

# C. M. GABHAWALA & CO. (Regd.)

## CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr. D.D. Sathe Marg, Girgaum, Mumbai-400 004.

Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

### INDEPENDENT AUDITORS' REPORT

**To The Members of Herbolab India Private Limited**

Report on the Audit of Standalone Annual Financial Statements

#### Opinion

We have audited accompanying standalone annual financial statements of Herbolab India Private Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the statement of Cash Flows and the Statement of Changes in Equity, for the year ended and notes to financial statements, including a summary of significant accounting policies and other explanatory information ("financial statements").

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

#### Basis for Opinion

We conducted our audit of the standalone Annual Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of 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 financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone annual Financial Statements

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director Report, but does not include the standalone Annual Financial Statements and our auditor's report thereon.

Our opinion on the standalone Annual Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the standalone Annual 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.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone annual Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual 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 Standalone annual 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. The



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description of the auditor's responsibilities for the audit of the standalone Annual 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 have communicated 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.



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### Report on Other Legal and Regulatory Requirements

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

As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and the statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone annual Financial Statements comply with the IND AS specified under section 133 of the Act.
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to adequacy of the internal financial control with reference to financial statements of the Company and the operating effectiveness of such control, refers to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 litigation which would impact its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which provision is required to be made for any material foreseeable losses.
  - iii. The Company is not required to transfer funds to the Investors Education and Protection Fund.
  - iv. (1) As per the representation received from the management, to the best of it's knowledge



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and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide guarantees, security or the like on behalf of the Ultimate Beneficiaries.

(2) As per the representation received from the management, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the 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 Funding Parties ("Ultimate Beneficiaries") or provide guarantees, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures, nothing has come to our notice to believe that the representations under (1) and (2) above contain any material mis-statement.

- v. In our opinion and according to the information and explanations given to us, the company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.
- h. With respect to the other matters to be included in the Auditor's Report in accordance under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a private limited company.

**For C.M. GABHAWALA & CO**  
**Chartered Accountants**  
**Firm Registration No: 102870W**

  
**Devan Gabhawala**  
**Partner**

**Membership no: 100275**

**Place: Mumbai**

**Date: 3<sup>rd</sup> May, 2024**

**UDIN: 24100275BKCRAH7422**



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### ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company for the year ended 31<sup>st</sup> March 2024, we report that:

- i. (a)
  - (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
  - (B) The company is maintaining proper records showing full particulars of intangible assets;
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals; According to the information and explanations given to us, no discrepancy has been observed between book quantity and physical verified quantity.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
- e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate;
- (b) The company has not availed any working capital limits from banks or financial institutions on the basis of security of current assets during the year. Accordingly, clause 3(ii) (b) is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) is not applicable to the Company.
- iv. The company has not given / made any loans, investments, guarantees, and security. Accordingly provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable.
- v. The Company has not accepted any public deposits within the meaning of Sections 73 to 76 of Companies Act, 2013 and rules framed there under. Accordingly, clause 3(v) is not applicable to the Company.



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vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any goods sold and services/ activities rendered by the Company. As the clause 3(vi) of the Order regarding maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are NIL.

viii. There are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, clause 3(viii) is not applicable to the Company.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(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) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended. Accordingly, clause 3(ix)(e) is not applicable.



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(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act), as the company does not hold any investment in them. Accordingly, clause 3(ix) (f) of the order is not applicable.

x. (a) The company has not raised any money by way of initial public offer or further public offer (including debt Instrument), thus paragraph 3(iv) of the Order is not applicable;

(b) The company has not made any private placement of Equity shares during the year .The requirements of section 42 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

xi. (a) There is no instance of any fraud by the company or any fraud on the Company by its officers or employees, either noticed or reported during the period under review, on or by the Company.

(b) There is no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) There are no whistle-blower complaints received during the year by the company.

xii. The Company is not in the nature of a Nidhi Company as defined under Section 406 the Companies Act, 2013. Accordingly, the provision of clause 3(xii) of the order is not applicable to the company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. The provisions of Section 177 are not applicable to the company.

xiv. (a) In our opinion and according to the information and explanations given to us, the Company is not required to form an Internal audit System and hence provision clause 3(xiv) is not applicable to the company.

xv. The Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the



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Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirement of clause 3(xvi)(d) are not applicable.

xvii. The company has incurred cash losses in the financial year and in the immediately preceding financial year, The amount of cash losses is as under:

Financial Year	Amount
FY 23-24	Rs.63,72,28,923
FY 22-23	Rs.40,20,67,941

xviii. There is no resignation of the statutory auditors during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is 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 future viability of the company. We further state that our report is based on facts up to the date of the audit report and we neither give 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 due.

xx. The provisions of Section 135 of the Companies Act are not applicable to the company. Accordingly, the provision of clause 3(xx) of the Order is not applicable to the Company.

xxi. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

For C.M. GABHAWALA & CO  
Chartered Accountants  
Firm Registration No: 102870W



Deven Gabhawala  
Partner

Membership no: 100275

Place: Mumbai

Date: 3<sup>rd</sup> May, 2024

UDIN: 24100275BKCRAH7422



# **C. M. GABHAWALA & CO. (Regd.)**

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**Annexure B to the Independent Auditors' report on the financial statement for the year ended 31<sup>st</sup> March, 2024**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 1 A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Herbolab India Private Limited ("the Company") as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2024 based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's Management and Board of directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").



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### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial controls with Reference to Financial Statements**

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



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### Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For C.M. GABHAWALA & CO  
Chartered Accountants  
Firm Registration No: 102870W



Deven Gabhawala  
Partner  
Membership no: 100275  
Place: Mumbai  
Date: 3<sup>rd</sup> May, 2024  
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#### Opinion

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

#### Basis for Opinion

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director Report, but does not include the standalone Annual Financial Statements and our auditor's report thereon.

Our opinion on the standalone Annual Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the standalone Annual 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.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone annual Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual 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 Standalone annual 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. The



# C. M. GABHAWALA & CO. (Regd.)

## CHARTERED ACCOUNTANTS

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description of the auditor's responsibilities for the audit of the standalone Annual 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 have communicated 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.



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### Report on Other Legal and Regulatory Requirements

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

As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and the statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone annual Financial Statements comply with the IND AS specified under section 133 of the Act.
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to adequacy of the internal financial control with reference to financial statements of the Company and the operating effectiveness of such control, refers to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 litigation which would impact its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which provision is required to be made for any material foreseeable losses.
  - iii. The Company is not required to transfer funds to the Investors Education and Protection Fund.
- iv. (1) As per the representation received from the management, to the best of it's knowledge



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and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide guarantees, security or the like on behalf of the Ultimate Beneficiaries.

(2) As per the representation received from the management, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the 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 Funding Parties ("Ultimate Beneficiaries") or provide guarantees, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures, nothing has come to our notice to believe that the representations under (1) and (2) above contain any material mis-statement.

- v. In our opinion and according to the information and explanations given to us, the company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.
- h. With respect to the other matters to be included in the Auditor's Report in accordance under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a private limited company.

**For C.M. GABHAWALA & CO**  
**Chartered Accountants**  
**Firm Registration No: 102870W**



**Devan Gabhawala**  
**Partner**  
**Membership no: 100275**  
**Place: Mumbai**  
**Date: 3<sup>rd</sup> May, 2024**  
**UDIN: 24100275BKCRAH7422**



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### ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company for the year ended 31<sup>st</sup> March 2024, we report that:

i. (a)

(A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The company is maintaining proper records showing full particulars of intangible assets;

(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals; According to the information and explanations given to us, no discrepancy has been observed between book quantity and physical verified quantity.

(c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;

e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate;

(b) The company has not availed any working capital limits from banks or financial institutions on the basis of security of current assets during the year. Accordingly, clause 3(ii) (b) is not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) is not applicable to the Company.

iv. The company has not given / made any loans, investments, guarantees, and security. Accordingly provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable.

v. The Company has not accepted any public deposits within the meaning of Sections 73 to 76 of Companies Act, 2013 and rules framed there under. Accordingly, clause 3(v) is not applicable to the Company.



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- vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any goods sold and services/ activities rendered by the Company. As the clause 3(vi) of the Order regarding maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are NIL.

- viii. There are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, clause 3(viii) is not applicable to the Company.

- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(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) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended. Accordingly, clause 3(ix)(e) is not applicable.



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(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act), as the company does not hold any investment in them. Accordingly, clause 3(ix) (f) of the order is not applicable.

x. (a) The company has not raised any money by way of initial public offer or further public offer (including debt Instrument), thus paragraph 3(iv) of the Order is not applicable;

(b) The company has not made any private placement of Equity shares during the year .The requirements of section 42 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

xi. (a) There is no instance of any fraud by the company or any fraud on the Company by its officers or employees, either noticed or reported during the period under review, on or by the Company.

