

PI HEALTH SCIENCES LIMITED

CORPORATE INFORMATION

Board of Directors

Mr. Narayan K Seshadri

Mr. Anil Kumar Jain

Mr. Mayank Singhal

Mr. Rajnish Sarna

Dr. T.S. Balganes

Bankers

IDBI Bank Limited

AXIS Bank Limited

Auditors

S.S. Kothari Mehta & Co.

Chartered Accountants

New Delhi-110 065

Corporate Identity Number (CIN)

U24290RJ2021PLC076803

Registered Office

Udaisagar Road, Udaipur, Rajasthan- 313001



BOARD REPORT

Dear Members,

Your Directors are pleased to present the 2nd Board Report on the Business and Operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2023.

1. Financial Highlights:

(₹ in Mn)

Particulars	Current Year	Previous Year
	2022-23	2021-22
Revenue from Operations	-	-
Other Income	0.94	2.44
Total Revenue	0.94	2.44
Expenditure	127.82	3.29
Profit/Loss before tax	(126.88)	(0.85)
Less:		
a) Provision for Current tax	-	-
b) Deferred Tax	24.93	-
Profit/Loss after tax	(101.95)	(0.85)
EPS – Basic & Diluted (Rs.)	(9.61)	(0.85)

2. Key Highlights:

During the year, your Company had registered a loss before tax amounting to Rs. 126.88 million and generated a net loss after tax of Rs. 101.95 million from its business operations. The earnings per share (EPS) for the year stood at Rs. (9.61) per equity share.

3. Transfer to Reserves:

During the year under review, the Company has not transferred any amount to the General Reserve.

4. Change in The Nature of Business, If Any:

There is no change in the nature of business of your Company during the period under review.

5. Dividend:

Your directors regret to declare any dividend for the period ended March 31, 2023 in the absence of any distributable profits.

6. Material Changes And Comments, If Any, Affecting The Financial Position of The Company:

There are no material changes or commitments subsequent to the close of the financial year of the Company that may affect the financial position of the Company.

7. Employee's Particulars:

The relationship with all employees and workers at all levels of the Company remained cordial and harmonious throughout the year.

As on March 31, 2023, there were 12 permanent employees of the Company.

8. Internal Controls Systems and Adequacy:

The Company has adequate system of internal control for planning, review, revenue recognition, expense authorization,

risk management, investment etc. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statement.

9. Risk Management:

In accordance with Section 134 of the Companies Act, 2013, your Company has adopted a well-defined risk management policy which inter-alia, includes identification of risks, including cyber security and related risks inherent to operations of the Company. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives.

10. Related Party Transactions:

All contracts/arrangements/transactions entered by the Company during the financial year with Related Parties were in ordinary course of business and on an arms' length basis. Your Directors draw attention of the members to Note No.26 to the financial statement which set out related party disclosures.

11. Statutory Auditors and Auditor's Report:

The shareholders of the Company at its 1st AGM held on August 22, 2022 had appointed M/s S.S. Kothari Mehta & Co, Chartered Accountants (Firm Registration No. 000756N), Chartered Accountants, New Delhi, as the Statutory Auditors of the Company for a term of 5 consecutive years and accordingly they hold their office till the conclusion of the 6th Annual General Meeting of the Company to be held in 2027.

The Auditors' Report is unmodified. It does not contain any qualification, reservation or adverse remark which needs to be clarified.

12. Particulars of Loans, Guarantees or Investments:

Your Company has neither granted any loans, guarantees nor made any investments during the financial year 2022-23.

13. Deposits:

Your Company has not accepted any public deposits during the financial year 2022-23 and no amount of principal or interest was outstanding as on March 31, 2023.

14. Capital Structure:

Paid-up share capital

During the year, your Directors, in their meeting held on August 22, 2022, offered 6,000,000 (Six Million) equity shares of Rs. 10/- (Rupees Ten only) on rights basis to the existing shareholders in the ratio of 6:1 in accordance with the provisions of Sections 62(1)(a) of the Companies Act, 2013, against which allotment of 6,000,000 (Six Million) equity shares of Rs. 10/- (Rupees Ten only) each was made on September 02, 2022

Further, a second round of rights issue of 17,499,997 (Seventeen million four hundred ninety-nine thousand, nine hundred and ninety-seven) equity shares of Rs. 10/- (Rupees Ten only) each in the ratio of 2.5:1 was approved in the Board meeting held on November 05, 2022, against which allotment of 17,499,997 (Seventeen million four hundred ninety-nine thousand, nine hundred and ninety-seven) equity shares of Rs. 10/ (Rupees Ten only) each was made on November 24, 2022.

Accordingly, the paid-up capital of the Company was increased from Rs. 10,000,000 (Rupees Ten Million) consisting of 1,000,000 equity shares of Rs. 10/ each to Rs. 244,999,970/- (Rupees Two

hundred forty-four million nine hundred ninety-nine thousand nine hundred seventy) consisting of 24,499,997 equity shares of Rs. 10/- each as on March 31, 2023.

Authorized share capital

During the year, your Company has increased the authorized share capital from Rs. 10,000,000/- (Rupees Ten million) divided into 1,000,000 equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 250,000,000/- (Rupees Two hundred and fifty million) divided into 25,000,000 equity shares of Rs. 10/- (Rupees Ten only) each vide Special Resolution passed at the Annual General Meeting of the Company held on August 22, 2022.

Further, your Company has increased the authorized share capital from Rs. 250,000,000/- (Rupees Two hundred and fifty million) divided into 25,000,000 equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 6,000,000,000/- (Rupees Six billion) divided into 600,000,000 equity shares of Rs. 10/- (Rupees Ten only) each vide Special Resolution passed at an Extra-ordinary General Meeting of the Company held on December 10, 2022.

15. Board of Directors and Key Managerial Personnel:

I. Composition of The Board:

The Composition of the Board is in conformity with the provisions of Companies Act, 2013. The Board members possess requisite qualifications and experience necessary to act in the capacity of Directors of the Company.

