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INDEPENDENT AUDITOR'S REPORT

To the members of
M/s. Balaxi Pharmaceuticals Limited

Report on the Audit of the Standalone IND AS Financial Statements

Opinion

We have audited the accompanying Ind AS Standalone financial statements of Balaxi Pharmaceuticals Limited, which comprise the balance sheet as at 31st March 2023, the statement of Profit and Loss (including Other Comprehensive income), Statement of Changes in Equity and Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and Profit for the year ended on that date.

Basis for Opinion

We conducted our audit 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 the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
Depending on the facts and circumstances of the entity and the Audit, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
The Company has obtained leasehold land by entering into lease agreement with Telangana State Industrial Infrastructure Corporation Limited attracting the adoption of Ind AS 116 "Leases". Significant judgement is required in the assumptions and estimates used in order to apply the definition of lease, application of discount rate, and lease term for computation of ROU asset and lease liability. We considered this a key audit matter due to the inherently judgmental nature to determine the lease liabilities.	Our audit procedures included the following: • Obtained an understanding of the Company's adoption of Ind AS 116 and identified the internal controls including entity level control adopted by the Company for accounting, processes and systems under the accounting standard; • Assessed the discount rates applied in determining lease liabilities; • We assessed and evaluated the reasonableness of lease terms used for computation lease liabilities and right-of - use assets; • We obtained the company's quantification of ROU assets and lease liabilities. We agreed the inputs used in the quantification to the lease agreements and performed re-computation of lease liabilities and ROU asset in accordance with the lease registration documents; • We assessed whether the related presentations and disclosures within the financial statements are appropriate in compliance with the requirements of Ind AS 116 "Leases".

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Management's Responsibility for the Standalone 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 and presentation of these Ind AS standalone financial statements that give a true and fair view of the financial position, financial performance(including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Relevant Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 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.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone financial statements.

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. 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, Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Relevant Rules issued there under.

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(e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the company during the year.

iv. The Management has represented that, to the best of its knowledge 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

vii. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with the section 123 of the Act to the extent it applies to the payment of dividend.

For P Murali& Co.,
Chartered Accountants
Firm Regn No. 007257S

MURALI & CO. Hyderabad Chartered Accountants

A Krishna Rao
Partner
Membership No. 020085
UDIN: 23020085BGQX108903

Place: Hyderabad
Date: 29-05-2023

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Annexure A to the Auditor's Report

Annexure referred to in paragraph 1 of Our Report of even date to the members of M/s. Balaxi Pharmaceuticals Limited on the accounts of the company for the year ended 31st March, 2023 Under "Report on other Legal & Regulatory Requirements"

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, PPE have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the company doesn't possess any immovable property. In respect of immovable properties taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are duly executed in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment or intangible assets during the period under review.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.

ii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company inventories have been physically verified at reasonable intervals of time and no material discrepancies have been found.

(b) During the year, the company was sanctioned funded working capital limits to the extent of Rs. 30 crores in the nature of cash credit on the basis of entire current assets. The quarterly statement filed by the Company with the bank is in agreement with the books of account of the Company.

iii. The company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

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iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees and securities as referred to in section 185 and 186 of the Act. The investments made are in compliance with section 186 of the Act

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act,2013 and the rules framed there under.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company.

vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty and other material statutory dues, as applicable.

(b) There are no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance and Income-tax and other material statutory dues in arrears as at 31st March 2023 for a period of more than 6 months from the date they became payable.

(c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company does not have any 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.

ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year . The company has not issued any debentures.

x. According to the information and explanations given to us,

(A) The Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans.

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(B) The Company has made preferential allotment of shares and share warrants during the year under review.

In respect of the above issue, we further report that:

a. the requirement of Section 42 of the Companies Act, 2013 as applicable, have been complied with; and

b. the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.

xi. During the course of examination of books of account and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of such cases by the management.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.

xiv. (a) In our opinion the company has an adequate internal audit system which commensurate with the size and nature of its business.

(b) The reports of the Internal Auditors for the period under audit were duly considered by us in determining the nature, timing and extent of our audit procedures.

xv. The Company has not entered into non-cash transactions with its directors or persons connected with him.

xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year.

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xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, based on our knowledge of the Board of Directors' and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and company is capable of meeting its liabilities existing at the date of balance sheet.

xx. a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. The same has been disclosed in Note 36 to the Standalone Financial Statements.

b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to an ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. The same has been disclosed in Note 36 to the Standalone Financial Statements.

For P Murali& Co.,
Chartered Accountants
Firm Regn No. 007257S

MURALI & CO. Hyderabad Chartered Accountants

A Krishna Rao
Partner
Membership No. 020085
UDIN: 23020085BGQX1D8903

Place: Hyderabad
Date: 29-05-2023

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Annexure B to the Auditor's Report

"Annexure B" referred to in paragraph 2(e) under "Report on other legal and Regulatory Requirements" section of report on Standalone Ind AS financial statements of even date to the members of M/s. Balaxi Pharmaceuticals Limited on the Standalone Ind AS financial statement for the year ended 31st march 2023.

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Balaxi Pharmaceuticals Limited ('the Company') as of 31st March 2023in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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Opinion

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

For P Murali& Co.,
Chartered Accountants
Firm Regn No. 007257S

MURALI & CO. Hyderabad Chartered Accountants

A Krishna Rao
Partner
Membership No. 020085
UDIN: 23020085BGQX108903

Place: Hyderabad
Date: 29-05-2023

Balaxi Pharmaceuticals Limited

Standalone Balance Sheet as at 31st March 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Particulars	Note No	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
ASSETS:			
1 Non-Current Assets:			
(a) Property, Plant and Equipment	3	789.44	220.18
(b) Capital Work-in-progress		283.16	57.20
(c) Goodwill		-	-
(d) Financial Assets:			
(i) Investments	4	1,953.50	1,960.91
(ii) Other Financial Assets			446.99
(e) Other Non Current Assets	5	44.33	98.87
2 Current Assets:			
(a) Inventories	6	149.49	-
(b) Financial Assets:			
(i) Trade Receivables	7	7,828.69	5,211.35
(ii) Cash and Cash Equivalents	8	1,787.69	84.43
(iii) Loans and Advances	9	21.80	5.19
(c) Other Current Assets	10	114.34	106.56
Total Assets		12,972.44	8,191.69
EQUITY AND LIABILITIES			
EQUITY			
1 Shareholder Funds			
(a) Equity Share Capital	11	1,018.13	1,000.00
(b) Other Equity	12	7,162.83	4,791.31
(c) Money received against Share Warrants	13	1,029.69	-
2 Share application money pending allotment		-	-
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings		-	-
(ia) Lease Liabilities		168.57	-
(ii) Trade Payables			
(A) Dues to MSME			
(B) Dues to Other than MSME			
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)	14	110.05	3.88
2 Current Liabilities			
(a) Financial Liabilities:			
(i) Trade Payables	15		
(A) Dues to MSME		1,225.93	
(B) Dues to Other than MSME		500.14	1,574.58
(ii) Borrowings	16	1,075.10	193.00
(b) Other Current Liabilities	17	231.27	153.99
(c) Provisions		-	-
(d) Current tax Liabilities (Net)	18	450.73	474.93
Total Equity and liabilities		12,972.44	8,191.69