(b) There is no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) There are no whistle-blower complaints received during the year by the company.

xii. The Company is not in the nature of a Nidhi Company as defined under Section 406 the Companies Act, 2013. Accordingly, the provision of clause 3(xii) of the order is not applicable to the company.

xiii. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. The provisions of Section 177 are not applicable to the company.

xiv. (a) In our opinion and according to the information and explanations given to us, the Company is not required to form an Internal audit System and hence provision clause 3(xiv) is not applicable to the company.

xv. The Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the



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Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirement of clause 3(xvi)(d) are not applicable.

xvii. The company has incurred cash losses in the financial year and in the immediately preceding financial year, The amount of cash losses is as under:

Financial Year	Amount
FY 23-24	Rs.63,72,28,923
FY 22-23	Rs.40,20,67,941

xviii. There is no resignation of the statutory auditors during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is 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 future viability of the company. We further state that our report is based on facts up to the date of the audit report and we neither give 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 due.

xx. The provisions of Section 135 of the Companies Act are not applicable to the company. Accordingly, the provision of clause 3(xx) of the Order is not applicable to the Company.

xxi. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

**For C.M. GABHAWALA & CO**  
**Chartered Accountants**  
**Firm Registration No: 102870W**

**Deven Gabhawala**  
**Partner**  
**Membership no: 100275**  
**Place: Mumbai**  
**Date: 3<sup>rd</sup> May, 2024**  
**UDIN: 24100275BKCRAH7422**



# **C. M. GABHAWALA & CO. (Regd.)**

## **CHARTERED ACCOUNTANTS**

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**Annexure B to the Independent Auditors' report on the financial statement for the year ended 31<sup>st</sup> March, 2024**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 1 A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Herbolab India Private Limited ("the Company") as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2024 based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's Management and Board of directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").



# **C. M. GABHAWALA & CO. (Regd.)**

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### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial controls with Reference to Financial Statements**

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



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### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

**For C.M. GABHAWALA & CO**

**Chartered Accountants**

**Firm Registration No: 102870W**

**Deven Gabhawala**

**Partner**

**Membership no: 100275**

**Place: Mumbai**

**Date: 3<sup>rd</sup> May, 2024**

**UDIN: 24100275BKCRAH7422**



(All amounts in ₹, unless other wise stated)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
<b>I. Assets</b>			
(1) <b>Non-current Assets</b>			
(a) Property, plant and equipment	3	3,54,62,232	3,91,54,341
(b) Right of Use Assets	4	5,80,85,482	7,22,49,735
(c) Capital Work-in-progress	5	-	-
(d) Investment property	6	96,000	96,000
(e) Intangible assets	7	1,36,98,816	3,68,983
(f) Financial assets			
(i) Investments	8	1,05,000	1,05,000
(ii) Other financial assets	9	51,94,251	64,16,595
(g) Other Non-current assets	10	31,34,405	42,87,393
<b>Total non-current assets</b>		<b>11,57,76,186</b>	<b>12,26,78,046</b>
(2) <b>Current Assets</b>			
(a) Inventories	11	3,57,96,652	5,54,27,165
(b) Financial assets			
(i) Trade receivables	12	1,31,27,823	4,89,78,149
(ii) Cash and cash equivalents	13	30,89,156	15,61,119
(iii) Other financial assets	9	-	-
(c) Other Current assets	14	24,77,84,274	16,29,67,464
<b>Total current assets</b>		<b>29,97,97,905</b>	<b>26,89,33,897</b>
<b>Total assets</b>		<b>41,55,74,091</b>	<b>39,16,11,943</b>
<b>II. Equity and liabilities</b>			
(1) <b>Equity</b>			
(a) Equity share capital	15	2,04,66,620	2,04,66,620
(b) Other equity	16	(89,61,35,457)	(23,41,48,644)
<b>Total equity</b>		<b>(87,56,68,837)</b>	<b>(21,36,82,024)</b>
(2) <b>Liabilities</b>			
(1) <b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liabilities	18	5,50,31,291	6,57,50,154
(b) Provision	19	88,06,897	67,05,973
<b>Total non-current liabilities</b>		<b>6,38,38,188</b>	<b>7,24,56,127</b>
(2) <b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	1,05,95,00,000	37,80,00,000
(ii) Lease Liabilities	18	1,05,88,913	1,02,24,204
(iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		96,15,263	88,91,191
- total outstanding dues of creditors other than micro and small enterprises	20	7,38,61,035	6,93,40,643
(iv) Other financial liability	21	1,67,43,741	1,22,04,422
(b) Other Current liabilities	22	5,68,11,547	5,41,44,359
(c) Provision	19	2,84,239	33,022
<b>Total Current liabilities</b>		<b>1,22,74,04,739</b>	<b>53,28,37,840</b>
<b>Total liabilities</b>		<b>1,29,12,42,927</b>	<b>60,52,93,967</b>
<b>Total equity and liabilities</b>		<b>41,55,74,091</b>	<b>39,16,11,943</b>

Notes forming part of Financial Statements


1-43

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

For C. M. Gabhawala and Co.

Chartered Accountants

FRN: 102870W

  
Deven Gabhawala  
Partner  
Membership No. 100275



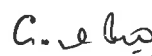
Place : Mumbai  
Date : 03/05/2024

For and on behalf of the board of directors



Rohit Garg  
Director  
DIN: 07782248

Kolkata



Gopal Rathi  
Director  
DIN: 00553066

Kolkata



## HERBOLAB INDIA PRIVATE LIMITED

CIN:U51909WB1980PTC268995

## Statement of Profit and Loss for the year ended 31st March ,2024

(All amounts in ₹, unless other wise stated)

		For the year ended 31st March,2024	For the year ended 31st March,2023
	Notes		
I.	Revenue from operations		
	Sale of goods/income from operation	33,34,26,632	29,72,15,409
		<b>33,34,26,632</b>	<b>29,72,15,409</b>
II.	Other income	6,93,663	35,45,902
III.	Total income (I+II)	<b>33,41,20,295</b>	<b>30,07,61,311</b>
IV.	Expenses		
	Cost of materials consumed	3,04,31,620	5,52,72,030
	Purchases of Stock- in -trade	5,78,23,027	7,22,99,792
	Change in inventories of finished goods, work-in-progress and Stock in	2,21,95,117	(2,82,72,936)
	Employee benefits expense	13,19,12,490	9,24,25,967
	Finance costs	7,84,84,005	1,59,42,679
	Depreciation and amortization expense	1,93,38,575	1,24,61,401
	Other expenses	65,70,47,323	49,62,41,760
	Total expense	<b>99,72,32,157</b>	<b>71,63,70,694</b>
V	Profit/(Loss) before exceptional items and tax (III-IV)	(66,31,11,862)	(41,56,09,383)
	Exceptional items	-	-
VI.	Profit/(Loss) before tax	(66,31,11,862)	(41,56,09,383)
VII.	Tax Expense		
	(1) Current tax	-	-
	(2) Deferred tax (Credit)	-	-
	(3) Short / ( excess) Provision	-	-
	Income tax expense / (Credit)	-	-
VIII.	Profit/(Loss) for the year (VI-VII)	(66,31,11,862)	(41,56,09,383)
IX.	Other comprehensive income		
	<u>(A)(i)Items that will not be reclassified to profit or loss</u>		
	Re- measurements gain/ (loss) on defined benefit plans	11,25,050	4,29,672
	<u>(ii)Income Tax relating to items that will not be reclassified to profit or loss</u>		
	Re- measurements gain/ (loss) on defined benefit plans	-	-
	Other comprehensive income /(expense) for the year, net of tax	<b>11,25,050</b>	<b>4,29,672</b>
X.	Total comprehensive income for the year, net of tax attributable to equity holders (VIII+IX)	<b>(66,19,86,812)</b>	<b>(41,51,79,711)</b>
	Earnings per equity share (Face Value of Rs 10 each)		
		(324.00)	(206.39)
	Basic, computed on the basis of profit attributable to equity holders	(324.00)	(206.39)
	Diluted,computed on the basis of profit attributable to equity holders		

Notes forming part of Financial Statements

1-43

This is the standalone Statement of profit and loss referred to in our report of even date

For C. M. Gabhawala and Co.  
Chartered Accountants  
FRN: 102870W

For and on behalf of the board of directors

  
Devan Gabhawala  
Partner  
Membership No. 100275



  
Rohit Garg  
Director  
DIN: 07782248

Kolkata

  
Gopal Rath  
Director  
DIN: 00553066

Kolkata

Place : Mumbai

Date : 03/05/2024

HERBOLAB INDIA PRIVATE LIMITED  
CIN:U51909WB1980PTC268995  
Statement of Cash Flows for the year ended 31st March,2024  
(All amounts in ₹, unless other wise stated)