Your Company is managed and controlled by a Board comprised of following Directors as on March 31, 2023:

- (i) Mr. Narayan K. Seshadri, Chairperson
- (ii) Mr. Anil Kumar Jain, Managing Director
- (iii) Mr. Mayank Singhal, Director
- (iv) Mr. Rajnish Sarna, Director
- (v) Dr. T.S. Balganes, Director

II. Changes in Composition of The Board:

a. APPOINTMENT/RE-APPOINTMENT:

Mr. Anil Kumar Jain (DIN: 09707763) was appointed as an Additional Director and designated as Managing Director of the Company w.e.f. August 22, 2022. Further, his appointment was regularized by the shareholders at their Extra-ordinary General Meeting held on December 10, 2022.

b. DIRECTOR LIABLE TO RETIRE BY ROTATION:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajnish Sarna (DIN: 06429468), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the approval of the shareholders at the ensuing Annual General Meeting.

III. Number of Board Meetings:

During the year, Board of Directors met 6 (Six) times. The meetings were held on May 14, 2022, July 15, 2022, August 22, 2022, September 02, 2022, November 05, 2022 and February 11, 2023 respectively. The gap between any two Board Meetings was not more than 120 days.

The names of members of the Board, their attendance at the Board Meetings are as under:

Sr. No.	Name of the Directors	Category	No. of Board Meetings held during FY 2022-23	No. of Board Meetings attended during FY 2022-23
1.	Mr. Narayan K. Seshadri	Chairperson	6	5
2.	Mr. Anil Kumar Jain*	Managing Director	6	3
3.	Mr. Mayank Singhal	Director	6	6
4.	Mr. Rajnish Sarna	Director	6	6
5.	Dr. T.S. Balganes	Director	6	2

*Appointed w.e.f. August 22, 2022

16. Policy on Prevention, Prohibition and Redressal Of Sexual Harassment At The Workplace:

Your Company has zero tolerance for any abuse against Women at Workplace. Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as required under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013".

The Company has constituted an Internal Complaints Committee (ICC) known as Prevention of Sexual Harassment (POSH) Committee to enquire into complaints of Sexual Harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2022-23.

17. Particulars Relating To Conservation of Energy, Technology Absorption and Foreign Exchange Outgo:

Your Company does not carry out any manufacturing activity nor have any exports, hence information pertaining to conservation of energy, technology absorption, foreign exchange earning and outgo, as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is not applicable to the Company.

18. Directors Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility statement, that:

- (a) in the preparation of the annual accounts for the period ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit/loss of the Company for that period;

- (c) 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 for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information and
- (f) 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.

19. Subsidiary, Joint Ventures & Associate Companies:

Your Company doesn't have any Subsidiary, Joint Venture or Associate company as on March 31, 2023.

20. Annual Return:

Pursuant to Sec 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return can be accessed at Company's website at www.pihealthsciences.com

21. Secretarial Standards of ICSI:

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

22. General:

Your Directors state that no disclosures or reporting is required in respect to the following items as there were no transactions on these items during the period under review or were not applicable: -

- a) Disclosure covered under section 178(1) on Director's appointment and remuneration including other matters provided under section 178(3).
- b) Details on policy development and implementation of Corporate Social Responsibility.
- c) Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- d) Management Discussion and Analysis Report.
- e) Company has not failed to complete or implement any corporate action.
- f) Issue of equity shares with differential rights as to dividends, voting or otherwise.
- g) Issue of shares (including Sweat equity shares) to the employees of the Company under any scheme.

- h) No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.
- i) No frauds have been reported by auditors pursuant to provision of sub-section (12) of section 143;
- j) No revision has been made in financial statement or the Board Report in preceding financial year.
- k) Disclosure of statement on declaration given by Independent Directors under section 149(6) of the Companies Act, 2013.

23. Acknowledgement:

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received by the Company from the parent company, bankers and various departments of the Government of India, Rajasthan and Business Associates.

Your Directors place on record their appreciation to the employees who put forth their efforts in operation of the Company.

On behalf of the Board of Directors
For PI Health Sciences Limited

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Date: April 11, 2023
Place: Bangalore

INDEPENDENT AUDITOR'S REPORT

To the Members of PI Health Sciences Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of PI Health Sciences Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the period March 31, 2023 then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusions thereon.

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

If, based on the work we have performed, we conclude that there is 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 for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income,

cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude



that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. A. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) In our opinion, and according to the information and explanations given to us, the managerial remuneration paid by the Company to its director during the current year is in accordance with the provisions of section 197 of the Act.

- B. With respect to the other matters to be included in the Auditor's

Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and iv (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For S.S. KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm's Registration No. 000756N

Sd/-
AMIT GOEL

Partner
Membership No. 500607

Place: New Delhi
Date: April 11, 2023
UDIN : 23500607BGURJB9689

Annexure A to the Independent Auditor's Report to the Members of PI Health Sciences Limited dated April 11, 2023.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The Property, Plant and Equipment (PPE) have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the title deeds provided to us, we report that, the title deeds of the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us, the Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the year. Hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and records provided, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company does not have any inventory. Hence, provisions of clause 3(ii) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) to (f) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing with appropriate authorities 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 statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
- viii. In our opinion, based on audit procedures and according to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- ix. (a) In our opinion, based on audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of inter-corporate deposits / loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company does not have any subsidiaries, associates or joint venture. Therefore, reporting requirements on clause 3(ix) (e) to (f) of the Order is not applicable to the Company.
- x. (a) According to the information and explanations given to us and procedures performed by us, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and procedures performed by us, the Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) During the year, no report under sub-section (12) of section 143 of the Act, has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii) to (c) of the Order are not applicable to the Company.
- xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- xiv. (a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Act. Therefore, the requirement to report under clause 3(xiv) (a) to (b) of the Order is not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred in section 192 of the Act.
- xvi. (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under Clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses amounting to INR 120.47 million in the current financial year and INR 0.85 million in the preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios disclosed in note 19 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has not meeting the requirement of applicability of section 135 of the Act, hence report on clause 3(xx)(a) to (b) is not applicable to the Company.

