	2.45	7.53	10.04	14.83	35.85	70.70
Expected credit impaired - trade receivables	-	20.27	60.98	-	-	81.25
Carrying amount of trade receivables (net of impairment)	**7,125.19**	**2,721.96**	**155.81**	**6.29**	**-**	**10,009.25**
Carrying amount of contract assets (net of impairment)	**332.38**	**-**	**-**	**-**	**-**	**332.38**
As at 31 March 2023						
Gross Carrying amount of - trade receivables	6,331.27	2,402.80	226.64	-	45.06	9,005.77
Gross Carrying amount of - contract assets	346.28	-	-	-	-	346.28
Expected credit loss - trade receivables (%)	0.13%	0.90%	6.82%	0.00%	100.00%	
Expected credit loss - trade receivables	8.20	21.56	15.46	-	45.06	90.28
Expected credit impaired - trade receivables	-	79.14	-	-	-	79.14
Carrying amount of trade receivables (net of impairment)	**6,323.07**	**2,302.10**	**211.18**	**-**	**-**	**8,836.35**
Carrying amount of contract assets (net of impairment)	**346.28**	**-**	**-**	**-**	**-**	**346.28**

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

38 Financial risk management (Contd.)

Reconciliation of loss allowance of trade receivables

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	169.42	90.28
Additions	81.25	79.14
Reversal against recoveries/bad debts	(98.72)	-
	(17.47)	79.14
Balance at the end of the year	**151.95**	**169.42**

C Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings, trade payables, lease liabilities and other financial liabilities.

Liquidity risk management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. The processes and policies related to such risks are overseen by Chief financial officer. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of non – derivative financial liabilities

As at 31 March 2024

(₹ in Lakhs)

Particulars	0 month to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-current borrowings (including current maturities)	1,557.26	3,560.06	-	5,117.32
Current borrowings	5,503.96	-	-	5,503.96
Interest accrued but not due on borrowings	13.98	-	-	13.98
Trade payables	6,266.46	-	-	6,266.46
Lease liabilities (non - discounted)	290.84	319.27	-	610.11
Other current financial liabilities	1,063.51	-	-	1,063.51
Total	**14,696.01**	**3,879.33**	**-**	**18,575.34**

As at 31 March 2023

(₹ in Lakhs)

Particulars	0 month to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-current borrowings (including current maturities)	1,190.54	2,462.45	-	3,652.99
Current borrowings	2,288.03	-	-	2,288.03
Interest accrued but not due on borrowings	15.79	-	-	15.79
Trade payables	5,928.09	-	-	5,928.09
Lease liabilities (non - discounted)	176.37	105.65	-	282.02
Other current financial liabilities	776.04	-	-	776.04
Total	**10,374.86**	**2,568.10**	**-**	**12,942.96**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

39 Capital management

Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

The Company has complied with financial covenants.

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
The capital composition is as follows:		
Net debt#	10,617.91	5,845.83
Total equity	23,195.42	19,417.82
Net debt to equity ratio	**46%**	**30%**

includes non-current borrowings, current borrowings, current maturities of non-current borrowings and interest accrued but not due on borrowings (net of cash and cash equivalents)

40 Changes in liabilities arising from financing activities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents	17.35	110.98
Non- current borrowings	(5,117.32)	(3,652.99)
Current borrowings	(5,503.96)	(2,288.03)
Lease liabilities	(542.13)	(259.00)
Interest accrued but not due on borrowings	(13.98)	(15.79)
Net Debt	**(11,160.04)**	**(6,104.83)**

(₹ in Lakhs)