	For the year ended 31st March,2024	For the year ended 31st March,2023
<b>Cash Flow from Operating activities</b>		
Profit/(loss) before tax	(66,31,11,862)	(41,56,09,383)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	1,93,06,105	1,24,01,626
Amortisation and impairment of intangible assets	32,470	59,775
Finance cost on Working Capital loan	7,15,58,960	1,11,14,385
Finance cost on Lease liability	68,98,884	42,43,905
Finance cost on Others	26,161	5,84,389
ECL Provision	69,32,700	14,21,754
Obsolete Stock provision	(4,56,195)	(2,15,820)
Interest Income on financial assets carried at amortised cost	5,57,628	3,01,754
Interest expense on financial liabilities carried at amortised cost	-	(9,469)
Short Term Capital Gain on Investment	-	(9,469)
Operating Loss before working capital changes	(55,82,55,148)	(38,48,00,870)
<b>Working capital adjustments:</b>		
(Increase)/ decrease in trade receivables	2,89,17,625	(2,06,55,475)
(Increase)/ decrease in inventories	1,96,30,514	(2,79,24,505)
Increase/(decrease) in trade and other payables	52,44,465	2,39,18,268
Increase / (decrease) in Other Current liabilities	26,67,189	1,77,17,133
Increase / (decrease) in Other Financial Liabilities	45,39,319	51,15,139
(Increase)/ decrease in Other financial assets	16,78,539	(49,96,150)
Increase / (decrease) in provisions (actuarial)	34,77,191	23,31,690
(Increase) / decrease in Other Current assets	(8,48,16,806)	(5,79,81,022)
	(57,69,17,113)	(44,72,75,793)
Taxes Paid (TDS)	5,95,360	(7,44,966)
Net cash flows used in operating activities	(57,63,21,753)	(44,80,20,759)
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,49,12,183)	(2,26,67,807)
Purchase of Right of use asset	1,00,136	(4,76,20,961)
Proceeds from Sale of current investments (net)	-	9,469
Net cash flows used in investing activities	(1,48,12,047)	(7,02,79,299)
<b>Financing Activities</b>		
Proceeds from Working capital term loan(Net)	68,15,00,000	37,80,00,000
Issue of shares	-	10,72,820
Securities premium	-	10,79,25,692
Interest Paid	(7,15,58,960)	(1,11,14,385)
Lease Liability (Net)	(1,03,54,154)	4,17,66,849
Interest on lease liability	(68,98,884)	(42,43,905)
Other Financing cost	(26,161)	(5,84,389)
Net cash flows from/(used in) financing activities	59,26,61,841	51,28,22,682
Net increase /decrease in cash and cash equivalents	15,28,041	(54,77,377)
Cash and cash equivalents at the beginning of the year	15,61,116	70,38,493
Cash and cash equivalents at year end	30,89,156	15,61,116
<b>** Comprises of</b>		
Balance with bank in current accounts	29,80,891	14,81,951
Cash in hand	1,08,265	79,165
Total	30,89,156	15,61,116

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

This is the Statement of Cash Flows referred to in our Report of even date.

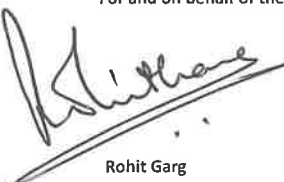
For C. M. Gabhawala and Co.  
Chartered Accountants  
FRN: 102870W

  
Devan Gabhawala  
Partner  
Membership No. 100275

Place : Mumbai  
Date : 03/05/2024



For and on behalf of the board of directors



Rohit Garg  
Director  
DIN: 07782248

Kolkata

  
Rohit Garg  
Director  
DIN: 07782248

Kolkata



HERBOLAB INDIA PRIVATE LIMITED  
CIN:U51909WB1980PTC268995  
Statement of Changes In Equity for the year ended 31st March, 2024  
(All amounts in ₹, unless other wise stated)

A. Equity share capital:

Equity shares of INR 10 each issued, subscribed and fully paid	No.	₹
Balance as at 1st April, 2022	19,39,380	1,93,93,800
Shares issued during the year	1,07,282	10,72,820
Balance as at 31st March, 2023	20,46,662	2,04,66,620
Shares issued during the year	-	-
Balance as at 31st March, 2024	20,46,662	2,04,66,620

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
2,04,66,620	-	-	-	2,04,66,620

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,93,93,800	-	-	10,72,820	2,04,66,620

B. Other equity (Refer Note 16)

Particulars	Share Application Money Pending Allotment	Reserves and surplus		Other Comprehensive Income	Total Other Equity
		Securities Premium Reserve	Retained earnings	Other items of OCI	
Balance as at 1st April, 2023	-	78,25,28,207	(1,01,73,39,228)	6,62,377	(23,41,48,644)
Profit/(Loss) for the year	-	-	(66,31,11,862)	-	(66,31,11,862)
Share Application Money Received	-	-	-	-	-
Transfer to Equity Share Capital	-	-	-	-	-
Transfer to Equity Securities premium	-	-	-	-	-
Share application money refunded during the period	-	-	-	-	-
During Year -23-24	-	-	-	11,25,050	11,25,050
Balance as at 31st March 2024	-	78,25,28,207	(1,68,04,51,091)	17,87,427	(89,61,35,457)

Particulars	Share Application Money Pending Allotment	Reserves and surplus		Other Comprehensive Income	Total Other Equity
		Securities Premium Reserve	Retained earnings	Other items of OCI	
Balance as at 1st April, 2022	-	67,46,02,515	(60,17,29,846)	2,32,705	7,31,05,374
Profit/(Loss) for the year	-	-	(41,56,09,383)	-	(41,56,09,383)
Share Application Money Received	10,90,00,000	-	-	-	10,90,00,000
Transfer to Equity Share Capital	(10,72,820)	-	-	-	(10,72,820)
Transfer to Equity Securities premium	(10,79,25,692)	10,79,25,692	-	-	-
Share application money refunded during the period	(1,488)	-	-	-	(1,488)
During Year -23-24	-	-	-	4,29,672	4,29,672
Balance as at 31st March 2023	-	78,25,28,207	(1,01,73,39,228)	6,62,377	(23,41,48,644)

This is the Statement of Changes in Equity referred to in our Report of even date.

For C. M. Gabhawala and Co.

Chartered Accountants  
FRN: 102870W

*Deven Gabhawala*  
Deven Gabhawala  
Partner  
Membership No. 100275

Place : Mumbai  
Date : 03/05/2024



For and on behalf of the board of directors

*Rohit Garg*  
Rohit Garg  
Director  
DIN: 07782248

Kolkata

*Gopal Rath*  
Gopal Rath  
Director  
DIN: 00553066

Kolkata



## Notes forming part of Financial Statements

### 1 Corporate information

The Company was incorporated on 15th May 1980 as a Private Limited Company (CIN: U51909MH1980PTC022628) under the Companies Act, 1956 with the principle objective to carry on the business of manufacturing ayurvedic medicines.

### 2 Significant accounting policies

#### 2.1 Basis of preparation

##### a. Statement of Compliance

The Financial statements of the Company are prepared on Going Concern basis in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) relevant amendment rules issued thereafter.

##### b. Functional and Presentation Currency

These standalone financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts have been rounded-off upto two decimal places, unless otherwise indicated.

##### c. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis, except for certain assets and liabilities which has been measured at Fair Value basis as mentioned below:

Items	Measurement Basis
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

#### Key accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

##### e. Current versus non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as upto 12 months for the purpose of current/non-current classification of assets and liabilities.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

#### 2.2 Summary of significant accounting policies

##### a. Property, plant and equipment

###### Recognition and Measurement

Property, plant and equipment are stated at cost, less accumulated depreciation/impairment losses if any. The cost of an item of property, plant and equipment comprises its purchase price after deducting trade discounts and rebates, incidental expenses, erection/ commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and 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. A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

###### Subsequent Expenditure

Subsequent expenditure relating to an item of the asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other related expenses, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.



## Notes forming part of Financial Statements

### **Depreciation, Estimated useful life and residual value**

Depreciation on fixed assets is provided, on their having been put into use, in the following manner:

Depreciation on fixed assets is provided on Straight Line Method at the rate derived with reference to the useful life as specified under Part 'C' of Schedule II of the Companies Act' 2013, residual value of tangible assets, where considered, has been taken as five percentage of the original cost of such assets.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Block of Asset	Useful life ( in years)
Plant and machinery	*10-15
Tool & Equipment	5
Dies & Moulds	1
Furniture & fixtures	10
Building	30
Computer & peripherals	3
Electrical Installation	10
Lab equipments	10
Office equipments	5
Leasehold Improvement	Over Contract period

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial years end and adjusted prospectively, if appropriate.

The carrying amount of assets is reviewed at each balance sheet date, to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount which is the greater of net selling price and value in use of the respective assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### **Capital work-in-progress and Capital advances**

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

## **b. Intangible assets**

### **Recognition and Measurement**

Acquired Computer softwares and knowhow & licenses are capitalised on the basis of the costs incurred to acquire and bring the specific asset to its intended use and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over the useful economic life on a straight line basis and assessed for impairment whenever there is an impairment indicator. The amortisation expense is recognised in the statement of profit and loss.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Class of Assets	Estimated useful lives
Trademark	10 years
Website	05 years

## **c. Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.



## Notes forming part of Financial Statements

### **d. Leases :**

#### **The Company as a lessee:**

The Company's lease asset classes primarily consist of leases for land, buildings and plant and machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **The Company as a lessor:**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### **e. Inventories**

Raw materials, work-in-progress, finished goods and packing materials are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials and packing materials, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties,

taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

### **f. Impairment of assets**

#### **(i) Non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is provided for to arrive at its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.