Summary of Significant Accounting Policies 2

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

P. MURALI & CO. Hyderabad Chartered Accountants

A Krishna Rao
Partner
Membership No. 020085
UDIN: 23020085BGQX108903

Place : Hyderabad
Date : 29-05-2023

For and behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Amol Mantri
Chief Financial Officer

Udayan Shukla
Company Secretary

Balaxi Pharmaceuticals Limited

Statement of Profit and Loss for the Year ended 31st March 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Particulars	Note No	Year Ended 31-03-2023 Amount (Rs.)	Year Ended 31-03-2022 Amount (Rs.)
I. Revenue from Operations	19	10,813.76	10,129.20
II. Other Income	20	660.41	274.80
III. Total Income (I +II)		**11,474.17**	**10,403.99**
IV. Expenses:			
Cost of material consumed	21	8,209.51	7,691.92
Employee Benefits expense	22	404.13	289.88
Finance costs	23	45.90	6.12
Depreciation and Amortization Expense	3	51.54	25.03
Administrative Expenses	24	518.04	421.18
IV. Total Expenses		**9,229.12**	**8,434.12**
V. Profit/(Loss) before exceptional items and tax (III - IV)		2,245.05	1,969.87
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		2,245.05	1,969.87
VIII. Tax expense:			
(1) Current tax	25	516.67	499.94
(2) Deferred tax		106.17	3.17
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		1,622.21	1,466.75
X. Profit/(Loss) for the period from dis-continuing operations		-	-
XI. Other Comprehensive Income.			
A. Items that will not be reclassified to Profit or Loss			
(i) Exchange (gain)/Loss on foreign currency transactions		-	-
(ii) Actuarial loss on defined benefit plans recognised in accordance with Ind AS 19.		-	-
B. Items that will be reclassified to Profit or Loss		-	-
Total Comprehensive Income for the period		1,622.21	1,466.75
XII. Earnings per equity share (for continuing operation):	26		
(1) Basic		16.17	14.67
(2) Diluted		16.02	14.67

Summary of Significant Accounting Policies 2

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

P. MURALI & CO. Hyderabad Chartered Accountants

A Krishna rao
Partner
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Place : Hyderabad
Date : 29-05-2023

For and behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

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DIN: 01575975

Amol Mantri
Chief Financial Officer

Udayan Shukla
Company Secretary

Balaxi Pharmaceuticals Limited

Cash Flow Statement For The Year Ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

	Particulars	Year Ended 31-03-2023 Amount (Rs.)	Year Ended 31-03-2022 Amount (Rs.)
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net profit before taxation, and extraordinary items	2,245.05	1,969.87
	Adjustments for:		
	Interest	45.90	6.12
	Depreciation	51.54	25.03
	Comprehensive income for the year	-	-
	Operating Profit before working capital changes	2,342.49	2,001.01
	Adjustments for:		
	Increase/ (decrease) in trade payables	151.49	55.11
	Increase/ (decrease) in other financial liabilities	77.12	1.12
	Decrease / (increase) in other bank balance	(0.16)	0.82
	Decrease / (increase) in advance	(16.61)	(0.41)
	Decrease / (increase) in other receivables	54.54	(96.54)
	Decrease / (increase) in trade receivables	(2,617.35)	(505.34)
	Decrease / (increase) in Inventory	(149.49)	1.50
	Decrease / (increase) in Other Current Assets	(7.78)	
	Cash generated from operations	(165.75)	1,457.27
	Direct taxes paid (net of refunds)	(540.87)	(568.61)
	Cash flow before extraordinary items	(706.62)	888.66
	Extraordinary items	-	-
	NET CASH FLOW FROM OPERATING ACTIVITIES	(706.62)	888.66
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	(10.93)	(175.81)
	Capital work in progress	(225.96)	(57.20)
	Proceeds from other financial assets	-	-
	Proceeds from Loan	-	-
	Proceeds to Advances	-	(446.99)
	Investment in Non-Current Investments	7.41	(7.41)
	Net Cash Used In Investing Activities	(229.48)	(687.41)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Interest paid	(31.27)	(6.12)
	Long Term Liabilities	-	-
	Loans taken	882.10	(157.60)
	Lease Payments	(8.93)	
	Long Term Provisions	-	-
	Long Term Loans and Other Financial Assets	-	-
	Dividend paid	(49.84)	
	Further Issue of Equity Share Capital incl. Premium	1,847.13	-
	Net Cash Flow From Financing Activities	2,639.19	(163.72)
	NET INCREASE\(DECREASE) IN CASH AND CASH EQUIVALENTS	1,703.10	37.53
	Cash and Cash equivalents (Opening Balance)	84.12	46.59
	Cash and Cash equivalents (Closing Balance)	1,787.22	84.12
	Unencashed Dividends in bank accounts	0.47	0.31
	Total Cash and Bank Balances	1,787.69	84.43

AS PER OUR REPORT OF EVEN DATE
For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

P. MURALI & CO. Hyderabad Chartered Accountants

A Krishna rao
Partner
Membership No. 020085
UDIN: 23020085BGQ XIO8903

Place : Hyderabad
Date : 29-05-2023

For and behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Amol Mantri
Chief Financial Officer

Udayan Shukla
Company Secretary

Balaji Pharmaceuticals Limited

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

Amount In Rs Lakhs(except for number of shares and EPS)

A) Equity share capital

Equity shares of Rs.10/- each issued, subscribed and fully paid

	Number of shares	Amount (Rs.)
As at 31st March 2022	10,000,000	1,000
Changes in share capital	181,250	18.13
As at 31st March 2023	10,181,250	1,018.13

1) Current Reporting Period

Amount (Rs.)

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
1,000.00	-	-	18.13	1,018.13

2) Previous Reporting Period

Amount (Rs.)

Balance at the beginning of the Previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the Previous reporting period	Changes in equity share capital during the Previous year	Balance at the end of the Previous reporting period
1,000.00	-	-	-	1,000.00

B) Other equity

1) Current Reporting Period

Amount (Rs.)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Securities Premium	Reserves and Surplus: Other Reserves - General Reserve	Reserves and Surplus: Retained Earnings	Debt instruments through other comprehensive income	Equity instrument through other comprehensive instrument	Effective portion of cash flow hedges	Revaluation of surplus	Exchange difference on translating the financial statements of a foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
Balance at the beginning of reporting period	-	-	-	1,125.30	4.61	3,661.40	-	-	-	-	-	-	-	4,791.31
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year						1,622.21								1,622.21
Dividends	-	-	-	-	-	(50.00)	-	-	-	-	-	-	-	(50.00)
Transfer to retained earnings						1,572.21								1,572.21
Any other change (to be specified)	-	-	-	799.31	-	-	-	-	-	-	-	-	-	799.31
Balance at the end of the year	-	-	-	1,924.61	4.61	5,233.61	-	-	-	-	-	-	-	7,162.83

2) Previous Reporting Period

Amount (Rs.)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus											Amount (Rs.)
			Capital Reserve	Securities Premium	Other Reserves - General Reserve	Retained Earnings	instruments through	instrument through	portion of cash	Revaluation of surplus	difference on translating the	items of other	received against	Total
Balance at the beginning of Previous reporting period	-	-	-	1,125.30	4.61	2,194.65	-	-	-	-	-	-	-	3,324.56
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the Previous reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the Previous year						1,466.75								1,466.75
Dividends	-	-	-	-	-		-	-	-	-	-	-	-	-
Transfer to retained earnings						1,466.75								1,466.75
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the Previous year	-	-	-	1,125.30	4.61	3,661.40	-	-	-	-	-	-	-	4,791.31

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements.