	Cash and cash equivalents	Non-current borrowings	Current borrowings	Lease liabilities	Interest accrued but not due on borrowings	Total
Net as at 01 April 2022	**54.22**	**(3,383.94)**	**(1,734.45)**	**(212.97)**	**(12.35)**	**(5,289.49)**
Cash flows (net)	56.76	(288.22)	(559.16)	191.97	-	(598.65)
IND AS adjustments	-	19.17	-	(238.00)	-	(218.83)
Foreign exchange adjustments	-	-	5.58	-	-	5.58
Finance cost expense	-	-	-	-	(557.54)	(557.54)
Finance cost paid	-	-	-	-	554.10	554.10
Net as at 31 March 2023	**110.98**	**(3,652.99)**	**(2,288.03)**	**(259.00)**	**(15.79)**	**(6,104.83)**
Cash flows (net)	(93.63)	(1,521.44)	(3,215.47)	172.39	-	(4,658.15)
IND AS adjustments	-	57.11	-	(455.52)	-	(398.41)
Foreign exchange adjustments	-	-	(0.46)	-	-	(0.46)
Finance cost expense	-	-	-	-	(692.44)	(692.44)
Finance cost paid	-	-	-	-	694.25	694.25
Net as at 31 March 2024	**17.35**	**(5,117.32)**	**(5,503.96)**	**(542.13)**	**(13.98)**	**(11,160.04)**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

41 Leases

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
The Balance sheet discloses the following amounts relating to leases:		
Leasehold Land*	613.71	623.69
Other Right to use Assets		
Buildings	82.82	76.24
Plant and equipment	536.10	198.85
	1,232.63	**898.78**
Lease liabilities		
Current	247.18	157.22
Non-current	294.95	101.78
	542.13	**259.00**

*There are no lease liabilities in respect of the leasehold land as the entire amount has been paid upfront on the date of the execution of the lease agreement with respective authorities.

(₹ in Lakhs)

Amounts recognised in statement of profit and loss	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation charge on		
Leasehold Land	9.98	9.95
Other Right to use Assets		
Buildings	48.60	18.40
Plant and equipment	149.67	227.67
	208.25	**256.02**
Interest expense included in finance cost	24.00	34.38
Expense relating to short-term leases	8.91	10.49
Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
Expense relating to variable lease payments not included in lease liability	-	-
Total cash outflow for leases during current financial year (excluding short term leases)	172.39	191.97
Additions to the right of use assets during the current financial year	**542.10**	**272.12**

42 Research and development expenditure

(₹ in Lakhs)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue expenditure charged to Statement of Profit and Loss (under notes 32, 34 and 35)	1,959.72	1,873.83
Capital Expenditure (under notes 3 and 4)	584.71	200.34
	2,544.43	**2,074.17**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

43 Related Party Disclosures

As per Ind AS 24 "Related Party Disclosures", disclosure of transactions with the related parties as defined in the Indian Accounting Standard are given below:

A. List of related parties and relationship (to the extent where transactions have taken place and relationship of control) :

(i) Subsidiaries

ZIM Health Technologies Limited, India	Wholly Owned Subsidiary Company
SIA ZIM Laboratories Limited, Latvia	Wholly Owned Subsidiary Company
ZIM Laboratories FZE, UAE	Wholly Owned Subsidiary Company
ZIM Thinorals Private Limited, India	Wholly Owned Subsidiary Company
ZIMTAS PTY Limited, Australia (w.e.f. 5 March 2024)	Subsidiary Company
ZIM Laboratories Middle East DMCC, UAE (w.e.f. 28 September 2023)##	Step-down Subsidiary Company

(ii) Key Managerial Personnel:	Nature of relationship
Dr. Anwar S. Daud	Managing Director and shareholder with significant influence
Mr. Zulfiquar Kamal	Director (Finance)
Mr. Niraj Dhadiwal	Executive Director
Mr. Prakash Sapkal	Executive Director
Mr. Padmakar Joshi	Independent Director
Mrs. Kavita Loya	Independent Director
Dr. Kamlesh Shende	Independent Director
Dr. Kakasaheb Mahadik	Independent Director
Mr. Piyush Nikhade	Company Secretary
Mr. Shyam Mohan Patro	Chief Financial Officer

(iii) Other relatives:

Mrs. Sabbah Kamal (upto 31 March 2023)	Wife of Director (Finance)

(iv) Other significant influences

Mathew Cyriac	Shareholder exercising significant influence
Zakir Vali	Shareholder exercising significant influence