## Notes forming part of Financial Statements

### **(ii) Financial assets**

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. The Company tests for impairment using the ECL model for financial assets such as trade receivables, loans and advances to be settled in cash and deposits.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. Life time ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. For financial assets measured at amortised cost, ECL is presented as an allowance which reduces the net carrying amount of the financial asset.

### **g. Financial asset and liabilities**

#### Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. 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.

#### Classification and subsequent Measurement

The financial assets are classified in the following categories :

- 1) financial assets measured at amortised cost.
- 2) financial assets measured at fair value through profit & loss account
- 3) financial assets measured at fair value through other comprehensive income

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

#### **Financial assets measured 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.

#### **Financial instruments measured at fair value through other comprehensive income (FVTOCI)**

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.

#### **Financial instruments measured at fair value through profit or loss account (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### **Financial liabilities**

Financial liabilities are subsequently carried at amortised 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.

#### Derecognition

##### **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets 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. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

### **h Foreign currencies Transactions**

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction. Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

### **i. Segment Reporting**

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes.

The operating segment of the Company is identified to be "manufacturing and distribution of Ayurvedic medicines" as the CODM reviews business performance at an overall Company level as one segment.



## Notes forming part of Financial Statements

### **j. Revenue recognition**

Revenue from sale of products is recognised when control of products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers. Revenue is measured at fair value of the consideration received or receivable and are accounted for net of returns, rebates and trade discount and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates.

Customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example taxes collected on behalf of government). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. The transaction price is allocated by the Company to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods to the customer. For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. When either party to a contract has performed its obligation, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income is recognized using effective interest method.

Dividend income is recognized at the time when the right to receive is established by the reporting date.

Other incomes have been recognized on accrual basis in the financial statements, except when there is uncertainty of collection.

### **k. Borrowing costs**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds and also include exchange differences to the extent regarded as an adjustment to the same. Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss as incurred.

### **l. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cheques in hand, cash at bank and cash in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances and short-term deposits, as defined above.

### **m. Taxes**

#### **(i) Current Income tax**

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity)

#### **(ii) Deferred tax and Liabilities**

Deferred tax is provided on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

### **n. Fair value**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included in 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 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.



## Notes forming part of Financial Statements

### **o. Provisions and Contingent Liabilities**

A provision is recognised if, as a result of a past event, the Group 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. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

### **p. Employee benefits**

(i) **Short-term employee benefits:** Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as and when the related services are 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 amount of obligation can be estimated reliably.

(ii) **Defined contribution plans:** A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to provident and superannuation fund are recognised as an employee benefit expense in Statement of Profit and Loss when the contributions to the respective funds are due.

(iii) **Defined benefit plans:** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity benefit scheme is a defined benefit plan. 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 calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. 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 plans.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses due to experience adjustments, changes in actuarial assumptions and the return on plan assets (excluding interest) are recognised in Other comprehensive income (OCI). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

(iv) **Compensated absences:** The employees of the Company are entitled to compensated absences which are both accumulating and nonaccumulating in nature. The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Non-accumulating compensated absences are recognised in the period in which the absences occur.

### **q. Expenses**

All expenses are accounted for on accrual basis.

### **r. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss before Other Comprehensive Income for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss before Other Comprehensive Income for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



Notes to the financial statements  
(All amounts in ₹, unless otherwise stated)

3 Property, plant and equipments

Gross Carrying Amount	Leasehold Improvement	Buildings	Plant and equipment	Furniture and fixtures	Computer and data processing units	Office equipment	Total
Balance as on 1st April 2022	34,73,783	24,09,180	84,96,676	13,49,439	6,59,136	16,77,817	1,80,66,031
Additions	-	76,48,000	1,24,55,714	74,03,154	63,32,526	14,75,392	3,53,14,786
Deletions	-	-	1,877	-	-	-	1,877
Balance as on 31st March 2023	34,73,783	1,00,57,180	2,09,50,513	87,52,593	69,91,662	31,53,209	5,33,78,940
Additions	-	4,96,981	19,02,771	7,19,383	5,56,516	28,679	37,04,330
Deletions	34,73,783	-	7,68,821	3,22,883	72,780	2,01,981	48,40,248
Balance as on 31st Mar 2024	-	1,05,54,161	2,20,84,463	91,49,093	74,75,398	29,79,907	5,22,43,022
Accumulated depreciation	Leasehold Improvement	Buildings	Plant and equipment	Furniture and fixtures	Computer and data processing units	Office equipment	Total
Balance as on 1st April 2022	13,89,414	21,96,394	34,50,745	10,71,995	6,06,308	11,47,340	98,62,196
Depreciation expense for the year	3,34,260	2,06,215	9,96,497	5,07,440	20,14,469	3,03,522	43,62,403
Deletions	-	-	-	-	-	-	-
Balance as on 31st March 2023	17,23,674	24,02,609	44,47,242	15,79,435	26,20,777	14,50,862	1,42,24,599
Depreciation expense for the year	3,34,260	2,66,097	12,38,194	7,98,669	20,68,269	4,37,931	51,43,420
Deletions	20,57,934	-	82,694	2,15,761	59,616	1,71,225	25,87,230
Balance as on 31st Mar 2024	0.00	26,68,706.00	56,02,742.00	21,62,343.28	46,29,429.94	17,17,568.00	1,67,80,789.22
Net block	Leasehold Improvement	Buildings	Plant and equipment	Furniture and fixtures	Computer and data processing units	Office equipment	Total
Balance as on 31st Mar 2024	-	78,85,455	1,64,81,721	69,86,749	28,45,968	12,62,339	3,54,62,232
Balance as on 31st March 2023	17,50,109	76,54,571	1,65,03,271	71,73,158	43,70,885	17,02,347	3,91,54,341



Notes to the financial statements  
(All amounts in ₹, unless other wise stated)

4 Right-of-use assets

Gross Carrying Amount	Right-of-use assets	Total
As At 1st April, 2022	3,98,17,518	3,98,17,518
Additions	4,78,96,299	4,78,96,299
Deduction	2,75,338	2,75,338
Balance as at 31st March, 2023	8,74,38,479	8,74,38,479
Additions	-	-
Deduction / Adjustments	94,68,301	94,68,301
Balance as on 31st Mar 2024	7,79,70,178	7,79,70,178

Accumulated depreciation	Right-of-use assets	Total
As At 1st April, 2022	71,49,521	71,49,521
Depreciation	80,39,223	80,39,223
Reversal on disposal of assets	-	-
Balance as at 31st March, 2023	1,51,88,744	1,51,88,744
Depreciation	1,40,64,116	1,40,64,116
Reversal due to Adjustments / Disposal of assets	93,68,164	93,68,164
Balance as on 31st Mar 2024	1,98,84,696	1,98,84,696

Net block		
Balance as on 31st Mar 2024	5,80,85,482	5,80,85,482
Balance as at 31st March, 2023	7,22,49,735	7,22,49,735

Refer Note no. 38



Notes to the financial statements  
(All amounts in ₹, unless other wise stated)

5 Capital Work - in- progress

Gross Carrying Amount	Total
As At 1st April, 2022	1,26,45,102
Additions	-
Less: Transfer to Property, Plant and Equipment	1,26,45,102
<b>Balance as at 31st March, 2023</b>	-
Additions	1,36,90,000
Less: Transfer to Property, Plant and Equipment	1,36,90,000
<b>Balance as at 31st March, 2024</b>	-

5.1 CWIP ageing schedule

As At 31st, March 2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As At 31st, March 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-



Notes to the financial statements  
(All amounts in ₹, unless other wise stated)

6 Investment property

Gross Carrying Amount	Investment in	Total
Balance as on 1st April 2021	96,000	96,000
Additions	-	-
Deletions	-	-
Balance as on 31st March 2023	96,000	96,000
Additions	-	-
Deletions	-	-
Balance as on 31st Mar 2024	96,000	96,000

7 Intangible Asset

Gross Carrying Amount	Computer Software	Trade Marks	Website	Total
Balance as on 1st April 2022	3,27,697	6,09,344	-	9,37,041
Additions	-	-	-	-
Deletions	-	-	-	-
Balance as on 31st March 2023	3,27,697	6,09,344	-	9,37,041
Additions	-	-	1,36,90,000	1,36,90,000
Deletions	3,27,697	-	-	3,27,697
Balance as on 31st Mar 2024	-	6,09,344	1,36,90,000	1,42,99,344
Accumulated depreciation	Computer Software	Trade Marks	Website	Total
Balance as on 1st April 2022	37,007	4,71,276	-	5,08,283
Depreciation expense for the year	30,780	28,995	-	59,775
Reversal on disposal of assets	-	-	-	-
Balance as on 31st March 2023	67,787	5,00,271	-	5,68,058
Depreciation expense for the year	30,780	28,994	71,263	1,31,037
Reversal on disposal of assets	98,567	-	-	98,567
Balance as on 31st Mar 2024	0	5,29,265	71,263	6,00,528
Net block	Computer Software	Trade Marks	Website	Total
Balance as on 31st Mar 2024	(0)	80,079	1,36,18,737	1,36,98,816
Balance as on 31st March 2023	2,59,910	1,09,073	-	3,68,983