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

A Krishna rao
Partner
Membership No. 020085
UDIN: 23020085BGQXIO8903

Place: Hyderabad
Date : 29-05-2023

For and behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Amol Mantri
Chief Financial Officer

Udayan Shukla
Company Secretary

Balaxi Pharmaceuticals Limited

Notes forming part of financial statements for the year ended 31st March 2023 (Standalone)

Amount In Rs. Lakhs(except for number of shares and EPS)

3 Property, plant and Equipment

Particulars	Furniture & Fixtures	Computer and Printer	Office Equipments	Vehicles	Intangible Assets	ROU Asset	Total
At 1 April 2022	10.79	3.76	4.60	201.03	-	-	220.18
Additions		5.43	1.92	-	3.58	609.87	620.80
Disposals	-	-	-				-
Acquisitions through Business Combinations							
Revaluations							
Exchange differences if any	-	-	-				-
At 31 March 2023	**10.79**	**9.19**	**6.52**	**201.03**	**3.58**	**609.87**	**840.98**
Depreciation charge for the year	1.25	2.52	2.21	26.92	0.16	18.48	51.54
Disposals	-	-	-				-
Exchange differences	-	-	-				-
At 31 March 2023	**9.54**	**6.67**	**4.31**	**174.11**	**3.42**	**591.39**	**789.44**

P. MURALI & CO.
Hyderabad
Chartered Accountants

Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Note No. 4 : Investments

S.No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
I	Investments in Equity Instruments:		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	1) Balaxi Global DMCC-100% Holding	1,953.50	1,960.91
	Wholly owned subsidiary of the company.		
	Total Investments	**1,953.50**	**1,960.91**

Note No. 5 : Other Non Current Assets

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
a	TDS / TCS	4.32	8.87
b	Advance Tax FY 2021-22	-	50.00
c	Advance Tax FY 2022-23	0.01	-
d	Prepaid expendtiture	40.00	40.00
	Total Other Non Current Assets	**44.33**	**98.87**

Note No. 6 : Inventory

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
a	Stock of Finished Goods	149.49	-
	Total Inventories	**149.49**	-

Note No. 7 : Trade Receivables

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
	Unsecured, Considered Good		
a	Trade Receivable	7,828.69	5,211.35
		7,828.69	5,211.35
	Less: Allowance for Doubtful Debts	-	-
	(Refer 7(a) for ageing)		
	Total Trade Receivables	**7,828.69**	**5,211.35**

Note No. 8 : Cash And Cash Equivalents

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
	Cash and cash equivalents :		
a	Balances with banks :		
	On Current Accounts	1,787.21	83.88
b	Cash on hand	0.01	0.24
	d) Others		
	Sub Total	1,787.22	84.12
c	Other bank balances	0.47	0.31
	Total Cash and Cash Equivalents	**1,787.69**	**84.43**

Note No. 9 : Advances

		As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
	Unsecured, Considered Good		
a	Advances to Employees	10.40	5.19
b	Other Advances	11.40	
	Total Advances	**21.80**	**5.19**

Note No. 10 : Other Current Assets

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
f	Other Receivable	74.23	74.75
g	GST Refund	40.11	31.81
	Total Other Current Assets	**114.34**	**106.56**

P. MURALI & CO. Hyderabad Chartered Accountants

Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Note No. 11 : Equity Share Capital

S.No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (Rs.)	Amount (Rs.)
I	Equity Share Capital		
	(a) Authorised		
	(4,00,00,000 Shares of 10/- each)	-	-
		4,000.00	4,000.00
		4,000.00	4,000.00
	(b) Issued		
	[1,00,00,000 Shares of 10/- each]	-	1,000.00
	[1,01,81,250 Shares of 10/- each]		
		1,018.13	
	(c) Subscribed & Fully Paid Up		
	[1,00,00,000 Shares of 10/- each]	-	1,000.00
	[1,01,81,250 Shares of 10/- each]	1,018.13	
	Total Equity Share capital	1,018.13	1,000.00
II	A Reconcilation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity Shares of Rs.10Each, Fully paid up		
	At the Beginning	1,00,00,000	1,00,00,000
	Issued during the year	1,81,250	-
	At the end	1,01,81,250	1,00,00,000
III	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding	
	Equity Shares of Rs. 10 each Held By		
	Balaxi Overseas Private Limited (holding company) - 7000000 shares	68.75%	70%
	Elara India Opportunities Limited - 950000 shares	9.33%	9.5%
	Marshal Global Capital Fund Ltd - 950000 shares	9.33%	9.5%

Note No. 12 : Other Equity

S. No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (Rs.)	Amount (Rs.)
I	RESERVES AND SURPLUS		
	a) Capital reserve		
	As at the commencement of the year		
	Add: Additions during the year		
	Less: Utilised for during the year		
		-	-
	b) Capital Redemption reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year		
	Less: Utilised for during the year	-	-
		-	-
	c) Securities Premium		
	As at the commencement of the year	1,125.30	1,125.30
	Add: Additions during the year	799.31	-
	Less: Utilised for during the year	-	-
		1,924.61	1,125.30
	d) General reserve		
	As at the commencement of the year	4.61	4.61
	Add: Additions during the year	-	-
	Less: Utilised for during the year		
		4.61	4.61
	e) Revaluation reserve	-	-
	f) Share options outstanding account	-	-
	c) Retained Earnings :		
	i) Opening Balance - Statement of Profit and Loss	3,661.40	2,194.65
	Add: Transfer from Statement of Profit & Loss	1,622.21	1,466.75
	Less: Dividend	50.00	-
		5,233.62	3,661.40
		5,233.62	3,661.40
	Total Other Equity	7,162.83	4,791.31

Note No. 13: Money received against Share Warrants

S. No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Money received against Share Warrants (25% amount received towards subscription of convertible warrants)	1,029.69	-
	Total Money received against Share Warrants	1,029.69	-

P. MURALI & CO. Hyderabad

Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Note No. 14: Deferred Tax Liability (Net)

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
I	Opening Deferred tax Liability	3.88	0.71
	Add:		
	Deferred Tax Liability for the year	106.17	3.17
	Gross Deferred tax Liability	110.05	3.88
	Opening Deferred tax Asset	-	-
	Deferred Tax Asset for the year	-	-
	Gross Deferred tax Asset	-	-
	Deferred Tax Liability/ (Asset) - Net	110.05	3.88

Note No. 15 : Trade Payables

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
a	Trade Payables		
	To MSMEs	1,225.93	-
	Others	500.14	1,574.58
	(Refer 15(a) for ageing)		
	Total Trade Payables	1,726.07	1,574.58

Note No. 16 : Borrowings

S.No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
a	Unsecured Loans from Directors	-	100.00
b	Term Loans from Banks :		
	- Vehicle Loan from HDFC Bank (Secured Against Hypothecation of Car with the Bank)	7.36	12.70
	- Vehicle Loan from Yes Bank (Secured Against Hypothecation of Car with the Bank)	49.07	80.30
c	CC/OD's from Banks		
	- OD from Kotak Mahindra Bank	442.40	
d	Loan against Trade receivables (Kotak Mahindra Bank)	576.27	
	Total Borrowings	1,075.10	193.00