B. Nature of transactions:

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
1) Remuneration		
Dr. Anwar S. Daud	177.79	151.00
Mr. Zulfiquar Kamal	110.20	106.50
Mr. Niraj Dhadiwal	93.20	87.50
Mr. Prakash Sapkal	86.77	87.50
Mr. Piyush Nikhade	36.20	28.69
Mr. Shyam Mohan Patro	77.50	73.79
2) Director's fees		
Mr. Padmakar Joshi	7.00	7.00
Mrs. Kavita Loya	9.00	9.00
Dr. Kamlesh Shende	7.00	7.00
Dr. Kakasaheb Mahadik	7.00	7.00

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

43 Related Party Disclosures (Contd.)

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
3) Professional fees		
ZIM Health Technologies Limited, India	260.58	256.02
4) Rent paid		
Dr. Anwar S. Daud	27.01	11.04
Mrs. Sabbah Kamal	-	2.40
5) Sales	-	
ZIM Laboratories FZE, UAE	1,981.26	3,421.48
6) Investment (in equity shares)		
ZIMTAS PTY Limited, Australia	5.37	-
7) Deemed equity contribution from shareholder (net of charges) (Refer note 17)		
Mr. Zakir Vali	3,049.97	-

C. Balances outstanding at year end (#)

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Advance for expenses to Key Managerial Personnel		
Mr. Prakash Sapkal	-	1.98
Payable to Key Managerial Personnel		
Dr. Anwar S. Daud	7.92	4.71
Mr. Zulfiquar Kamal	3.15	5.33
Mr. Niraj Dhadiwal	2.96	2.32
Mr. Prakash Sapkal	1.31	2.15
Mr. Piyush Nikhade	-	1.72
Mr. Shyam Mohan Patro	2.98	3.74
Trade payable		
Dr. Anwar S. Daud	6.23	2.48
Mrs. Sabbah Kamal	-	0.44
Dr. Kamlesh Shende	1.58	1.58
Dr. Kakasaheb Mahadik	1.58	1.58
Mr. Padmakar Joshi	1.58	1.58
Mrs. Kavita Loya	2.03	2.03
ZIM Health Technologies Limited, India	92.12	115.56
Advance received from customers		
ZIM Laboratories FZE, UAE	747.29	-
Trade receivables		
ZIM Laboratories FZE, UAE	-	360.76
Executive Directors' compensation		
a) Short- term employee benefits	458.52	424.39
b) Post- employment benefits	9.44	8.11
Total compensation	**467.96**	**432.50**

* The remuneration to Key management personnel does not include provision for employee benefits determined on actuarial basis.

Equity investments by the Company and equity infusion into the Company are not considered for disclosure as these are not considered "outstanding exposures" refer notes 6 and 16 for the same.

##During the year ZIM Laboratories Middle East DMCC was incorporated as subsidiary of ZIM Laboratories FZE with Share Capital of AED 100,000 divided into 100 Shares, of value AED 1,000 each share. ZIM Laboratories FZE holds 70 Equity shares (70%) and 30 Equity shares (30%) are held by VIDIMED DWC - LLC in ZIM Laboratories Middle East DMCC. However, the business operations of the Company are yet to commence.

All the transactions stated above with related parties are on arm's length basis.

All borrowings are guaranteed by the managing director of the Company (Refer notes 18 and 21).

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

44 Contingent liabilities and commitments

(A) Contingent liabilities

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Income Tax Assessments for earlier years, pending in appeal	500.04	551.42
Gram Panchayat Tax	12.58	15.43
Duty saved considering export obligation to be fulfilled subsequent to the reporting date, within the period allowed under the Advance License scheme	72.14	100.30

Notes:

1. The Company does not expect any reimbursement in respect of the above contingent liabilities.
2. It is not practical to estimate the timing of cash outflows, if any, in respect of matters above, pending resolution/completion of the appellate proceedings/other proceedings, as applicable.

Other matter

The Honourable Supreme Court, had passed a judgement on 28 February 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The management, based on legal advice, is of the view that the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered due to interpretative challenges, and resultant impact on the past provident fund liability, cannot be reasonably ascertained.