- xxi. The Company is not subject to prepare consolidated financial statement as inform to us Accordingly, the provision of clause 3(xxi) is not applicable to the Company.

For S.S. KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm's Registration No. 000756N

Sd/-

Amit Goel

Partner

Membership No. 500607

Place: New Delhi
Date: April 11, 2023
UDIN : 23500607BGURJB9689

Annexure B to the Independent Auditor's Report to the Members of PI Health Sciences Limited dated April 11, 2023.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of the **PI Health Sciences Limited** (the 'Company') as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally

accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For S.S. KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm's Registration No. 000756N

Sd/-

Amit Goel

Partner

Membership No. 500607

Place: New Delhi

Date: April 11, 2023

UDIN : 23500607BGURJB9689

BALANCE SHEET AS AT MARCH 31, 2023

(All amounts in ₹million, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4 (a)	644.07	5.45
Capital work-in-progress	4 (b)	16.24	-
Deferred tax assets	5	24.93	-
Other financial assets	6(c)	0.21	-
Other non-current assets	7	102.38	-
Total non-current assets		787.83	5.45
Current assets			
Financial assets			
(i) Trade receivables	17	-	-
(ii) Cash and cash equivalents	6(a)	33.12	3.50
(iii) Bank balances other than (ii) above	6(b)	1.03	-
Current tax assets	8	0.09	-
Other current assets	7	109.00	0.30
Total current assets		143.24	3.80
Total assets		931.07	9.25
EQUITY & LIABILITIES			
Equity			
Equity share capital	9	245.00	10.00
Other equity	10	(102.80)	(0.85)
Total equity		142.20	9.15
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	11	690.00	-
(ii) Lease liabilities	12	30.34	-
Provisions	15	1.18	-
Total non current liabilities		721.52	-
Current Liabilities			
Financial liabilities			
(i) Lease liabilities	12	2.49	-
(ii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	13	-	-
(iii) Other financial liabilities	14	59.56	0.04
Other current liabilities	16	5.30	0.06
Total current liabilities		67.35	0.10
Total liabilities		788.87	0.10
Total equity and liabilities		931.07	9.25

Significant accounting policies

Accompanying notes 1 - 35 form an integral part of these financial statements

2

As per our report of even date

For S.S. Kothari Mehta & Company

Chartered Accountants
Firm Reg. No. 000756N

Sd/-

Amit Goel

Partner

Membership Number: 500607

Place: Gurugram

Date: April 11, 2023

For and on behalf of the Board of Directors

PI Health Sciences Limited

Sd/-

Anil Kumar Jain

Managing Director

DIN: 09707763

Place: Mumbai

Sd/-

Mayank Singhal

Director

Din: 00006651

Place: Gurugram

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

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the period from September 03, 2021 to March 31, 2022
Revenue from operations	18	-	-
Other income	19	0.94	2.44
Total Income		0.94	2.44
Expenses:			
Employee benefit expense	20	62.87	-
Finance cost	21	16.47	0.45
Depreciation expense	22	6.41	-
Other expense	23	42.07	2.84
Total expenses		127.82	3.29
Loss before tax for the year		(126.88)	(0.85)
Income tax expense	24		
Current tax		-	-
Deferred tax		24.93	-
Total tax expense for the year		24.93	-
Loss for the year		(101.95)	(0.85)
Other comprehensive income for the year		-	-
Total comprehensive Loss for the year		(101.95)	(0.85)
Earnings per equity share	25		
1) Basic (in ₹)		(9.61)	(0.85)
2) Diluted (in ₹)		(9.61)	(0.85)
Face value per share (in ₹)		10.00	10.00

Significant accounting policies

Accompanying notes 1 - 35 form an integral part of these financial statements

2

As per our report of even date**For S.S. Kothari Mehta & Company**Chartered Accountants
Firm Reg. No. 000756N

Sd/-

Amit Goel

Partner

Membership Number: 500607

Place: Gurugram

Date: April 11, 2023

For and on behalf of the Board of Directors

PI Health Sciences Limited

Sd/-

Anil Kumar Jain

Managing Director

DIN: 09707763

Place: Mumbai

Sd/-

Mayank Singhal

Director

Din: 00006651

Place: Gurugram

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

a. Equity share capital

Particulars	Notes	As at March 31, 2023		As at March 31, 2022	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	9	1,000,000	10.00	-	-
Changes in equity share capital during the year		23,499,997	235.00	1,000,000	10.00
Balance at the end of the year		24,499,997	245.00	1,000,000	10.00

b. Other equity

Particulars	Notes	Reserves & Surplus		Total other equity
		Statement of profit and loss	Other comprehensive income	
Opening balance		-	-	-
Loss for the year		(0.85)	-	(0.85)
Total comprehensive loss for the year		(0.85)	-	(0.85)
Balance at March 31, 2022		(0.85)	-	(0.85)
Loss for the year		(101.95)	-	(101.95)
Total comprehensive loss for the year		(101.95)	-	(101.95)
Balance at March 31, 2023		(102.80)	-	(102.80)

Accompanying notes 1 - 35 form an integral part of these financial statements

As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Amit Goel
Partner
Membership Number: 500607