Note No. 17 : Other Current Liabilites

S.No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
a	Unpaid dividend	0.47	0.31
b	Statutory Liabilities	34.69	8.65
c	Salaries Payable	32.45	20.70
d	Transport Payable	27.25	-
e	Audit Fee Payable	5.40	5.40
f	Remuneration/ Expenses payable to directors	131.01	118.93
	Total Other Current Liabilites	231.27	153.99

Note No. 18 : Current Tax Liabilities(Net)

S.No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
a	Provision for Income Tax	450.73	474.93
	Total Current Tax Liabilities (Net)	450.73	474.93

P. MURALI & CO. Hyderabad Chartered Accountants

Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Note No. 19 : Revenue From Operations

S.No.	Particulars	Year Ended 31-03-2023 Amount (Rs.)	Year Ended 31-03-2022 Amount (Rs.)
	Revenue from operations		
	(i) Sale of Services		
a	Domestic Sales	-	-
b	Export Sales	10,813.76	10,129.19
	Total Revenue from Operations	**10,813.76**	**10,129.20**

Note No. 20 : Other Income

S.No.	Particulars	Year Ended 31-03-2023 Amount (Rs.)	Year Ended 31-03-2022 Amount (Rs.)
a	Foreign Exchange gain	583.20	271.85
b	Discount Received	2.64	2.95
c	Damage Goods	74.57	
	Total Other Income	**660.41**	**274.80**

Note No. 21 : Cost of material consumed

S.No.	Particulars	Year Ended 31-03-2023 Amount (Rs.)	Year Ended 31-03-2022 Amount (Rs.)
a	Cost of material consumed	8,209.51	7,691.92
	Total Cost of material consumed	**8,209.51**	**7,691.92**

Note No. 22: Employee Benefits Expense

S.No.	Particulars	Year Ended 31-03-2023 Amount (Rs.)	Year Ended 31-03-2023 Amount (Rs.)
a	Salaries, wages and bonus	375.55	268.36
b	Other employee benefit expenses	28.58	21.52
	Total Employee Benefit Expenses	**404.13**	**289.88**

Note No. 23 : Finance Costs

S.No.	Particulars	Year Ended 31-03-2023 Amount (Rs.)	Year Ended 31-03-2022 Amount (Rs.)
a	i) Interest Expenses		
	Interest on Vehicle Loan	30.83	6.12
	Interest on Term Loan	0.44	-
b	Interest on Lease	14.63	-
	Total Finance Cost	**45.90**	**6.12**

MURALI & CO. Hyderabad Chartered Accountants

Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Note No. 24 : Administrative Expenses

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Bank charges	4.79	3.61
b	Repairs & maintenance	25.21	13.48
c	Advertising and business promotion expenses	20.94	39.82
d	Travelling expenses	67.32	56.48
e	Communication costs	4.36	3.84
f	Printing and stationery	27.96	29.61
g	Legal and professional fees	22.78	7.85
h	Payment to auditor	5.00	6.00
i	Listing Fees	7.62	12.35
j	Miscellaneous expenses	1.49	1.65
k	Registration Charges	84.94	85.47
l	Conveyance	0.93	0.67
m	Other Expenses	17.18	32.87
n	Fees & Subscription	63.90	22.28
o	Remuneration-Directors	89.00	48.00
p	CSR Expenses	33.04	22.53
q	Website development and Investor relations	32.75	26.91
r	Power and Fuel	4.28	2.36
s	Insurance	4.55	5.40
	Total Administrative Expenses	**518.04**	**421.18**

Note No. 25: Current Tax

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Current tax expense for current year	450.73	499.94
b	Tax expense pertaining to prior years	65.94	-
	Total Current Tax	**516.67**	**499.94**

P. MURALI & CO. Hyderabad Chartered Accountants

Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Annexure to Note: 7a

Ageing analysis for the FY 2022-23

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	7,164.78	663.91	-	-	-	7,828.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	7,164.78	663.91	-	-	-	7,828.69

Ageing analysis for the FY 2021-22

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,935.75	1,275.60	-	-	-	5,211.35
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	3,935.75	1,275.60	-	-	-	5,211.35

Annexure to Note: 10

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
Ashish Maheshwari	180,774.00	1.78%	-
Minoshi Maheshwari	105,580.00	1.04%	-
Balaxi Overseas Private Limited	7,000,000.00	68.75%	-

Annexure to Note: 15a

Ageing analysis for the FY 2022-23

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,225.93	-	-	-	1,225.93
(ii) Others	500.14	-	-	-	500.14
(iii) Disputed dues-MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
	1,726.07	-	-	-	1,726.07

Ageing analysis for the FY 2021-22

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,570.41	4.17	-	-	1,574.58
(iii) Disputed dues-MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
	1,570.41	4.17	-	-	1,574.58

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Amount In Rs. Lakhs(except for number of shares and EPS)

26) Earnings Per Share

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

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-23	31-Mar-22
Profit after tax	1,622.21	1,466.75
Weighted average number of equity shares (for Basic EPS)	1,00,33,400	1,00,00,000
Weighted average number of equity shares (for Diluted EPS)	1,01,23,100	1,00,00,000
Basic earnings per share for continued operations (in rupees)	16.17	14.67
Diluted earnings per share for continued operations (in rupees)	16.02	14.67

27) Segment information

The operating segment of the Group is identified as "Specialized Wholesale" as the Chief Operating Decision Maker reviews business performance at an overall level as one segment. Therefore, the entire operation fall within only one single reportable segment.

28) Related party transactions

A. Name of the related parties and related party relationship

a) Holding company

Balaxi Overseas Private Limited

b) Directors

Ashish Maheshwari
Minoshi Maheshwari
Gandhi Gamji
Kunal M Bhakta
M. Srinivas Rao
Purnima Kamble

c) Key managerial personnel

Ashish Maheshwari	Managing Director
Amol Mantri	CFO
Udayan Shukla	Company Secretary
Pranav Maheshwari	Senior Vice President

d) Wholly Owned Subsidiary company

Balaxi Global DMCC, Dubai

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Amount In Rs. Lakhs(except for number of shares and EPS)

B. Transactions with related parties

Particulars	31-Mar-2023	31-Mar-2022
Operating and administrative costs		
Balaxi Overseas Pvt Ltd		
Rent	-	-
Reimbursement of expenses to directors	40.56	20.05
Directors Remuneration	-	-
Ashish Maheshwari	80.00	30.00
Minoshi Maheshwari	9.00	18.00
Sitting Fee	17.00	15.00
KMP Salary	55.10	24.00
CSR	25.50	22.53
Capital contribution to Balaxi Global DMCC	(7.41)	7.41
Loan from Directors	-	-
Loan repaid to Directors	100.00	233.00

29) Capital Management

For the purpose of Company's capital management, Capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	31-Mar-23	31-Mar-22
Borrowings	1,075.10	193.00
Trade and other payables	1,957.34	1,728.57
Less: Cash and cash equivalents	(1,787.69)	(84.43)
Net Debt	**1,244.75**	**1,837.14**
Equity	8,180.96	5,791.30
Capital and Net Debt	**9,425.71**	**7,628.44**
Gearing Ratio	**13.21%**	**24.08%**

30) Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The

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Company's principal financial assets include cash and cash equivalents that derive directly from its operations and FVTPL investments.