(B) Commitments

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Estimated value of contracts in capital account remaining to be executed (net of capital advance)	1,359.72	2,487.04

45 Employee benefits

As per Indian Accounting Standard-19, 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Employer's Contribution to Provident fund	134.06	125.00
Employer's Contribution to ESIC	7.00	6.72
Employer's Contribution to Labour welfare fund	0.55	0.35
Employer's Contribution to Pension fund	22.56	16.02

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

45 Employee benefits (Contd.)

(b) Defined Benefits Plan :

Gratuity

Under the gratuity plan, every employee is entitled to the benefit equivalent to fifteen days salary (as per last drawn salary) for each completed year of service or part thereof in excess of six months depending on the date of joining and eligibility terms, in terms of provisions of the Payment of Gratuity Act,1972. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method. The scheme is funded with an insurance company in the form of qualifying insurance policy.

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Mortality Table	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Discount rate	7.19%	7.39%
Salary growth rate	5.00%	5.00%
Withdrawal rate	12.00%	12.00%
Expected rate & return on Plan assets	7.19%	7.39%
Changes in the Fair value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	858.75	700.07
Investment Income	63.46	47.88
Employer's Contribution	30.72	112.61
Benefits Paid	(13.70)	-
Actuarial adjustment: Return on plan assets, excluding amount recognised in net interest expense	(7.55)	(1.81)
Fair Value of Plan Assets at the end of the year	**931.68**	**858.75**
Changes in the Present Value of Obligation		
Present Value of Obligation at the beginning of the year	792.06	661.52
Current Service Cost	61.46	53.68
Interest Expenses or Cost	58.53	45.24
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in the demographic assumptions	-	-
- change in the financial assumptions	8.05	(20.38)
- experience variance (i.e. Actual experience v/s assumptions)	38.28	83.70
Past Service Cost	-	-
Benefits Paid	(59.74)	(31.70)
Present Value of Obligation at the end of the year	**898.64**	**792.06**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

45 Employee benefits (Contd.)

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Amount recognised in the Balance Sheet		
Present Value of Obligation at the end of the year	898.64	792.06
Fair Value of Plan Assets at the end of the year	(931.68)	(858.75)
Net (Asset) recognised at the end of the year	**(33.04)**	**(66.69)**
Percentage of each category of plan assets to total fair value of plan assets as at year end:		
Administered by Life Insurance Corporation of India	**100.00%**	**100.00%**

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Expenses recognised in the Statement of Profit and Loss		
Current service cost	61.46	53.68
Past service cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest cost / (income) on the Net Defined Benefit Liability / (Asset)	(4.93)	(2.64)
Total expenses recognised in the Statement of Profit and Loss	**56.53**	**51.04**
Actuarial (gain) / loss		
Actuarial (gain) / loss on Obligation for the period	46.33	63.32
Return on Plan Assets, excluding interest income	7.55	1.81
Actuarial (gain) / loss recognised in Other Comprehensive Income	**53.88**	**65.13**

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	6 years	6 years

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Expected cash flows over the next (valued on undiscounted basis) as follows :		
Year 1	155.81	129.41
Year 2	127.50	102.62
Year 3	101.06	116.87
Year 4	109.28	83.81
Year 5	94.27	93.10
Thereafter	760.16	681.21

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

45 Employee benefits (Contd.)

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, withdrawal rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Defined Benefit Obligation (Base)	898.64	792.06

(₹ in Lakhs)

	Year ended 31 March 2024		Year ended 31 March 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	42.83	(38.73)	37.94	(34.31)
(% change compared to base due to sensitivity)	4.8%	-4.3%	4.8%	-4.3%
Salary Growth Rate (-/+ 1%)	(36.58)	39.15	(32.42)	34.88
(% change compared to base due to sensitivity)	-4.1%	4.4%	-4.1%	4.4%
Attrition Rate (+/- 1%)	5.34	(5.92)	5.48	(6.05)
(% change compared to base due to sensitivity)	0.6%	-0.7%	0.7%	-0.8%

(c) Compensated absences

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and net charge to the Statement of Profit and Loss for the year is ₹ 159.00 lakhs (Previous Year: ₹ 119.53 lakhs).