Place: Gurugram
Date: April 11, 2023

For and on behalf of the Board of Directors
PI Health Sciences Limited

Sd/-
Anil Kumar Jain
Managing Director
DIN: 09707763

Sd/-
Mayank Singhal
Director
Din: 00006651

Place: Mumbai Place: Gurugram

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Cash Flow From Operating Activities		
Loss before income tax	(126.88)	(0.85)
Adjustments for :-		
Depreciation and amortisation expense	6.41	-
Finance costs	16.47	0.45
Provision for bad and doubtful debts & advances	0.30	-
Interest income on financial assets at amortised cost	(0.94)	-
Unwinding of discount on security deposits	(0.00)	-
Operating profit before working capital changes	(104.64)	(0.40)
(Increase) / Decrease in non-current financial assets - loans	(0.21)	-
(Increase) / Decrease in other current assets	(108.70)	(0.30)
Increase / (Decrease) in other current financial liabilities	5.42	0.04
Increase / (Decrease) in other non-current provision	1.18	-
Increase / (Decrease) in other current liabilities	5.24	0.06
Cash generated (used) from operations before tax	(201.71)	(0.60)
Income taxes paid	(0.09)	-
Net cash outflow from operating activities	(201.80)	(0.60)
b. Cash Flow From Investing Activities		
Payments for purchase of property, plant & equipment including capital work in progress, intangible assets and capital advances	(197.85)	(5.45)
Interest received	0.94	-
Net cash used in investing activities	(196.91)	(5.45)
c. Cash Flow From Financing Activities		
Proceeds from issue of equity share capital	235.00	10.00
Principal elements of deferred lease payments	(480.02)	-
Proceeds from long term borrowings	690.00	-
Interest paid (net)	(15.62)	(0.45)
Dividends paid (including tax)	-	-
Net cash inflow from financing activities	429.36	9.55
Net increase in cash & cash equivalents (A+B+C)	30.65	3.50
Opening balance of cash & cash equivalents	3.50	-
Closing balance of cash & cash equivalents	34.15	3.50
Note: Cash and cash equivalents included in the cash flow statement comprise of the following :-		
	As at March 31, 2023	As at March 31, 2022
i) Cash on hand	-	-
ii) Balance with banks :		
-In current accounts	33.12	3.50
-In fixed deposits	1.03	-
Total	34.15	3.50

The above Cash Flow Statement has been prepared under the Indirect method as set out in IND AS - 7 "Cash Flow Statement".

Figures in brackets indicate cash outflows.

Accompanying notes 1 - 35 form an integral part of these financial statements

As per our report of even date

For S.S. Kothari Mehta & Company

Chartered Accountants
Firm Reg. No. 000756N

Sd/-

Amit Goel

Partner

Membership Number: 500607

Place: Gurugram

Date: April 11, 2023

For and on behalf of the Board of Directors

PI Health Sciences Limited

Sd/-

Anil Kumar Jain

Managing Director

DIN: 09707763

Place: Mumbai

Sd/-

Mayank Singhal

Director

Din: 00006651

Place: Gurugram

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. Corporate information

PI Health Sciences Limited (the Company) (CIN - U24290RJ2021PLC076803) is a company limited by shares, incorporated in India on September 03, 2021 and has its registered office at Udaisager Road, Udaipur -313001, (Rajasthan). The principal activities of the Company are Manufacturing and/or trading of all kinds of Pharmaceuticals products, Pharma intermediates and related products.

2. Basis of preparation

a) Statement of compliance

The Company's financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act to the extent applicable.

These financial statements are authorised for issue by the Board of Directors on April 11, 2023.

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain financial assets and liabilities which are measured at fair values.

c) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest millions (Mn), unless otherwise indicated.

d) Current or non current classification

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

e) Use of judgements and estimates

The preparation of financial statements is in conformity with Ind AS, which requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets at the date of financial statements, income and expenses during the year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

3. Significant accounting policies

a) Property, plant and equipment

i) Recognition and measurement Items of property, plant

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit and Loss as incurred.

An item of property, plant and equipment is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, and is recognised in the statement of profit and loss. Depreciation on property, plant and equipment is provided on the Straight Line Method based on the useful life of assets estimated by the Management which coincide with the life specified under Schedule II of the Companies Act, 2013.

iii) Capital work-in-progress

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

b) Revenue recognition

a) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

c) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

d) Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but

are disclosed in notes. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

e) Financial instruments

i) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii) Subsequent measurement

(i) Financial assets carried at amortised cost: A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(iii) Financial assets at fair value through profit or loss: A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities: Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) 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. Except Trade receivables, the impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

iv) Derecognition

Financial assets: Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights

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

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

Financial liabilities: The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

v) **Offsetting**

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

f) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – This includes financial instruments measured using quoted prices.

Level 2 – The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

g) **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company.

h) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits 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.

i) **Cash flow statement**

Cash flow statements are prepared in accordance with “Indirect Method” as explained in the Indian Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

j) **Earning per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the year attributable to Equity Shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

k) **Employee Benefits**

i) **Short term employee benefits:** Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) **Defined contribution plans:** Employees benefits in the form of the Company’s contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognised as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognize that excess as an asset (prepayments) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

iii) **Defined benefit plans:** Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an actuary. The Company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the



form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

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

- iv) **Other long-term employee benefits:** Employee benefits in the form of long-term compensated absences are considered as long-term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an actuary.

l) Lease

The company leases various Land, Buildings, offices, warehouses, IT equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 51 years but may have extension and termination options.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable.
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

As a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of this underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard

m) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

4 (a)(i) Property, Plant and Equipment

	Freehold land	Buildings	Furniture and fixtures	Office equipments	Plant and Machinery	Vehicles	Total
Gross carrying amount							
As at beginning of September 03, 2021	-	-	-	-	-	-	-
Additions	5.45	-	-	-	-	-	5.45
As at March 31, 2022	5.45	-	-	-	-	-	5.45
Additions	-	-	1.21	0.72	119.60	11.62	133.15
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	5.45	-	1.21	0.72	119.60	11.62	138.60
Depreciation charge during the year	-	-	0.09	0.04	2.42	0.51	3.06
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	-	-	0.09	0.04	2.42	0.51	3.06
Net carrying amount							
As at September 03, 2021	-	-	-	-	-	-	-
As at March 31, 2022	5.45	-	-	-	-	-	5.45
As at March 31, 2023	5.45	-	1.12	0.68	117.18	11.11	135.54