The Company is exposed to market risk and liquidity risk. The Company's senior management oversees management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures so that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and other price risk. Financial instruments affected by market risk include FVTPL financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

Equity price risk

The Company's listed equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. The Company's Board of Directors reviews and approves all equity investment decisions.

Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company has sufficient working capital funds available to honour the debt maturing within 12 months.

31) MSME

The Company has entered into business transactions with suppliers registered under the Micro, Small and Medium Enterprises Development act,2006 the payment for which have been made within the stipulated or agreed time.

32) Subsequent Events

There are no significant events that occurred after the balance sheet date

33) Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

34) Additional Regulatory Information

i) The company doesn't possess any immovable property. In respect of immovable properties taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are duly executed in the name of the Company.

ii) The Company has not revalued any of its Property, Plant and Equipment during the year.

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Amount In Rs. Lakhs(except for number of shares and EPS)

iii) No loans and advances were granted to promoters, directors, KMPs and the related parties.

iv) Capital work in Progress aging schedule

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	225.96	57.20			283.16

v) The company did not hold any Benami Property and hence no proceedings were initiated or pending against the company.

vi) There are borrowings from banks on the basis of current assets given as security. Returns and statements submitted by the company are in agreement with the Books of Account.

vii) The company was not declared as a wilful defaulter by any bank or financial institution.

viii) The company did not enter into any transactions with struck off companies.

ix) Ratios

Particulars	31-Mar-23	31-Mar-22
(a) Current Ratio	2.84	2.26
(b) Debt-Equity Ratio	0.46	0.41
(c) Debt Service Coverage Ratio	39.91	48.62
(d) Return on Equity Ratio	0.20	0.25
(e) Inventory turnover ratio	109.83	10,255.89
(f) Trade Receivables turnover ratio	1.66	2.09
(g) Trade payables turnover ratio	1.24	1.11
(h) Net capital turnover ratio	1.32	1.75
(i) Net profit ratio	0.15	0.14
(j) Return on Capital Employed	0.24	0.34
(k) Return on investment		

35) Undisclosed Income

All transactions were recorded in the books of account and there was no undisclosed income that has been surrendered or disclosed as income during the year.

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Balaxi Pharmaceuticals Limited
Notes forming part of financial statements for the year ended 31st March 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

36) Corporate Social Responsibility

	Amount
(i) Amount required to be spent by the company during the year,	33.04
(ii) Amount of expenditure incurred,	9.54
(iii) Shortfall at the end of the year*,	23.50
(iv) Total of previous years shortfall,	0
(v) Reason for shortfall,	Pertains to an Ongoing Project
(vi) Nature of CSR activities,	Promotion of education, Healthcare and women empowerment
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Balaxi Foundation
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA

*Total amount unspent has been transferred to Unspent CSR Account on 24th April 2023.

37) Details of Crypto Currency or Virtual Currency

The Company has not traded nor has invested in Crypto Currency or Virtual Currency during the financial year.

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

P. MURALI & CO. Hyderabad Chartered Accountants

A Krishna Rao
Partner
Membership No. 020085
UDIN : 23020085BGQX108903

Place: Hyderabad
Date: 29-05-2023

For and on behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Amol Mantri
Chief Financial Officer

Udayan Shukla
Company Secretary

1) Company Overview

Balaxi Pharmaceuticals Limited ('the Company') is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at Plot no.409, H.No. 82-293, Maps Towers, 3rd Floor, Phase III, Road No: 81, Jubilee Hills, Hyderabad, Telangana, India. The Company was incorporated in September 1942. The Company Commenced the business of International Wholesale Trading of Pharmaceuticals, Builders Hardware and FMCG products from the Financial Year 2018-19.

2) Significant Accounting Policies and Key Accounting Estimates and Judgements

a) Basis of accounting and preparation of Financial Statements:

i) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act and accounting principles generally accepted in India.

ii) Basis of Preparation

These financial statements have been prepared on accrual and going concern basis of relevant Indian Accounting Standards (Ind AS) that are effective at the Company's annual reporting date, 31 March 2023. Accounting Policies have been applied consistently throughout the preparation of Financial Statements.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle as per paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Assets:
An asset is classified as current when it satisfies any of the following criteria:
a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realized within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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Liabilities:

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

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents for the purpose of the statement of cash flows comprise cash and cash on deposit with banks and financial institutions.

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;
- refer accounting policy regarding financial instruments

The Company has decided to round off the figures to the nearest Lakhs, except otherwise indicated.

The financial statements were authorised for issue by the Company's Board of Directors on May 29, 2023.

iii) Functional and presentation currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All financial information presented in Indian Rupees (₹) has been rounded off to the nearest Lakhs, except otherwise stated.

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iv) Use of Estimates and Judgements

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

b) Property Plant and Equipment

i) Recognition and measurement

Freehold land and buildings (property) held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment. Freehold land is not depreciated.

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs

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and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

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

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

An item of property, plant and equipment and any significant part thereof is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognized.

ii) Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

iii) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentised its PPE and has separately assessed the life of major components. The Company depreciates its fixed assets over the useful lives as prescribed in Schedule II to the Act.

Estimated useful lives of the assets, are as follows:

Asset Category	Estimated useful life (years)

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Balaxi Pharmaceuticals Limited

Notes to Standalone financial statements for the year ended 31 March 2023

Furniture & Fixtures	10
Computers	3
Office Equipment	5
Vehicles	8

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

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

c) Intangible Assets

i) Recognition and Measurement

Intangible assets acquired are measured on cost basis on initial recognition. Subsequently, intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

ii) Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

d) Leases

i) Company as a Lessee

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The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. The Company has elected to use the incremental borrowing rate as the discount, the future lease payments. The details of ROU assets held by the company along with depreciation are given in schedule 3.

ii) Company as Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. 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.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

e) Impairment of Assets

The carrying amounts of the Company's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized

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separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

f) Inventories

Inventories are valued at lower of cost, determined on "Weighted average" basis and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials, fuel, stores & spare parts and packing materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis.

- **Work-in- progress (WIP), finished goods and stock-in-trade:**

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

g) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

h) Government Grants and Assistance

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

i) Borrowing Costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from

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foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

j) Fair value Measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) 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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognized immediately in the statement of profit and loss.

I) Financial Assets

The Company's Financial Assets mainly comprise of;

- Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, incentive receivable from Government and other current receivables.
- Non-current financial assets mainly consist of financial investments in equity, fixed deposits and non-current deposits.

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i) Initial Recognition and Measurement

The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets other than trade receivables are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables are initially recognised at transaction price. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e., the date that the Company commits to purchase or sell the asset.

ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

➢ **Financial Assets at Amortized Cost;**

A Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost category is the most relevant to the Company. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognized in the statement of profit and loss.

➢ **Financial Assets at Fair Value through Profit and loss;**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognized in the statement of profit and loss. The Company has designated its investments in equity instruments as FVTPL category.

➢ **Financial Assets at Fair Value through Other Comprehensive income**

The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has not designated investments in any equity instruments as FVTOCI.