46 Segment information

The Company is primarily engaged in the business of pharmaceuticals. The Company has entrusted decision making authority to the Managing Director (highest authority) who is the Chief Operating Decision Maker (CODM) who has complete control over the operating decisions and is responsible for the information presented to the Board of Directors. Managing Director reviews the Company's performance based on the analysis of the Profit Before Tax (PBT) at an overall entity level and therefore there is no other separate reportable segment for the Company as defined by Ind AS 108 "Operating Segment".

Information about geographical areas are as under :

(₹ in Lakhs)

Particulars	31 March 2024			31 March 2023		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from operations*	8,046.36	28,500.96	36,547.32	6,033.78	33,619.35	39,653.13
Carrying amount of segment assets (non-current)**	19,444.80	1,765.22	21,210.02	13,521.86	998.12	14,519.98
Carrying amount of segment assets (current)***	14,095.29	7,597.31	21,692.60	9,672.36	7,968.10	17,640.46
Capital expenditure for the year	7,328.86	894.79	8,223.65	2,980.73	566.23	3,546.96
- Tangible	7,206.10	-	7,206.10	2,882.01	-	2,882.01
- Intangible	122.76	894.79	1,017.55	98.72	566.23	664.95

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2.1

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

46 Segment information (Contd.)

*As per Ind AS 108 - Operating Segments, the Company is required to disclose revenue from individual external customers when it is 10 per cent or more of entity's revenue. Details of individual external customers has revenue equal to or more than 10 per cent Company's revenue are as follows :

(₹ in Lakhs)

Customer	31 March 2024			31 March 2023		
	In India	Outside India	Total	In India	Outside India	Total
Customer A#	-	641.08	641.08	-	5,458.10	5,458.10
Customer B	-	3,730.69	3,730.69	-	4,993.74	4,993.74

Revenue from Customer A doesn't exceed 10% or more of entity's revenue in current year.

**The carrying amount of non-current segment assets exclude financial assets, income tax assets (net).

***The carrying amount of current segment assets exclude Cash and cash equivalents, Bank balances other than cash and cash equivalents & Interest receivable.

47 Earnings in foreign currency (accrual basis)

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Exports at F.O.B. value	27,135.13	32,301.24
Out-licensing income	603.49	509.81
	27,738.62	**32,811.05**

48 Earnings per share

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
I. Profit Computation for both Basic and Diluted Earnings per share:		
Net Profit attributable to equity share holders	1,675.55	2,500.88
II. Computation of weighted average number of equity shares :		
Weighted average number of equity shares in calculating basic EPS	48,725,814	48,725,814
Weighted average number of equity shares in calculating diluted EPS	48,725,814	48,725,814
III. Earnings Per Share:		
Basic Earning Per Share (₹) (Face value of ₹ 10 per share)	3.44	5.13
Diluted Earning Per Share (₹) (Face value of ₹ 10 per share)	3.44	5.13

49 Contribution towards Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of ₹ 500 Crores or more, or turnover of ₹ 1,000 Crores or more or a net profit of ₹ 5 Crores or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows :

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

49 Contribution towards Corporate Social Responsibility (CSR) (Contd.)

(₹ in Lakhs)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Average net profit of the Company for last three financial years		2,145.71	877.72
Prescribed CSR expenditure (2% of the average net profit as computed above)		42.91	17.55
Details of CSR expenditure during the financial year :			
(a) Total amount required to be spent for the financial year		42.91	17.55
(b) Amount approved by the Board to be spent for the financial year		46.98	17.98
(c) Amount spent for the financial year ending on 31March 2024 :	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	46.98	-	46.98
(d) Amount spent for the financial year ending on 31March 2023:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	17.98	-	17.98

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
(e) Detailed related to spent/ unspent obligations :		
(i) Contribution to Public Trust	-	-
(ii) Contribution to Charitable Trust	46.98	17.98
(iii) Unspent amount in relation to :		
- Ongoing project	-	-
- Other than ongoing project	-	-
	46.98	**17.98**

In case of Section 135(5) (Other than ongoing Project)				
Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent for the year	Amount spent for the year	Closing Balance
0.89	-	42.91	46.98	**4.96**