4 (a)(ii) Right Of Use

Gross carrying amount	
As at beginning of September 03, 2021	-
Additions	-
Disposals	-
As at March 31, 2022	-
Additions	511.89
As at March 31, 2023	511.89
Acumulated amortisation	
As at beginning of September 03, 2021	-
Amortisation charge during the year	-
As at March 31, 2022	-
Amortisation charge during the year	3.36
As at March 31, 2023	3.36
Net Carrying Amount	
As at March 31, 2022	-
As at March 31, 2023	508.53
TOTAL 4(a)(i) + 4(a)(ii)	
As at March 31, 2022	5.45
As at March 31, 2023	644.07

4 (B) Capital Work-In-Progress

	Amount of Capital
As at beginning of September 03, 2021	-
Additions	-
Disposal	-
Amount transferred from CWIP	-
As at March 31, 2022	-
Additions	16.24
Disposal	-
Amount transferred from CWIP	-
As at March 31, 2023	16.24

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

b. Capital work in progress ageing schedule as on March 31, 2023**1) Aging of Capital work in progress**

Capital work in progress	Amount in capital work in progress				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in Progress	16.24	-	-	-	16.24
Projects Temporarily suspended	-	-	-	-	-

2) Completion schedule for Capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan

Capital work in progress	Amount in capital work in progress				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

c. Capital work in progress ageing schedule as on March 31, 2022**1) Aging of Capital work in progress**

Capital work in progress	Amount in capital work in progress				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects Temporarily suspended	-	-	-	-	-

2) Completion schedule for Capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan

Capital work in progress	Amount in capital work in progress				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
(i) Projects in Progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

Financial Assets

5. Deferred Tax Assets

The balance comprises temporary differences attributable to:		As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities			
Plant, property and equipment		1.75	-
	A	1.75	-
Deferred tax assets			
Provision for employee benefits		0.30	-
Lease		8.53	-
Unabsorbed depreciation and business losses		17.85	-
	B	26.68	-
Net deferred tax assets	TOTAL	24.93	-

Movement in deferred tax:	As at March 31, 2022	Recognized in Statement of profit and loss	Recognized in Other Comprehensive Income	As at March 31, 2023
Deferred tax liabilities				
Plant, property and equipment	-	1.75	-	1.75
Sub-Total (a)	-	1.75	-	1.75
Deferred tax assets				
Provision for employee benefits	-	0.30	-	0.30
Lease	-	8.53	-	8.53
Other financial assets	-	17.85	-	17.85
Sub-Total (b)	-	26.68	-	26.68
Net deferred tax assets (a)-(b)	-	24.93	-	24.93

Movement in deferred tax:	As at March 31, 2021	Recognized in Statement of profit and loss	Recognized in Other Comprehensive Income	As at March 31, 2022
Deferred tax liabilities				
Plant, property and equipment	-	-	-	-
Sub-Total (a)	-	-	-	-
Deferred tax assets				
Other financial assets	-	-	-	-
Sub-Total (b)	-	-	-	-
Net deferred tax assets (a)-(b)	-	-	-	-

6(a) Cash and Cash Equivalents

	As at March 31, 2023	As at March 31, 2022
i. Cash & Cash Equivalents		
Balance with banks		
-Balances in current account	33.12	3.50
TOTAL	33.12	3.50

6(B) Bank Balances Other Than Cash and Cash Equivalents

	As at March 31, 2023	As at March 31, 2022
Fixed deposits with bank	1.03	-
	1.03	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

6(c) Other Non-Current Financial Assets

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless stated otherwise		
Security deposits	0.21	-
TOTAL	0.21	-

7. Other Assets

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances				
Considered good	102.38	-	-	-
Other statutory advances	-	-	109.00	-
Advances to Vendors - Considered good	-	-	-	0.30
TOTAL	102.38	-	109.00	0.30

8. Current Tax Assets

	As at March 31, 2023	As at March 31, 2022
TDS Receivable	0.09	-
TOTAL	0.09	-

9. Equity Share Capital

	As at March 31, 2023	As at March 31, 2022
Authorised Shares		
60,00,00,000 Equity Shares of ₹ 10 each (10,00,00,000 Equity Shares March 31, 2022 : ₹ 10 each)	6,000	10
	6,000	10
Issued Shares		
2,44,99,997 Equity Shares of ₹ 10 each (10,00,00,000 Equity Shares March 31, 2022 : ₹ 10 each)	245	10
	245	10
Subscribed & Fully Paid up Shares		
2,44,99,997 Equity Shares of ₹ 10 each (10,00,00,000 Equity Shares March 31, 2022 : ₹ 10 each)	245	10
Total subscribed and fully paid up share capital	245	10

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Issued share capital

Equity Shares

Particulars	Equity Share (No. of Shares)		Value of Equity Shares	
	2022-23	2021-22	2022-23	2021-22
Share outstanding at beginning of the year	10,00,000	-	10	-
Shares issued during the year	2,34,99,997	1,000,000	235	10
Share outstanding at end of year	2,44,99,997	1,000,000	245	10

b) Terms/rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General meeting (except Interim Dividend). However, the Company has not proposed any dividend in the current year.

Authorized Equity Share Capital:-

During the year, your Company has increased the authorized share capital from Rs. 10,000,000/- (Rupees Ten million) divided into 1,000,000 equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 250,000,000/- (Rupees Two hundred and fifty million) divided into 25,000,000 equity shares of Rs. 10/- (Rupees Ten only) each vide Special Resolution passed at the Annual General Meeting of the Company held on August 22, 2022. Further, your Company has increased the authorized share capital from Rs. 250,000,000/- (Rupees Two hundred and fifty million) divided into

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

25,000,000 equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 6,000,000,000/- (Rupees Six billion) divided into 600,000,000 equity shares of Rs. 10/- (Rupees Ten only) each vide Special Resolution passed at an Extra-ordinary General Meeting of the Company held on December 10, 2022.