HERBOLAB INDIA PRIVATE LIMITED

Notes to the financial statements

(All amounts in ₹, unless other wise stated)

8 Investments	As at 31 March 2024	As at 31 March 2023
<b>Non-current Investments</b>		
<b>Measure at cost</b>		
<b>Unquoted , fully paid</b>		
Arunodya Mills	1,05,000	1,05,000
1,05,000 Equity Shares of ₹ 1 each March 31, 2024 (March 31, 2023 105,000)		
	<b>1,05,000</b>	<b>1,05,000</b>

Aggregate amount of Quoted Investments - FVTPL

Market value amount of Quoted Investments - FVTPL

Aggregate amount of Unquoted Investments - Cost

1,05,000

1,05,000

9 Other financial assets

	As at 31 March 2024	As at 31 March 2023
<b>Non Current</b>		
Security Deposits	51,94,251	63,78,056
Bank Deposits	-	38,539
	<b>51,94,251</b>	<b>64,16,595</b>
<b>Current</b>		
Security Deposits	-	-
	<b>-</b>	<b>-</b>

9.1 Security Deposit is measured at amortised cost

10 Other Non-current assets

	As at 31 March 2024	As at 31 March 2023
Taxes paid (Net of Provisions for tax)	6,30,965	12,26,325
Prepaid Expense for leave and license agreement (Factory building and office premises)	25,03,440	30,61,068
	<b>31,34,405</b>	<b>42,87,393</b>



**HERBOLAB INDIA PRIVATE LIMITED**
**Notes to the financial statements**
**(All amounts in ₹, unless other wise stated)**

<b>11 Inventories</b>		<b>As at</b>	<b>As at</b>
<b>(At the lower of cost or net realisable value)</b>		<b>31 March 2024</b>	<b>31 March 2023</b>
Finished goods		2,51,61,238	4,31,09,693
Raw Materials		44,06,321	53,14,839
Packing Material		1,04,75,755	91,42,472
Less: Provision for obsolete stock		(42,46,662)	(21,39,839)
		<b>3,57,96,652</b>	<b>5,54,27,165</b>

<b>12 Trade receivables</b>		<b>As at</b>	<b>As at</b>
		<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Unsecured</b>			
Considered good		1,31,27,823	4,89,78,149
Considered doubtful		71,53,115	16,66,666
		<b>2,02,80,938</b>	<b>5,06,44,815</b>
Less: Allowance for doubtful debts		71,53,115	16,66,666
<b>Total Trade receivables</b>		<b>1,31,27,823</b>	<b>4,89,78,149</b>

<b>Of the above, trade receivable from</b>			
- Related Parties		16,70,719	9,14,468
- Others		1,14,57,104	4,80,63,681
		<b>1,31,27,823</b>	<b>4,89,78,149</b>

a) Trade receivables are non-interest bearing and are generally on credit terms .

Particulars	Outstanding for following periods from due date of payment as on March 31, 2024					
	Less Than	6 Months	1 to 2	2 to 3	Above	Total
	6 Months	1 Year	Year	Years	3 Years	
(i) Undisputed Trade receivable- Considered Good	1,19,84,924	6,49,610	4,37,569	55,719	(0)	1,31,27,823
(ii) Undisputed Trade receivable- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivable- credit impaired	16,564	6,89,446	39,40,688	15,56,610	9,49,806	71,53,114
(iv) Disputed Trade receivable- Considered Good	-	-	-	-	-	-
(v) Disputed Trade receivable- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivable- credit impaired	-	-	-	-	-	-
<b>Total Trade Receivable</b>	<b>1,20,01,488</b>	<b>13,39,057</b>	<b>43,78,257</b>	<b>16,12,330</b>	<b>9,49,806</b>	<b>2,02,80,937</b>
Less: Allowance for doubtful debts	16,564	6,89,446	39,40,688	15,56,610	9,49,806	71,53,114
<b>Net Trade Receivable</b>	<b>1,19,84,924</b>	<b>6,49,610</b>	<b>4,37,569</b>	<b>55,719</b>	<b>(0)</b>	<b>1,31,27,823</b>

Particulars	Outstanding for following periods from due date of payment as on March 31, 2023					
	Less Than	6 Months	1 to 2	2 to 3	Above	Total
	6 Months	1 Year	Year	Years	3 Years	
(i) Undisputed Trade receivable- Considered Good	4,11,68,383	37,91,107	18,51,438	21,67,222	-	4,89,78,149
(ii) Undisputed Trade receivable- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivable- credit impaired	1,64,584	3,66,929	1,79,195	4,77,979	4,77,979	16,66,667
(iv) Disputed Trade receivable- Considered Good	-	-	-	-	-	-
(v) Disputed Trade receivable- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivable- credit impaired	-	-	-	-	-	-
<b>Total Trade Receivable</b>	<b>4,13,32,967</b>	<b>41,58,036</b>	<b>20,30,633</b>	<b>26,45,201</b>	<b>4,77,979</b>	<b>5,06,44,816</b>
Less: Allowance for doubtful debts	1,64,584	3,66,929	1,79,195	4,77,979	4,77,979	16,66,667
<b>Net Trade Receivable</b>	<b>4,11,68,383</b>	<b>37,91,107</b>	<b>18,51,438</b>	<b>21,67,222</b>	<b>0</b>	<b>4,89,78,149</b>



HERBOLAB INDIA PRIVATE LIMITED  
Notes to the financial statements  
(All amounts in ₹, unless other wise stated)

13 Cash and cash equivalent

	As at 31 March 2024	As at 31 March 2023
Cash in Hand	1,08,265	79,165
<b>Balances with banks:</b>		
In current accounts	29,80,891	14,81,951
	<b>30,89,156</b>	<b>15,61,116</b>

14 Other Current assets

	As at 31 March 2024	As at 31 March 2023
<b>Advances recoverable in cash or kind or for value to be received</b>		
<b>Unsecured, considered good</b>		
Advances with Creditors	34,80,026	79,01,691
Loan to employees	2,00,000	
<b>Other Loans &amp; Advances</b>		
Balances with statutory / government authorities	24,31,43,270	15,40,15,692
Prepaid Expenses	9,60,979	10,50,081
	<b>24,77,84,274</b>	<b>16,29,67,464</b>



	As at 31st March 24		As at 31st March 23	
	Number	Amount	Number	Amount
15 Equity Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	30,00,000	3,00,00,000	30,00,000	3,00,00,000
	<u>30,00,000</u>	<u>3,00,00,000</u>	<u>30,00,000</u>	<u>3,00,00,000</u>
Issued, subscribed (fully paid up)				
Equity shares of ₹ 10 each	20,46,662	2,04,66,620	20,46,662	2,04,66,620
	<u>20,46,662</u>	<u>2,04,66,620</u>	<u>20,46,662</u>	<u>2,04,66,620</u>
Total issued, subscribed and fully paid share capital				

a) Reconciliation of the equity shares outstanding at the beginning and at the end of reporting period

	As at 31st March 24		As at 31st March 23	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	20,46,662	2,04,66,620	20,46,662	2,04,66,620
Add: Shares issued during the period	-	-	-	-
Less: Shares bought back during the period	-	-	-	-
Balance at the end of the year	<u>20,46,662</u>	<u>2,04,66,620</u>	<u>20,46,662</u>	<u>2,04,66,620</u>

b) Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity share having the par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by promoter at the end of year

Shares held by promoter at the end of the year	As at 31st March 2024			As at 31st March 2023	
	Promoter Name	No. of Shares	% of Total Share	No. of Shares	% of Total Share
	RPSG Ventures Ltd	20,46,662	100%	20,46,662	100%

d) Details of shareholders holding more than 5% equity shares in the Company and equity shares held by the holding Company

Name of shareholder	As at 31st March 24		As at 31st March 23	
	Number	% of holding	Number	% of holding
Equity shares				
RPSG Ventures Limited ( formerly known as CESC Ventures Limited )	20,46,662	100%	20,46,662	100%
	<u>20,46,662</u>	<u>100%</u>	<u>20,46,662</u>	<u>100%</u>

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 ownership of shares.