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iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iv) Impairment

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Trade Receivables
- Other financial assets that are measured at amortized cost.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

II) Financial Liabilities and Equity Instruments

a) Financial Liabilities

The Company's Financial Liabilities mainly comprise of;

- Current financial liabilities mainly consist of trade payables and liability for capital expenditure.
- Non-current financial liabilities mainly consist of Borrowings.

i) Initial Recognition and measurement of Financial Liabilities

The Company recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial liabilities are initially recognized and measured at amortized cost

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ii) Subsequent Measurement of Financial Liabilities at Amortized Cost

The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method. Interest expense that is not capitalized as part of cost of an asset is included in the 'Finance costs' line item. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

iii) Derecognition of Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs. Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

III) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

l) Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

m) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the

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time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

n) Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

i) Sale of Goods

Revenue from the sale of goods is recognized when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations. The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates 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, price concessions and rebates. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Group estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

ii) Service Income

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Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront nonrefundable payments received under these arrangements are recognized as revenue upon satisfaction of performance obligations.

iii) Interest and Dividend Income

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

iv) Export Incentive

Export incentives comprise of Duty draw back and MEIS (Merchandise Exports from India scheme) scrips. Duty drawback is recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. MEIS scrips are freely transferable and can be utilised for the payment of customs duty. MEIS scrips are recognised either on transfer/sale of such scrips or when it is reasonably certain that such scrips can be utilised against import duties

o) Employee Benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

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INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FIANANCIAL STATEMENTS

To the Members of
M/s. Balaxi Pharmaceuticals Limited

Report on the Audit of the Consolidated IND AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **M/s. Balaxi Pharmaceuticals Limited** (hereinafter referred to as the 'Holding Company") and its subsidiary i.e., M/s. Balaxi Global DMCC, Dubai (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive income), the Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year then ended and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated IND AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated IND AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles Generally Accepted in India, of their consolidated state of affairs of the Company as at March 31, 2023, of consolidated profit, and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit 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 the Consolidated IND AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated IND AS Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated IND AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated IND AS Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies included in the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the holding company are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated IND AS 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

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reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated IND AS 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated IND AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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Other Matter Paragraph

The consolidated Financial Results include the audited Financial Results of Balaxi Global DMCC, Dubai, a Wholly owned foreign subsidiary, whose Financial Statements reflect Group's share of total assets of Rs. 22,076.99 Lakhs as at 31st March 2023, Group's share of total revenue of Rs. 8,028 Lakhs and Rs. 33,247 Lakhs and Group's share of total net profit after tax of Rs. 375 Lakhs and Rs. 3,482 Lakhs for the quarter ended 31st March 2023 and for the period from 01-04-2022 to 31-03-2023 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent auditor. The independent auditors' reports on financial statements of this entity have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other Auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated IND AS Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated IND AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated IND AS Financial Statements.

(d) In our opinion, the aforesaid Consolidated IND AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

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(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 none of the directors of the Group companies, are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of Internal Financial Controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding company to its directors during the year is in accordance with the provisions of section 197 of Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 Group does not have any pending litigations as at March 31st, 2023 which would impact on consolidated financial position of the group.

ii. The group does not have any long term contracts, including derivate contracts and did not have any material foreseeable losses.

iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the company during the year.

iv. The Management has represented that, to the best of its knowledge 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 or group companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

vii. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with the section 123 of the Act to the extent it applies to the payment of dividend.

For P Murali & Co.,
Chartered Accountants
Firm Regn No. 007257S

P. Murali & Co. Hyderabad Chartered Accountants

A Krishna Rao
Partner
Membership No. 020085
UDIN: 23020085BGQXIP9491

Place: Hyderabad
Date: 29-05-2023

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Annexure A to the Independent Auditor's Report

Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

In conjunction with our audit of the Consolidated IND AS Financial Statements of the company as of and for the year ended 31st March 2023, we have audited the internal financial controls over financial reporting of **M/s. Balaxi Pharmaceuticals Limited** as at 31st March 2023. We have not audited the internal financial controls of the foreign subsidiary.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these 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 authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

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

For P Murali& Co.,
Chartered Accountants
Firm Regn No. 007257S

MURALI & CO., Hyderabad, Chartered Accountants

A Krishna Rao
Partner
Membership No. 020085
UDIN: 23020085BGQXIP9491

Place: Hyderabad
Date: 29-05-2023

Balaxi Pharmaceuticals Limited

Consolidated Balance Sheet as at 31st March 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Particulars	Note No	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
ASSETS:			
1 Non-Current Assets:			
(a) Property, Plant and Equipment	3	1,618.39	545.51
(b) Capital Work-in-progress		283.16	57.20
(c) Goodwill		2,522.35	2,330.20
(d) Financial Assets:			
(i) Investments	4	-	-
(ii) Other Financial Assets		-	446.99
(e) Other Non Current Assets	5	191.91	166.85
2 Current Assets:			
(a) Inventories	6	10,502.33	9,870.36
(b) Financial Assets:			
(i) Trade Receivables	7	5,228.20	2,755.90
(ii) Cash and Cash Equivalents	8	2,821.68	719.29
(iii) Loans and Advances	9	164.76	177.72
(c) Other Current Assets	10	634.12	577.04
Total Assets		23,966.90	17,647.06
EQUITY AND LIABILITIES			
EQUITY			
1 Shareholder Funds			
(a) Equity Share Capital	11	1,018.13	1,000.00
(b) Other Equity	12	16,240.16	10,316.42
(c) Money received against Share Warrants	13	1,029.69	
2 Share application money pending allotment		-	-
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings		86.97	-
(ia) Lease Liabilities		168.58	
(ii) Trade Payables			
(A) Dues to MSME			
(A) Dues to Other than MSME			
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)	14	110.05	3.88
2 Current Liabilities			
(a) Financial Liabilities:			
(i) Trade Payables	15		
(A) Dues to MSME		1,225.93	
(B) Dues to Other than MSME		2,225.99	4,911.45
(ii) Borrowings	16	1,075.10	363.81
(b) Other Current Liabilities	17	280.64	326.29
(c) Provisions		-	-
(d) Current tax Liabilities (Net)	18	505.66	725.22
Total Equity and Liabilities		23,966.90	17,647.06
Summary of Significant Accounting Policies	2		

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVENT DATE

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

MURALI & CO. Hyderabad Chartered Accountants

A Krishna rao
Partner
Membership No. 020085
UDIN: 23020085BGXIPQ4491

For and behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Place : Hyderabad
Date : 29-05-2023

Amol Mantri
Chief Financial Officer

Udayan Shukla
Company Secretary

Balaxi Pharmaceuticals Limited

Consolidated Statement of Profit and Loss for the Year ended 31st March 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Particulars	Note No	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
I. Revenue from Operations	19	33,643.27	27,938.78
II. Other Income	20	263.69	497.17
III. Total Income (I +II)		33,906.96	28,435.95
IV. Expenses:			
Cost of material consumed	21	20,241.56	19,559.63
Employee Benefits expense	22	2,895.41	1,246.60
Finance costs	23	50.00	14.16
Depreciation and Amortization Expense	3	175.25	51.22
Administrative Expenses	24	4,852.51	2,112.11
IV. Total Expenses		28,214.73	22,983.72
V. Profit/(Loss) before exceptional items and tax (III - IV)		5,692.23	5,452.23
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		5,692.23	5,452.23
VIII. Tax expense:			
(1) Current tax	25	989.81	683.28
(2) Deferred tax		106.17	3.17
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		4,596.25	4,765.78
X. Profit/(Loss) for the period from dis-continuing operations		-	-
XI. Other Comprehensive Income.			
A. Items that will not be reclassified to Profit or Loss			
(i) Exchange (gain)/Loss on foreign currency transactions		(578.19)	(52.66)
(ii) Actuarial loss on defined benefit plans recognised in accordance with Ind AS 19.		-	-
B. Items that will be reclassified to Profit or Loss		-	-
C. Extraordinary Item		-	
Total Comprehensive Income for the period		5,174.44	4,818.44
XII. Earnings per equity share (for continuing operation):	26		
(1) Basic		45.81	47.66
(2) Diluted		45.40	47.66
Summary of Significant Accounting Policies	2		