Paid-up Equity Share Capital:-

During the year, Board of Directors in their meeting held on August 22, 2022, offered 6,000,000 (Six Million) equity shares of Rs. 10/- (Rupees Ten only) on rights basis to the existing shareholders in accordance with the provisions of Sections 62(1)(a) of the Companies Act, 2013, against which allotment of 6,000,000 (Six Million) equity shares of Rs. 10/- (Rupees Ten only) each was made on September 02, 2022. Further, a second round of rights issue of 17,499,997 (Seventeen million four hundred ninety-nine thousand, nine hundred and ninety-seven) equity shares of Rs. 10/- (Rupees Ten only) each was approved in the Board meeting held on November 05, 2022, against which allotment of 17,499,997 (Seventeen million four hundred ninety-nine thousand, nine hundred and ninety-seven) equity shares of Rs. 10/- (Rupees Ten only) each was made on November 24, 2022. Accordingly, the paid-up capital of the Company was increased from Rs. 10,000,000 (Rupees Ten Million) consisting of 1,000,000 equity shares of Rs. 10/- each to Rs. 244,999,970/- (Rupees Two hundred forty-four million nine hundred ninety-nine thousand nine hundred seventy) consisting of 24,499,997 equity shares of Rs. 10/- each as on March 31, 2023. 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) Since incorporation, the Company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
PI Industries Limited and its nominees	2,44,99,997	100	10,00,000	100

e) Shareholding of Promoters

Promotor Name	As at March 31, 2023			As at March 31, 2022		
	Shares held on 31, March 2023	% of total share	% change during the year	Shares held on 31, March 2022	% of total share	% change during the year
PI Industries Limited and its nominees	2,44,99,997	100%	2350%	10,00,000	100%	0%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

10. Other Equity

	As at March 31, 2023		As at March 31, 2022	
Surplus in the statement of Profit and Loss				
Balance at beginning of the year	(0.85)		-	
Add: Loss for the year	(101.95)	(102.80)	(0.85)	(0.85)
TOTAL		(102.80)		(0.85)

11. Borrowings

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured				
Loan from related parties (Refer note - 26)	690.00	-	-	-
TOTAL	690.00	-	-	-

Terms and Conditions

- The Company has taken loan from holding Company carries interest rate of 9.5% per annum which is repayable after five years in five equal installment as mutually decided by both parties.
- The borrowings obtained by the company have been applied for the purposes for which such loans were taken.
- As on the Balance Sheet date there is no default in repayment of loans and interest.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

12. Lease Liabilities

	Non- Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease liabilities	30.34	-	2.49	-
TOTAL	30.34	-	2.49	-

13. Trade Payables

	As at March 31, 2023	As at March 31, 2022
Trade payables	-	-
TOTAL	-	-

14. Other Current Financial Liabilities

	As at March 31, 2023	As at March 31, 2022
Employee payables	2.30	-
Creditors for capital purchases	54.10	-
Other payable	3.16	0.04
TOTAL	59.56	0.04

15. Provisions - Non Current

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits Gratuity	1.18	-
TOTAL	1.18	-

16. Other Current Liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	5.30	0.06
TOTAL	5.30	0.06

17. Trade Receivables

	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good-Secured	-	-
Trade receivables considered good-Unsecured	-	-
TOTAL	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

18. Revenue From Operations

	For the year ended March 31, 2023	For the period from September 03, 2021 March 31, 2022
Revenue from operations includes		
a) Sale of products	-	-
Revenue from operations (Net)	-	-

19. Other Income

	For the year ended March 31, 2023	For the period from September 03, 2021 March 31, 2022
Interest income from Fixed deposits	0.94	-
Miscellaneous income	-	2.44
TOTAL	0.94	2.44

20. Employee Benefit Expense

	For the year ended March 31, 2023	For the period from September 03, 2021 March 31, 2022
Salaries, wages and bonus (Refer note - 26)	58.35	-
Contribution to provident & other funds	3.30	-
Gratuity (Refer note - 31)	1.18	-
Employees welfare expenses	0.04	-
TOTAL	62.87	-

21. Finance Cost

	For the year ended March 31, 2023	For the period from September 03, 2021 March 31, 2022
Interest on loan	15.62	0.45
Other finance costs	0.85	-
TOTAL	16.47	0.45

22. Depreciation Expenses

	For the year ended March 31, 2023	For the period from September 03, 2021 March 31, 2022
Depreciation of property, plant and equipment (Refer note - 4)	3.05	-
Amortisation- right of use (Refer note - 4)	3.36	-
TOTAL	6.41	-

23. Other Expenses

	For the year ended March 31, 2023	For the period from September 03, 2021 March 31, 2022
Travelling and conveyance	6.20	-
Rental charges	0.33	0.04
Rates and taxes	27.81	0.30
Insurance	0.11	-
Payment to auditors	0.10	0.04
Telephone and communication charges	0.47	-
Provision for bad and doubtful debts & advances	0.30	-
Director sitting fees and commission	0.12	-
Legal & professional fees	0.83	0.02
Bank charges	0.08	-
Miscellaneous expenses	5.72	2.44
TOTAL	42.07	2.84

a. Audit remuneration

- Audit fee	0.07	0.04
- Limited review fees	0.03	-
	0.10	0.04

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

24. Income Tax Expense

a) Income Tax Expense recognized in statement of Profit and Loss

	For the year ended March 31, 2023	For the period from September 03, 2021 March 31, 2022
Current tax expense		
Current tax on profits for the year	-	-
Adjustment of current tax for prior year	-	-
Total Current tax expense	-	-
Deferred tax expense		
(Decrease) / Increase in Deferred tax liability	1.75	-
Decrease / (Increase) in Deferred tax assets	(26.68)	-
Net Deferred tax expense	(24.93)	-
Total Income tax expense	(24.93)	-

b) Deferred tax related to items recognised in Other comprehensive income during the year

	For the year ended March 31, 2023	For the period from September 03, 2021 March 31, 2022
Remeasurement of defined benefit plans	-	-
Income tax charged to Other comprehensive income	-	-

c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended March 31, 2023	For the period from September 03, 2021 March 31, 2022
Accounting profit before tax	(126.88)	(0.85)
Tax at India's statutory income tax rate @ 25.17% (previous year @25.17%)	(31.93)	(0.21)
Adjustment in respect of current income tax of previous years	-	-
Effect of amounts which are not deductible in calculating taxable income	7.00	0.21
Income Tax Expense	(24.93)	-