In case of Section 135(5) Excess amount spent			
Opening Balance	Amount required to be spent for the year	Amount spent for the year	Closing Balance
0.89	42.91	46.98	**4.96**

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

50 Ratio Analysis and its elements

Ratio	Basis		Year ended 31 March 2024	Year ended 31 March 2023	% change
Current ratio	Current Assets / Current Liabilities	Times	1.34	1.62	-17%
Debt- Equity Ratio	Total Debt / Total Equity	%	46%	31%	49%
Debt Service Coverage Ratio *	Earnings for debt service / Debt Service	Times	1.95	2.24	- 13%
Return on Equity Ratio	Profit After Tax / Average Equity	%	7.86%	13.73%	- 43%
Inventory Turnover Ratio	Cost of Goods Sold / Avg. Inventory	Times	2.54	3.08	- 18%
Trade Receivable Turnover Ratio	Revenue from Sale of Products / Average Trade Receivables	Times	3.75	4.57	- 18%
Trade Payable Turnover Ratio	Cost of Goods Sold / Average Trade Payables **	Times	5.00	4.82	4%
Net Capital Turnover Ratio	Revenue from Operations / Working Capital ***	Times	6.55	5.80	13%
Net Profit Ratio	Net Profit After Tax / Revenue from operations	%	4.58%	6.31%	- 27%
Return on Capital Employed	Earnings before Interest and Tax **** / Capital Employed *****	%	10.12%	17.47%	- 42%
Return on Investment			NA ##	NA ##	
Operating Profit Margin	Earnings before Interest and Tax **** / Revenue from operations	%	8.20%	10.46%	-22%
Basic EPS	Net Profit attributable to equity share holders / Weighted average number of equity shares	Times	3.44	5.13	-33%
Interest coverage ratio	Earnings before Interest and Tax **** / Finance costs	Times	4.33	7.44	- 42%

* Earnings for Debt Service = Net Profit after tax + Depreciation and amortisation expense + Finance costs (recognised excluding lease), Debt Service = Principal Repayments +Finance costs (recognised excluding lease)

** Average Trade Payables = Average Trade payables for the materials purchase

*** Working Capital = Current Assets - Current Liabilities

**** Earnings before Interest and Tax = Profit before exceptional item and tax + Finance costs (recognised)

***** Capital Employed = Average of equity and total borrowings

The Company has investments in subsidiaries and other insignificant trade investment.

Material accounting policy information and other explanatory information to the standalone financial statements

For the year ended 31 March 2024

50 Ratio Analysis and its elements (Contd.)

(i) Debt Equity Ratio: Increased by 49% in the current year is mainly on account of working capital utilisation and decrease in profitability of the Company

(ii) Return on Equity Ratio: Decreased by 43% in the current year due to decrease in profitability of the Company

(iii) Net Profit Ratio: Decreased by 27% in the current year due to decrease in profitability of the Company

(iv) Return on Capital Employed: Decreased by 42% in the current year due to decrease in profitability of the Company

(v) Basic EPS: Decreased by 33% in the current year due to decrease in profitability of the Company

(vi) Interest coverage ratio : Decreased by 42% in the current year is mainly due increase in the finance costs on account of working capital utilisation

51 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used an accounting software (Infonic) which is operated by a third party software service provider for maintaining its books of account. The audit trail (edit logs) feature was enabled at application level of the accounting software used for maintenance of all accounting records. However, the audit trail (edit logs) is not enabled at the database level.

52 Figures of the previous year has been re-grouped/re-arranged wherever necessary. The impact of the same is not material to the users of financial statement.

For and on behalf of the Board of Directors

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: 13 May 2024

Anwar S. Daud
Managing Director
DIN: 00023529

Shyam Mohan Patro
Chief Financial Officer

Place: Nagpur
Date: 13 May 2024

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Piyush Nikhade
Company Secretary

Zeal & Innovation in Medicine

ZIM Laboratories Limited

Registered Office - Sadoday Gyan (Ground Floor),
Opp. N.A.D.T, Nelson Square, Nagpur – 440013, India.
Phone No. - 0712 - 2981960
E-Mail - cs@zimlab.in **Website -** www.zimlab.in