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVENT DATE

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

P. MURALI & CO. Hyderabad Chartered Accountants

A Krishna rao
Partner
Membership No. 020085
UDIN: 23020085BGQXIP9491

For and behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Place : Hyderabad
Date : 29-05-2023

Amol Mantri
Chief Financial Officer

Udayan Shukla
Company Secretary

Balaxi Pharmaceuticals Limited

Consolidated Cash Flow Statement For The Year Ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net profit before taxation, and extraordinary items	5,692.23	5,452.23
	Adjustments for:		
	Interest	50.00	14.16
	Depreciation	175.25	51.22
	Extraordinary Item		
	Comprehensive income for the year	578.19	52.66
	Operating Profit before working capital changes	6,495.67	5,570.27
	Adjustments for:		
	Increase/ (decrease) in trade payables	(1,459.53)	2,740.68
	Increase/ (decrease) in other financial liabilities	(45.65)	(5.12)
	Decrease / (increase) in other bank balance	(0.16)	0.94
	Decrease / (increase) in advance	12.96	(172.94)
	Decrease / (increase) in other receivables	(25.06)	(162.24)
	Decrease / (increase) in trade receivables	(2,472.30)	4,813.44
	Decrease / (increase) in Inventory	(631.97)	(8,508.57)
	Decrease / (increase) in Other current asset	(57.08)	(302.78)
	Cash generated from operations	1,816.87	3,973.69
	Direct taxes paid (net of refunds)	(1,209.37)	(559.24)
	Cash flow before extraordinary items	607.50	3,414.45
	Extraordinary items	-	-
	NET CASH FLOW FROM OPERATING ACTIVITIES	607.50	3,414.45
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets	(1,079.87)	(474.94)
	Capital work in progress	(225.96)	(57.20)
	Proceeds from Goodwill	(192.15)	(2,202.29)
	Preliminary Expenses	(5.54)	(5.05)
	Proceeds from other financial assets	-	-
	Proceeds to Advances	446.99	(446.99)
	Investment in Non-Current Investments	-	341.64
	Net Cash Used In Investing Activities	(1,056.53)	(2,844.83)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Interest paid	(35.37)	(14.16)
	Long Term Liabilities		
	Loans taken	798.27	(2.11)
	Lease Payments	(8.93)	-
	Further Issue of Equity Share Capital incl. Premium	1,847.13	-
	Dividend paid	(49.84)	-
	Net Cash Flow From Financing Activities	2,551.24	(16.28)
	NET INCREASE\(DECREASE) IN CASH AND CASH EQUIVALENTS	2,102.21	553.34
	Cash and Cash equivalents (Opening Balance)	718.98	165.64
	Cash and Cash equivalents (Closing Balance)	2,821.20	718.98
	Unencashed Dividends in bank accounts	0.47	0.31
	Total Cash and Bank Balances	2,821.67	719.29

AS PER OUR REPORT OF EVEN DATE
For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

A Krishna rao
Partner
Membership No. 020085
UDIN: 23020085BGQXIP9491

Place : Hyderabad
Date : 29-05-2023

For and behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Amol Mantri
Chief Financial Officer

Udayan Shukla
Company Secretary

Balaxi Pharmaceuticals Limited

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

Amount In Rs. Lakhs(except for number of shares and EPS)

A) Equity share capital

Equity shares of Rs.10/- each issued, subscribed and fully paid

	Number of shares	Amount (Rs.)
As at 31st March 2022	10,000,000	1,000
Changes in share capital	181,250	18.13
As at 31st March 2023	10,181,250	1,018.13

1) Current Reporting Period

Amount (Rs.)

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
1,000.00	-	-	18.13	1,018.13

2) Previous Reporting Period

Amount (Rs.)

Balance at the beginning of the Previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the Previous reporting period	Changes in equity share capital during the Previous year	Balance at the end of the Previous reporting period
1,000.00	-	-	-	1,000.00

B) Other equity

1) Current Reporting Period

Amount (Rs.)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Securities Premium	Reserves and Surplus: Other Reserves - General Reserve	Reserves and Surplus: Retained Earnings	Debt instruments through other comprehensive income	Equity instrument through other comprehensive instrument	Effective portion of cash flow hedges	Revaluation of surplus	Exchange difference on translating the financial statements of a foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
Balance at the beginning of reporting period	-	-	-	1,125.30	-4.61	9,186.50	-	-	-	-	-	-	-	10,316.41
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year						5,174.44								5,174.44
Dividends	-	-	-	-	-	(50.00)	-	-	-	-	-	-	-	(50.00)
Transfer to retained earnings						5,124.44								5,124.44
Any other change (to be specified)	-	-	-	799.31	-	-	-	-	-	-	-	-	-	799.31
Balance at the end of the year		-	-	1,924.61	4.61	14,310.94	-	-	-	-	-	-	-	16,240.16

P. MURALI & CO. Hyderabad Chartered Accountants

2) Previous Reporting Period

Amount (Rs.)

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus											Amount (Rs.)
			Capital Reserve	Securities Premium	Other Reserves - General Reserve	Retained Earnings	instruments through	instrument through	portion of cash	Revaluation of surplus	difference on translating the	items of other	received against	Total
Balance at the beginning of Previous reporting period	-	-	-	1,125.30	4.61	4,368.06	-	-	-	-	-	-	-	5,497.97
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the Previous reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the Previous year						4,818.44								4,818.44
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings						4,818.44								4,818.44
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the Previous year	-	-	-	1,125.30	4.61	9,186.50	-	-	-	-	-	-	-	10,316.41

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements.

For P Murali & Co.,
Chartered Accountants
Firm Registration No. 007257S

A Krishna rao
Partner
Membership No. 020085
UDIN: 23020085BGQXIP9491

Place: Hyderabad
Date: 29-05-2023

For and behalf of the Board
Balaxi Pharmaceuticals Limited

Ashish Maheshwari
Managing Director
DIN: 01575984

Minoshi Maheshwari
Director
DIN: 01575975

Amol Mantri
Chief Financial Officer

Udayan Shukla
Company Secretary

Balaxi Pharmaceuticals Limited

Notes forming part of financial statements for the year ended 31st March 2023 (Consolidated)

Amount In Rs. Lakhs(except for number of shares and EPS)