25. Earning Per Share

	For the year ended March 31, 2023	For the period from September 03, 2021 March 31, 2022
a) Net loss after tax	(101.95)	(0.85)
b) Number of equity shares at the beginning of the year	10,00,000	10,00,000
Add: Issue of shares during the year	2,34,99,997	-
Total no. of shares outstanding at the end of the year	2,44,99,997	10,00,000
Weighted average number of equity share outstanding during the year		
For Basic EPS	1,06,05,478	10,00,000
For Diluted EPS	1,06,05,478	10,00,000
Face value per share (₹)	10.00	10.00
Earning per share (EPS) (₹)		
Basic (₹)	(9.61)	(0.85)
Diluted (₹)	(9.61)	(0.85)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

26. Related Party Disclosures

Related party disclosure, as required by Indian Accounting Standard-24, is as below:

List of Related Parties:-

I. Enterprises which control the entity

- (a) PI Industries Limited

II. Fellow Subsidiaries

- (a) PILL Finance and Investment Limited
 (b) PI Life Science Research Limited
 (c) PI Japan Co. Limited
 (d) Jivagro Limited
 (e) PI Fermachem Private Limited
 (f) PI Bioferma Private Limited

III. Key Managerial Personnel & their relatives:-

- a) Mr. Mayank Singhal (Director)
 b) Mr. Rajnish Sarna (Director)
 c) Mr. Narayan Keelveedhi Seshadri (Additional Director) w.e.f. March 03, 2022
 d) Dr. Tanjore Soundararajan Balganes (Additional Director) w.e.f. March 03, 2022
 e) Mr. Anil Kumar Jain (Managing Director) w.e.f. August 22, 2022
 f) Dr. KVS Ram Rao (Director till December 31, 2021)

The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	For the year ended March 31, 2023			For the period from September 03, 2021 March 31, 2022		
	Paid/Purchase	Received/Sale	Closing Balance Dr (Cr)	Paid/Purchase	Received/Sale	Closing Balance Dr (Cr)
Compensation to KMP						
-Short term employee benefits	38.19	-		-	-	
-Post employment benefits*	3.84	-		-	-	
-Commission and other benefits to non-executive/ independent directors	0.12	-		-	-	
Total	42.15	-	(1.61)	-	-	-
Transactions with PI Industries Limited						
Sales	-	-	-	-	2.44	-
Issue of share capital	235.00	-	-	10.00	-	-
Loans received	690.00	-	(690.00)	27.20	-	-
Loans repaid	-	-	-	-	(27.20)	-
Interest paid on loan	15.62	-	-	0.45	-	-
Rent	0.28	-	(0.25)	-	-	-
Reimbursement on account of expenses incurred	1.94	-	-	-	-	-
Purchase of capital assets	34.55	-	(40.74)	-	-	-

Terms and conditions of transactions with related parties

The sales and purchases / services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

27. Financial Instruments

Financial instruments – Fair values and risk management

A. Financial instruments by category

	March 31, 2023			March 31, 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Non-current assets						
Other financial asset	-	-	0.21	-	-	-
Current assets						
Cash and cash equivalents	-	-	33.12	-	-	3.50
TOTAL	-	-	34.36	-	-	3.50
Financial liabilities						
Non-current liabilities						
Borrowings	-	-	690.00	-	-	-
Lease liabilities	-	-	30.34	-	-	-
Current liabilities						
Other financial liabilities	-	-	59.56	-	-	0.04
Lease liabilities	-	-	2.49	-	-	-
TOTAL	-	-	782.39	-	-	0.04

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

The fair value of cash and cash equivalents, other balances with bank and current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.

28. Financial Risk Management

Risk management framework

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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

As at the reporting date, the Management is of the opinion that the Company is not exposed to any substantial credit risk, liquidity risk and market risk. The Company's board of directors has the overall responsibility for the management of these risks.

i. Credit risk

Cash and cash equivalents, deposits with banks:

The Company considers that its cash and cash equivalents and Deposits with banks have low credit risk based on good external credit ratings of counterparties. Impairment on cash and cash equivalents and deposits with banks has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures.

Exposure to credit risk:

The gross carrying amount of financial assets, net of impairment losses (if any) recognized represent the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2023 was as follows:

Particular	March 31, 2023	March 31, 2022
Cash and cash equivalents	33.12	3.50
Total	34.15	3.50

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

(a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date.

March 31, 2023	Contractual cash flows					
	Total	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowing	690.00	-	-	-	690.00	-
Other Financial Liabilities	59.56	59.56	-	-	-	-
Lease liabilities	134.08	-	2.49	2.50	7.57	121.52
Total	883.64	59.56	2.49	2.50	697.57	121.52

March 31, 2022	Contractual cash flows					
	Total	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Trade Payables	-	-	-	-	-	-
Other Financial Liabilities	0.04	0.04	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Total	0.04	0.04	-	-	-	-

iii. Market risk

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

Foreign Currency risk

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$, GBP and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹).

Foreign currency risk exposure -

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 expressed in Indian Rupees (₹) are as below:

Financial Assets

	March 31, 2023			March 31, 2022		
	USD	EURO	GBP	USD	EURO	GBP
Capital advances (₹)	17.66	1.35	14.25	-	-	-
Exchange rate	82.17	89.44	101.65	75.79	84.22	99.46

Sensitivity analysis due to the foreign exchange fluctuation given below

	March 31, 2023	March 31, 2022
1% Increase	0.33	-
1% Decrease	(0.33)	-

Interest rate risk

The Company has taken loan from holding Company carrying a fixed interest rate, hence there is no interest rate risk at the reporting date.