**Notes to the financial statements**

(All amounts in ₹, unless other wise stated)

16 Other Equity	As at 31 March 2024	As at 31 March 2023
Share Application money Pending Allotment		
<u>Reserves &amp; Surplus:</u>		
Securities premium Reserve	78,25,28,207	78,25,28,207
Retained Earnings	(1,68,04,51,091)	(1,01,73,39,228)
OCI Reserve	17,87,427	6,62,377
	<b>(89,61,35,457)</b>	<b>(23,41,48,644)</b>
<u>Nature and purpose of other reserves</u>		

## 16.(i) Securities premium reserve

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

## 16.(ii) Retained earnings

This Reserve represents the cumulative profits / (losss) of the Company . This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

## 16.(iii) Other comprehensive Income

This Reserve represents the cumulative gains (net of losses) arising on Re- measurements gain/ (loss) on defined benefit plans through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings.



**17 Current Borrowing**

As at  
31st March,2024

As at  
31st March,2023

**Unsecured**

Working Capital Loan- from Related party\*

1,05,95,00,000	37,80,00,000
<b>1,05,95,00,000</b>	<b>37,80,00,000</b>

**20.1 Terms of repayment:**

The above is short term working capital loan and the amount is repayable on demand.

**20.2 Rate of Interest:**

The Rate of Interest is 10.70 % p.a. (March 31st, 2023 : 10% p.a.) and shall be payable on yearly basis.

**18 Lease Liabilities**

**(a) Non -current**

Lease Liabilities

As at  
31st March,2024

As at  
31st March,2023

5,50,31,291	6,57,50,154
<b>5,50,31,291</b>	<b>6,57,50,154</b>

**(a) Current**

Lease Liabilities

1,05,88,913	1,02,24,204
<b>1,05,88,913</b>	<b>1,02,24,204</b>

**19 Provisions**

As at  
31st March,2024

As at  
31st March,2023

**(i) Non Current**

**Provision for Expenses**

Provision for employess benefits- Leave Encashment

Provision for employess benefits- Gratuity

23,29,799	17,65,409
64,77,098	49,40,564
<b>88,06,897</b>	<b>67,05,973</b>

**(ii) Current**

Provision for employess benefits- Leave Encashment

Provision for employess benefits- Gratuity

68,571	11,871
2,15,666	21,151
<b>2,84,239</b>	<b>33,022</b>



20 Trade payables

	As at 31st March,2024	As at 31st March,2023
- Micro and small enterprises#	96,15,263	88,91,191
- Others*	7,38,61,035	6,93,40,643
	<b>8,34,76,299</b>	<b>7,82,31,834</b>

# Information relating to trade payables to Micro and Small Enterprises

Particulars	As at 31st March,2024	As at 31st March,2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
-Principal	96,15,263	88,91,191
-Interest	-	1,97,843
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	1,97,843
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

\* includes due to Related parties ( Refer Note 33 )

As at 31, March 2024

Particulars	Outstanding for the following periods from the due date				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
1.) MSME	96,15,263	-	-	-	96,15,263
2.) Others	6,96,28,668	42,32,368	-	-	7,38,61,036
3.) Disputed Dues - MSME	-	-	-	-	-
4.) Disputed Dues - Others	-	-	-	-	-
	<b>7,92,43,931</b>	<b>42,32,368</b>	<b>-</b>	<b>-</b>	<b>8,34,76,299</b>

As at 31, March 2023

Particulars	Outstanding for the following periods from due date of paymnet				
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
1.) MSME	8,891,191	-	-	-	8,891,191
2.) Others	66,796,572	2,544,071	-	-	69,340,643
3.) Disputed dues- MSME	-	-	-	-	-
4.) Disputed dues- Others	-	-	-	-	-
<b>Total</b>	<b>75,687,763</b>	<b>2,544,071</b>	<b>-</b>	<b>-</b>	<b>78,231,834</b>



**HERBOLAB INDIA PRIVATE LIMITED**  
**Notes to the financial statements**  
**(All amounts in ₹, unless other wise stated)**

**21 Other Financial Liabilities**

**Current**

Payable to employees  
Interest payable on short term loan

As at 31st March,2024	As at 31st March,2023
1,67,43,741	1,04,92,105
-	17,12,317
<b>1,67,43,741</b>	<b>1,22,04,422</b>

**22 Other current liabilities**

Advance from customers  
Payable to statutory/government authorities  
Other Current Laibilities

As at 31st March,2024	As at 31st March,2023
1,99,509	36,94,693
79,09,069	36,09,704
4,87,02,969	4,68,39,961
<b>5,68,11,547</b>	<b>5,41,44,359</b>



**HERBOLAB INDIA PRIVATE LIMITED**  
**Notes to the financial statements**  
**(All amounts in ₹, unless other wise stated)**

	For the year ended 31st March,2024	For the year ended 31st March,2023
<b>23 Revenue from operations</b>		
Sale of Product	33,34,26,632	29,72,15,409
	<b>33,34,26,632</b>	<b>29,72,15,409</b>
<b>24 Other income</b>		
Other financial assets carried at amortised cost	4,56,195	2,15,820
Miscellaneous income	2,37,468	33,30,082
	<b>6,93,663</b>	<b>35,45,902</b>
<b>25 Cost of Material consumed</b>		
Opening stock	1,44,57,311	1,35,72,116
Add : Purchases (Net)	3,08,56,384	5,61,57,226
Less : Used for sampling and other purpose	-	-
Less : Closing stock	(1,48,82,075)	(1,44,57,311)
<b>Cost of Material Consumed</b>	<b>3,04,31,620</b>	<b>5,52,72,030</b>
<b>26 Purchases of Stock- in -trade</b>		
Finished Goods	5,78,23,027	7,22,99,792
	<b>5,78,23,027</b>	<b>7,22,99,792</b>
<b>27 Changes in inventories of finished goods, work in progress and stock in trade:</b>		
<b>Opening Inventory</b>		
Finished goods	4,31,09,693	1,48,36,757
<b>Closing Inventory</b>		
Finished goods	2,02,44,976	4,31,09,693
Stock of salable	6,69,600	-
<b>(Increase) / decrease in Inventory</b>	<b>2,21,95,117</b>	<b>(2,82,72,936)</b>
<b>28 Employee benefits expense</b>		
Salaries, wages and Bonus	12,56,98,677	8,64,22,593
Contribution to provident and other fund	47,43,549	35,18,872
Employee Insurance Expenses	8,42,824	2,35,428
Staff welfare expenses	6,27,440	22,49,074
	<b>13,19,12,490</b>	<b>9,24,25,967</b>
<b>29 Finance Costs</b>		
Interest on:		
Working Capital Loan	7,15,58,960	1,11,14,385
Lease Liability	68,98,884	42,43,905
Gratuity	-	2,39,349
Leave Encashment	-	85,056
Others	26,161	2,59,984
	<b>7,84,84,005</b>	<b>1,59,42,679</b>
<b>30 Depreciation and amortisation expense</b>		
Depreciation on Property, Plant &	51,43,422	43,62,403
Amortisation of intangible assets	1,31,037	59,775
Depreciation on right-of-use assets	1,40,64,116	80,39,223
	<b>1,93,38,575</b>	<b>1,24,61,401</b>



**HERBOLAB INDIA PRIVATE LIMITED****Notes to the financial statements****31 Other expenses**

Carriage,Freight and distribution expenses	8,62,56,311	7,38,27,171
Factory related expenses	1,29,75,902	1,22,63,799
Repair & Maintenance	1,53,344	11,69,544
Advertisement & Promotion expenses	42,42,45,336	38,46,59,225
Legal & Professional fees	10,61,78,344	31,00,762
<b>Payment to auditors</b>	-	-
- For Audit Fees	2,20,000	2,00,000
- For other services	75,000	75,000
Travelling, Boarding & Lodging	38,10,982	-
Rent	6,79,609	3,91,489
Provision for doubtful debts	69,32,700	14,21,754
Research and Development expense	24,33,054	42,51,786
Loss of assets	23,91,835	-
Misc Expenses	1,06,94,906	1,48,81,230
	<b>65,70,47,323</b>	<b>49,62,41,760</b>



32 Employee Benefit

1) Post Retirement Benefits - Defined Contribution Plan

Benefit (contribution to)	For the year ended 31-Mar-24	For the year ended 31-Mar-23
Provident fund	44,62,051	33,80,106
ESIC employer	77,464	1,22,181
<b>Total included in "Employees Benefit Expenses"</b>	<b>45,39,515</b>	<b>35,02,287</b>

2) Post Retirement Benefits - Defined Benefits Plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation are as follows:

	For the year ended 31-Mar-24	For the year ended 31-Mar-23
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
Balance at the beginning of the year	49,61,715	34,29,465
Current service cost	26,05,002	19,96,923
Interest cost	3,43,116	2,39,349
Actuarial (gain)/loss arising from assumption changes	3,57,495	18,598
Actuarial (gain)/loss arising due to change in Demographic	33,220	
Actuarial (gain)/loss arising from experience adjustments	(15,15,765)	(4,48,270)
Benefits Paid	(92,019)	(2,74,350)
<b>Balance at the end of the year</b>	<b>66,92,764</b>	<b>49,61,715</b>
<b>(ii) Reconciliation of present value of leave encashment</b>		
Balance at the beginning of the year	17,77,280	14,07,431
Current service cost	12,23,590	7,70,543
Interest cost	1,03,831	85,056
Actuarial (gain)/loss arising from assumption changes	1,26,275	6,723
Actuarial (gain)/loss arising due to change in Demographic	12,360	
Actuarial (gain)/loss arising from experience adjustments	(2,65,517)	(17,541)
Benefits Paid	(5,79,449)	(4,74,932)
<b>Balance at the end of the year</b>	<b>23,98,370</b>	<b>17,77,280</b>
<b>(iii) Reconciliation of fair value of plan assets</b>		
Balance at the beginning of the year	-	-
Interest Income on Plan Assets	-	-
Contribution by employer	-	-
Expected return on plan assets	-	-
Actuarial (gains) / loss	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>(iii) Net defined benefit liabilities / (assets)</b>		
Present value obligation as at the end of the year	90,91,134	67,38,995
Fair value of plan assets as at the end of the year	-	-
<b>Net liabilities recognized in balance sheet</b>	<b>90,91,134</b>	<b>67,38,995</b>
<b>(iv) Expense recognised in Statement of Profit or Loss</b>		
<b>Employee benefit expenses:</b>		
- Service cost	38,28,592	27,67,466
- Interest costs	4,46,947	3,24,405
<b>Net impact on profit before tax</b>	<b>42,75,539</b>	<b>30,91,871</b>
<b>(v) Remeasurement recognised in Other Comprehensive Income</b>		
Actuarial (gain)/loss arising from assumption changes	3,57,495	18,598
Actuarial (gain)/loss arising from experience adjustments	(15,15,765)	(4,48,270)
<b>Remeasurement losses / (gains) in other comprehensive income</b>	<b>(11,58,270)</b>	<b>(4,29,672)</b>

Notes forming part of Financial Statements

Note 32 Employee Benefit (Continued)

(vi) With the objective of presenting plan assets and obligations of the defined benefit plans at their fair value at Balance Sheet date, assumptions used under Ind AS 19 are set by reference to market conditions at the valuation date.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Discount rate (per annum)	6.98%	7.27%
Expected rate of return on plan assets	NA	NA
Salary escalation rate (per annum)	10%	10%
Withdrawal rate (per annum)	20%	20%
Expected average remaining working lives of employees (years)	21	24
Mortality	IALM 2012-2015 ULTIMATE	IALM 2012-2014 ULTIMATE

(viii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



(ix) **Sensitivity Analysis:** Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	Year ended		Year ended	
	Increase	Decrease	Increase	Increase
(i) Discount Rate (0.5% Movement)	61,10,627	73,48,320	45,22,653	54,57,341
(ii) Future Salary (0.5% Movement)	73,23,423	61,24,816	54,40,570	45,32,328
(iii) Mortality Rate(10% Movement)	66,86,741	66,98,787	49,55,414	49,68,066
(iv) Attrition Rate (0.5% Movement)	66,32,482	67,53,936	49,06,342	50,17,931

(x). **Assets and Liabilities relating to employee defined benefits - Estimated future payments of undiscounted gratuity is as follows:**

	Year ended 31 March 2024	Year ended 31 March 2023
Within 12 months	2,23,065	21,907
Between 2 and 5 years	9,21,836	11,14,302
Between 6 and 10 years	8,24,392	3,72,532
Beyond 10 years	2,83,52,405	2,35,05,595

3). Aforesaid defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investment.
Longevity risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.



33 Related Party Disclosures

(A) Related parties (where transactions have taken place during the year or previous year / balances

Names of related parties and related party

Holding company RPSG Ventures Limited RPSG Ventures Limited ( formerly known as CESC

Jointly controlled entities of promoters - Guiltfree Industries Limited  
Promoter Group

Spencers Retail Limited  
Natures Basket Limited  
RPSG Sports Pvt Ltd

Key Management Personnel

Gopal Rathi	
Srikanta Ramachandra Murthy Gopishetty	
Rohit Garg	
Rajeev Ramesh Chand Khandewal	
Gauri Malhotra	Cease w.e.f 31.12.2022

Relatives of KMP

(B) Details of transactions entered into with the related parties :

Particulars	Holding Company		Jointly controlled entities of promoters - Promoter Group		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
<b>Sales of Goods</b>										
Spencer's Retail Limited	-	-	1,37,876 (20,53,559)	5,84,924 (4,22,868)	-	-	-	-	1,37,876 20,53,559	5,84,924 Dr (4,22,868 Dr)
Natures Basket Limited	-	-	13,48,002 (8,44,047)	10,89,795 (6,48,952)	-	-	-	-	13,48,002 (8,44,047)	10,89,795 Dr (6,48,952 Dr)
<b>Expenses</b>										
Guiltfree Industries Limited	-	-	(24,00,647) (9,24,263)	-	-	-	-	-	(24,00,647) (9,24,263)	-
Spencer's Retail Limited	-	-	- (6,00,000)	-	-	-	-	-	- (6,00,000)	-
RPSG Sports Pvt Ltd	-	-	50,00,000 (50,00,000)	-	-	-	-	-	50,00,000 (50,00,000)	-
<b>Purchases</b>										
Guiltfree Industries Limited	-	-	10,33,532 (40,44,597)	(4,09,353) (-23,41,247)	-	-	-	-	10,33,532 (40,44,597)	4,09,353 Cr 23,41,247 Cr
Spencer's Retail Limited	-	-	2,34,810 -	(-61,089) -	-	-	-	-	2,34,810 -	61,809 Cr -
<b>Sale of Scrap</b>										
Guiltfree Industries Limited	-	-	- (19,000)	- (-19,950)	-	-	-	-	- (19,000)	- 19,950 Cr
<b>Interest Expense on Loan</b>										
Guiltfree Industries Limited	-	-	7,15,58,960 (92,11,810)	-	-	-	-	-	7,15,58,960 (92,11,810)	-
RPSG Ventures Limited ( formerly known as CESC Ventures Limited )	-	(17,12,317)	-	-	-	-	-	-	-	17,12,317 Cr
	(19,02,575)	(17,12,317)							(19,02,575)	17,12,317 Cr
<b>Loan Received</b>										
Guiltfree Industries Limited	-	-	68,15,00,000 37,80,00,000	(1,05,95,00,000) (37,80,00,000)	-	-	-	-	68,15,00,000 37,80,00,000	105,95,00,000 Cr 378,000,000 Cr
RPSG Ventures Limited ( formerly known as CESC Ventures Limited )	-	-	-	-	-	-	-	-	-	-
	(18,00,00,000)								(18,00,00,000)	-
<b>Loan Repayment</b>										
RPSG Ventures Limited ( formerly known as CESC Ventures Limited )	-	-	-	-	-	-	-	-	-	-
	(18,00,00,000)								(18,00,00,000)	-
<b>Share application money Received</b>										
RPSG Ventures Limited ( formerly known as CESC Ventures Limited )	-	-	-	-	-	-	-	-	-	-
	(10,90,00,000)								(10,90,00,000)	-
<b>Share application converted to Share capital</b>										
RPSG Ventures Limited ( formerly known as CESC Ventures Limited )	-	-	-	-	-	-	-	-	-	-
	(10,90,00,000)								(10,90,00,000)	-
<b>Share issued ( includes premium)</b>										
RPSG Ventures Limited ( formerly known as CESC Ventures Limited )	-	-	-	-	-	-	-	-	-	-
	(10,90,00,000)								(10,90,00,000)	-

Note 33 (B) (i) Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are provided on the basis of actuarial valuation as a Company as a whole, thus the same is not included above.

Note 33 (B) (ii) Figure disclosed above in bracket are related to Previous year



HERBOLAB INDIA PRIVATE LIMITED  
Notes forming part of Financial Statements  
(All amounts in ₹, unless other wise stated)

34	<b>Contingent liabilities and Capital commitments</b>	<b>For the year ended</b>	<b>For the year ended</b>
	(i) <b>Contingent liabilities:</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	Capital expenditure remaining to be executed	-	17,82,230
	Less: Already executed in CWIP	-	-
	<b>Net Contingent Liability</b>	-	<b>17,82,230</b>
35	<b>Tax expenses</b>	<b>For the year ended</b>	<b>For the year ended</b>
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
	<b>A. Amount recognised in Statement of Profit &amp; Loss</b>		
	Current tax	-	-
	Deferred tax:		
	- Deferred tax (credit)/ charge	-	-
	Short / ( excess) Provision	-	-
	<b>Tax Expense/ (credit)</b>	-	-
	<b>B. Amount recognised in Other Comprehensive Income</b>		
	Current tax	-	-
	Deferred tax:		
	- Deferred tax (credit)/ charge	-	-
	<b>Tax Expense/ (credit) relating to OCI items</b>	-	-
35(a)	<b>Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:</b>		
	Accounting Loss before tax	(66,31,11,862)	(41,56,09,383)
	Enacted tax rates in India (%)	26.00%	26.00%
	Computed expected tax expense	-	-
	Tax impact of Impact of Others adjustment	-	-
	<b>Income tax expense reported in Statement of Profit and Loss</b>	-	-
35(b)	<b>Details of income tax assets / (liabilities)</b>		
	<b>Non-current:</b>		
	Advance tax paid	-	-
	Income Tax Refundable	6,30,965	12,26,325
		<b>6,30,965</b>	<b>12,26,325</b>
	<b>Current:</b>		
	Income Tax Refundable	-	-
	Current income tax liabilities	-	-
	<b>Net income tax assets / (liabilities)</b>	-	-

Note: Deferred Tax Asset/(Liability) Is not recognised as company does not expect any profits in foreseeable future.