Price risk

The Company is not exposed to any price risk as at the reporting date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

29. Ratio Analysis

S.No.	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance
1	Current ratio	Current asset	Current Liabilities	2.13	38.03	(94.4%)	Increase in current Assets
2	Debt-Equity ratio	Borrowing	Total Equity	-	-	NA	The ratio has not been calculated as there is no debt in the previous year
3	Debt Service Coverage ratio	Earnings before interest, taxes, depreciation & amortization	Debt Service = Interest and Principal payments including lease payments	(0.16)	(0.89)	(82.1%)	Due to increase in losses
4	Return on Equity ratio	Profit after tax	Average Equity	(134.7%)	(9.3%)	1350.2%	Due to increase in losses
5	Inventory Turnover ratio	Cost of Goods sold	Average Inventory	-	-	NA	The ratio has not been calculated as there is no cost of goods sold
6	Receivables Turnover ratio	Sales	Average Receivable	-	-	NA	The ratio has not been calculated as there is no sales
7	Payables Turnover ratio	Cost of Goods sold	Average Payable	-	-	NA	The ratio has not been calculated as there is no cost of goods sold
8	Net Capital Turnover ratio	Sales	Working Capital	-	-	NA	The ratio has not been calculated as there is no sales
9	Net Profit ratio	Profit after tax	Sales	-	-	NA	The ratio has not been calculated as there is no sales
10	Return on Capital Employed	Earnings before interest and taxes	Total Equity + Borrowings	(13.8%)	(31.0%)	(55.6%)	Due to increase in losses
11	Return on Investment	Earnings before interest and taxes	Total Assets	(0.12)	(0.31)	(61.0%)	Due to increase in losses

30. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's Capital management is to maximise shareholder's value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

31. Employee Benefits

The Company participates in defined contribution and benefit schemes, the assets of which are not funded in separately administered funds for Defined Benefit scheme. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

Provident Fund

In accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (EPF and MP Act), employees are entitled to receive benefits under the Provident Fund. Employers and employees both contribute @12% of wages in contribution accounts. Further, the employers also contribute towards administration of the benefits under the EPF and MP Act. All employees have an option to make additional voluntary contributions as permissible under the Act. These contributions are made to the fund administered and managed by the Employee Provident Fund organization. The Company has no further obligations under the fund managed by the Employee Provident Fund Organization (EPFO) beyond its monthly contributions which are charged to the statements of profit or loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the EPFO.

Gratuity Plan

In accordance with the Payment of Gratuity Act of 1972, PI Health Sciences Limited has established a defined benefit scheme. The Gratuity scheme provides a lump sum payment to the employees at the time of retirement or resignation (after 5 years of continued services of employment), being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

a) Defined Contribution Plans:

The Company has recognised an expense of ₹ 3.30 (Previous Year ₹ Nil) towards the defined contribution plan

b) Defined Benefits Plans - as per actuarial valuation

	Year ended March 31, 2023	Year ended March 31, 2022
	Gratuity Funded	Gratuity Funded
I Change in present value of obligation during the year		
Present value of obligation at the beginning of the year	-	-
Total amount included in profit and loss:		
- Current Service Cost	1.18	-
- Interest Cost	-	-
- Past Service Cost	-	-
Total amount recognised in profit or loss	1.18	-
Total amount included in OCI:		
Remeasurement related to gratuity:		
Actuarial losses/(gains) arising from:		
- Demographic Assumption	-	-
- Financial assumption	-	-
- Experience Judgement	-	-
Others		
Benefits Paid	-	-
Present Value of obligation as at year-end	1.18	-
II Bifurcation of Present value of obligation at the end of the year		
	Year ended March 31, 2023	Year ended March 31, 2022
Current Liability	0.01	-
Non-Current Liability	1.17	-
III Actuarial Assumptions		
Discount Rate	7.36%	N.A.
Expected rate of return on plan assets	N.A.	N.A.
Mortality Table	100% of IALM (2012-14)	N.A.
Salary Escalation	8%	N.A.
IV Sensitivity Analysis		
	Year ended March 31, 2023	Year ended March 31, 2022
	Increase	Increase
Discount rate (0.50 % movement)	0.02	-
Future salary growth (0.50 % movement)	0.02	-

32. Operating Segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating segments are based on the company's management and internal reporting structure.

The Company has evaluated the applicability of segment reporting and has concluded that since the principal activities of the Company are Manufacturing and/or trading, research and development of all kinds of Pharmaceuticals products, Pharma intermediates and related products accordingly the Company has one reportable business segment viz. Pharma Products.

Revenue: The Revenue from operations were in ₹ Nil.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Mn, unless otherwise stated)

33. Capital & Other Commitment

	March 31, 2023	March 31, 2022
a. Estimated Amount of Contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 102 (March 31, 2022: ₹ Nil)}	73.00	-

b. Leases

Operating and Finance lease commitments - As lessee

The Company leases land and Building. Rental contracts has been made for a period of 51 years. The leases have varying terms, escalation clauses and renewal rights. From December 1, 2022, the Company has recognised Right of Use Assets for these leases except for short term and low value lease.

Total of future minimum lease payments under non-cancellable short term operating leases for each of the following periods:

Particular	March 31, 2023	March 31, 2022
Payable within one year		
-Later than one year and not later than five years	-	-
-Later than five years	-	-
-Lease payments recognised in Statement of Profit and Loss	0.33	-

34. Micro, Small and Medium Enterprises Development Act, 2006

Particular	March 31, 2023		March 31, 2022	
	Principal Amount	Interest Amount	Principal Amount	Interest Amount
Principal amount and Interest due thereon remaining unpaid to any supplier as on March 31, 2023	-	-	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-	-
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 MSMED Act.	-	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-	-
Further interest remaining due and payable in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-	-	-

35. As per information available with the Management and as certified by them, there is no contingent liability as at March 31, 2023 (previous year : Nil).

As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Amit Goel
Partner
Membership Number: 500607

Place: Gurugram
Date: April 11, 2023

For and on behalf of the Board of Directors
PI Health Sciences Limited

Sd/-
Anil Kumar Jain
Managing Director
DIN: 09707763

Sd/-
Mayank Singhal
Director
Din: 00006651

Place: Mumbai
Place: Gurugram