36 **Segmental information**

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes.

The operating segment of the Company is identified to be "manufacturing and distribution of Ayurvedic medicines" as the CODM reviews business performance at an overall Company level as one segment.

37 **1. Capital management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to shareholders through the optimization of debt and equity balance. Barring overdraft facilities and term loan being used, company has no outstanding debt.

The company's Board reviews the capital structure of the company on need basis. As part of this review board evaluates the leverage in company and assesses of cost of capital.

**2. Financial risk management**

**(a) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Adequate provisions are kept in books for any doubtful receivables and advances.



#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale, retail or institutional customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

The Company's exposure to credit risk for trade receivables by geographic region is as follows

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables		
- Domestic	1,31,27,823	4,89,78,149
- Export	-	-
	<b>1,31,27,823</b>	<b>4,89,78,149</b>

Trade receivables are usually due within 30-90 days. Generally and by practice most customers enjoy a credit period of approximately 30-90 days and are not interest bearing, which is the normal industry practice.

#### (b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2024 and 31 March 2023

Particulars	Carrying amount	Contractual cash flows		
		Less than 1 year	1 -5 years	More than 5 years
<b>As at 31 March 2024</b>				
<b>Financial liabilities</b>				
Trade payables	8,34,76,299	8,34,76,299	-	-
Lease Liabilities	6,56,20,204	1,05,88,913	5,20,76,097	29,55,194
Other financial liability	1,67,43,741	1,67,43,741	-	-
Short Term Borrowing	1,05,95,00,000	1,05,95,00,000	-	-
	<b>1,22,53,40,244</b>	<b>1,17,03,08,953</b>	<b>5,20,76,097</b>	<b>29,55,194</b>
<b>As at 31 March 2023</b>				
<b>Current Financial liabilities</b>				
Trade payables	7,82,31,834	7,82,31,834	-	-
Lease Liabilities	7,59,74,358	1,02,24,204	5,23,09,924	1,34,40,230
Other financial liability	1,22,04,422	1,22,04,422	-	-
Short Term Borrowing	37,80,00,000	37,80,00,000	-	-
	<b>54,44,10,614</b>	<b>47,86,60,460</b>	<b>5,23,09,924</b>	<b>1,34,40,230</b>

#### (c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to risk of change in Interest rate is significant.

##### (ii) Price risk

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

##### (iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company's receivables and payables due to transactions entered in foreign currencies.

The summary quantitative data about the Company's gross exposure to currency risk is as follows:

Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Trade receivables - Export receivables	INR	-	-
		-	-

#### Sensitivity analysis

The impact of strengthening/weakening of currency on the Company is not material.



**3. a) Financial instruments - fair values management and risk management**

Category-wise classification of financial instruments including their levels in the fair value hierarchy.

Financial assets and liabilities	Cost	Amortised Cost	FVTPL
<b>As at 31.03.2024</b>			
<b>(i). Financial assets</b>			
Investments			
- Equity shares	1,05,000	-	-
Trade receivables	1,31,27,823	-	-
Cash and cash equivalents	30,89,156	-	-
Other financial assets	25,03,444	26,90,807	-
<b>Total financial assets</b>	<b>1,88,25,424</b>	<b>26,90,807</b>	-
<b>(ii). Financial liabilities</b>			
Trade payables	8,34,76,299	-	-
Lease Liabilities	-	6,56,20,204	-
Other financial liability	1,67,43,741	-	-
Short Term Borrowing	1,05,95,00,000	-	-
<b>Total financial liabilities</b>	<b>1,15,97,20,040</b>	<b>6,56,20,204</b>	-
<b>As at 31.03.2023</b>			
<b>(i). Financial assets</b>			
Investments			
- Equity shares	1,05,000	-	-
Trade receivables	4,89,78,149	-	-
Cash and cash equivalents	15,61,119	-	-
Other financial assets	32,69,593	31,47,002	-
<b>Total financial assets</b>	<b>5,39,13,861</b>	<b>31,47,002</b>	-
<b>(ii). Financial liabilities</b>			
Trade payables	7,82,31,834	-	-
Lease Liabilities	-	7,59,74,358	-
Other financial liability	1,22,04,422	-	-
Short Term Borrowing	37,80,00,000	-	-
<b>Total financial liabilities</b>	<b>46,84,36,256</b>	<b>7,59,74,358</b>	-

**3. b) The following methods and assumptions were used to estimate the fair values:-**

(ii) The carrying amount of cash and cash equivalents is considered to be the same as their fair values, due to their short term nature.

(iii) Miscellaneous receivables/payables where carrying amount is reasonable approximation of fair value as settlement period cannot be reliably measured.

(iv) Considering the nature, risk profile and other qualitative factors of the financial instruments of the Company, the carrying amounts will be the reasonable approximation of the fair value.

- 38 The Group have taken various premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. Some of these lease agreements have price escalation clauses. There are no restrictions imposed by these lease arrangements and there are no sub leases. There are no contingent rents.  
The interest rate applied to lease liabilities is weighted average 9.75%.

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease Liabilities	1,05,88,913	1,02,24,204
Non-Current lease Liabilities	5,50,31,291	6,57,50,154
	<b>6,56,20,204</b>	<b>7,59,74,358</b>

The following is the movement in the lease liabilities during the year ended:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as Beginning of the Year	7,59,74,358	3,42,07,509
Additions	-	4,76,21,961
Finance cost accrued	68,98,884	42,43,905
Deletions	1,00,138	-
Payment of Lease Liabilities	1,71,52,900	1,00,99,017
<b>Balance as closing of year</b>	<b>6,56,20,204</b>	<b>7,59,74,358</b>

Total Cash Outflow on Leases

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

Particulars	For the year Ended 31 March 2024	For the year Ended 31 March 2023
Less than one year	1,64,87,438	1,71,52,900
One to Five years	6,36,32,206	6,81,88,394
More than five years	30,15,300	1,50,76,500
	<b>8,31,34,944</b>	<b>10,04,17,794</b>

- 39 Effect of adoption of Ind AS 116, Right-of-use assets includes additions of Nil ( 31st March 2023 Rs 4,78,96,299.34/-), Deduction / Adjustments of Rs. 94,68,301/- (31st March 2023 rs. 2,75,338/-) , depreciation of Rs. 1,40,64,116/- ( 31st March 2023 80,39,223/- ), Reversal due to Adjustments / Disposal of Assets Rs.93,68,164/- and closing balance for the year ended 31st March 2024 amounting to Rs 5,80,85,482/- ( 31st March 2023 Rs. 7,22,49,735/-)



Notes forming part of Financial Statements

**40 Earning per share (EPS)**

Basic EPS amounts are calculated by dividing the profit / (loss) for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit/loss and share data used in the basic and diluted EPS computations:

	As At 31 March 2024	As At 31 March 2023
Net profit/loss attributable to equity shareholders (₹)	(66,31,11,862)	(41,56,09,383)
Opening number of shares	20,46,662	19,39,380
Number of days	365	365
Additions during the period		57,086
Number of days		274
Additions during the period		14,763
Number of days		246
Additions during the period		35,433
Number of days		222
Additions during the period		
Number of days		
Additions during the period		
Number of days		
Additions during the period		
Number of days		
Weighted average number of equity shares in calculating basic and diluted EPS	20,46,662	20,13,734
Nominal value of equity share (₹)	10	10
Basic and diluted earning per share (₹)	(324.00)	(206.39)



**42 Additional Regulatory Information as required by Ministry of Corporate Affairs Notification dated 24th March 2021**

(i) All the title deeds of the Immovable Property held in the name of the Company.

(ii) The Company has not revalued its property, plant & equipment during the current or previous year.

(iii) The Company has not given any loans or advances in the nature of loans to promoters, directors, KMPs and/ or related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand, or (b) without specifying any terms or period of repayment.

(iv) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(v) There were no statement / returns required to be submitted to banks during the year in respect of borrowings from banks on the basis of security of current assets.

(vi) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(vii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 (as amended) or section 560 of (viii) The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

(ix) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

(x) The Company has not entered into any scheme of arrangement in terms of s. 230 to 237 of the Companies Act, 2013 which has an accounting impact on current or previous financial year.

(xi) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(xii) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xiii) The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(xiv) The section 135 of the Companies Act 2013 pertaining to Corporate Social Responsibility (CSR) are not applicable to the Company.

(xv) The Company has neither traded nor does it hold any investment in Crypto currency or Virtual Currency.

**43 Prior period comparatives**

Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure.