3 **Property, plant and Equipment**

Particulars	Furniture & Fixtures	Computer and Printer	Office Equipments	Improvements To Leased Properties	Brands & Patents	Vehicles	Intangible Assets	ROU Asset	Total
At 1 April 2022	37.35	10.47	4.60	5.66	82.47	404.96	-	-	545.51
Additions	9.22	15.33	1.92	-	5.06	587.58	3.58	609.87	1,232.56
Disposals	-	-	-	-	-	-	-	-	-
Acquisitions through Business Combinations	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Exchange differences if any	-	-	-	-	-	-	-	-	-
At 31 March 2023	**46.57**	**25.80**	**6.52**	**5.66**	**87.53**	**992.54**	**3.58**	**609.87**	**1,778.07**
Depreciation charge for the year	9.09	8.45	2.21	2.92	-	128.40	0.16	18.48	169.71
Disposals	-	-	-	-	-	-	-	-	-
Exchange differences	0.67	0.50	-	0.25	-	8.61	-	-	10.03
At 31 March 2023	**38.15**	**17.85**	**4.31**	**2.99**	**87.53**	**872.75**	**3.42**	**591.39**	**1,618.39**

Particulars	Preliminary Expenses								Total
At 1 April 2022	-								-
Additions	-								-
Disposals	-								-
Acquisitions through Business	-								-
Revaluations	-								-
Exchange differences if any	-	-	-	-	-	-			-
At 31 March 2023	-	-	-	-	-	-			-
Depreciation charge for the year	5.54	-	-	-	-	-			5.54
Disposals	-	-	-	-	-	-			-
Exchange differences	-	-	-	-	-	-			-
At 31 March 2023	**(5.54)**	-	-	-	-	-			**(5.54)**

P. MURALI & CO. Hyderabad Chartered Accountants

Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Note No. 4 : Investments

S.No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
I	Investments in Equity Instruments:		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	1) Balaxi Healthcare Angola LDA-49% Holding	(0.00)	-
	Total Investments	**(0.00)**	-

Note No. 5 : Other Non Current Assets

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
a	TDS / TCS	4.32	8.87
b	Advance Tax FY 2021-22		50.00
c	Advance Tax FY 2022-23	147.59	67.98
d	Prepaid expenditure	40.00	40.00
	Total Other Non Current Assets	**191.91**	**166.85**

Note No. 6 : Inventory

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
a	Stock of Finished Goods	10,502.33	9,870.36
	Total Inventories	**10,502.33**	**9,870.36**

Note No. 7 : Trade Receivables

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
	Unsecured, Considered Good		
a	Trade Receivable	5,228.20	2,755.90
		5,228.20	2,755.90
	Less: Allowance for Doubtful Debts	-	-
	(refer 7(a) for ageing)		
	Total Trade Receivables	**5,228.20**	**2,755.90**

Note No. 8 : Cash And Cash Equivalents

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
	Cash and cash equivalents :		
a	Balances with banks :		
	On Current Accounts	2,821.20	656.75
b	Cash on hand	0.01	62.23
	d) Others		
	Sub Total	**2,821.21**	**718.98**
c	Other bank balances	0.47	0.31
	Total Cash and Cash Equivalents	**2,821.68**	**719.29**

Note No. 9 : Advances

		As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
	Unsecured, Considered Good		
a	Advances to Employees	10.40	5.19
b	Other Advances	154.36	172.53
	Total Advances	**164.76**	**177.72**

Note No. 10 : Other Current Assets

		As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
a	Prepayments	377.68	312.16
b	Deposits	24.80	18.43
c	Staff advance	4.03	1.60
d	Tax refund receivables	67.15	78.25
e	Other advances	46.12	57.27
f	Preliminary expenses	-	2.77
g	Other Receivable	74.23	74.75
h	GST Refund	40.11	31.81
	Total Other Current Assets	**634.12**	**577.04**

MURALI & CO. Hyderabad Chartered Accountants

Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Note No. 11 : Equity Share Capital

S.No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
I	Equity Share Capital		
	(a) Authorised		
	(4,00,00,000 Shares of 10/- each)	-	-
		4,000.00	4,000.00
		4,000.00	4,000.00
	(b) Issued		
	[1,00,00,000 Shares of 10/- each]	-	-
		1,018.13	1,000.00
	(c) Subscribed & Fully Paid Up		
	[1,00,00,000 Shares of 10/- each]	-	-
		1,018.13	1,000.00
	Total Equity Share capital	**1,018.13**	**1,000.00**
II	A Reconcilation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity Shares of Rs.10Each, Fully paid up		
	At the Beginning	10,000,000	10,000,000
	Issued during the year	181,250	-
	At the end	10,181,250	10,000,000
III	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding	
	Equity Shares of Rs. 10 each Held By		
	Balaxi Overseas Private Limited (holding company) - 7000000 shares	69%	70%
	Elara India Opportunities Limited - 950000 shares	9.3%	9.5%
	Marshal Global Capital Fund Ltd - 950000 shares	9.3%	9.5%

Note No. 12 : Other Equity

S. No.	Particulars	As on 31-03-2023 Amount (Rs.)	As on 31-03-2022 Amount (Rs.)
I	RESERVES AND SURPLUS		
	a) Capital reserve		
	As at the commencement of the year		
	Add: Additions during the year		
	Less: Utilised for during the year		
		-	-
	b) Capital Redemption reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year		
	Less: Utilised for during the year	-	-
		-	-
	c) Securities Premium		
	As at the commencement of the year	1,125.30	1,125.30
	Add: Additions during the year	799.31	-
	Less: Utilised for during the year	-	-
		1,924.61	1,125.30
	d) General reserve		
	As at the commencement of the year	4.61	4.61
	Add: Additions during the year	-	-
	Less: Utilised for during the year		
		4.61	4.61
	e) Revaluation reserve	-	-
	f) Share options outstanding account	-	-
	c) Retained Earnings :		
	i) Opening Balance - Statement of Profit and Loss	9,186.50	4,368.06
	Add: Transfer from Statement of Profit & Loss	5,174.44	4,818.44
	Less: Dividend	50.00	-
		14,310.94	9,186.50
		14,310.94	9,186.50
	Total Other Equity	**16,240.16**	**10,316.41**

MURALI & CO. Hyderabad Chartered Accountants

Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Note No. 13 : Money received against share warrants

S. No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Money received against share warrants (25% amount received towards subscription of convertible warrants)	1,029.69	
	Total Money received against share warrants	**1,029.69**	**-**

Note No. 14 : Deferred Tax Liability (Net)

S. No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (Rs.)	Amount (Rs.)
I	Opening Deferred tax Liability	3.88	0.71
	Add:		
	Deferred Tax Liability for the year	106.17	3.17
	Gross Deferred tax Liability	**110.05**	**3.88**
	Opening Deferred tax Asset	-	-
	Deferred Tax Asset for the year	-	-
	Gross Deferred tax Asset	**-**	**-**
	Deferred Tax Liability/ (Asset) - Net	**110.05**	**3.88**

Note No. 15 : Trade Payables

S. No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Trade Payables		
	To MSMEs	1,225.93	-
	Others	2,225.99	4,911.45
	(Refer 15(a) for ageing)		
	Total Trade Payables	**3,451.92**	**4,911.45**

Note No. 16 : Borrowings

S.No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Unsecured Loans from Directors	-	100.00
b	Term Loans from Banks :		
	- Vehicle Loan from HDFC Bank (Secured Against Hypothecation of Car with the Bank)	7.36	12.70
	- Vehicle Loan from Yes Bank	49.07	251.11
c	CC/OD's from Banks		
	- OD from Kotak Mahindra Bank	442.40	-
d	Loan against Trade receivables (Kotak Mahindra Bank)	576.27	-
	Total Borrowings	**1,075.10**	**363.81**

Note No. 17 : Other Current Liabilites

S.No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Unpaid dividend	0.47	0.31
b	Statutory Liabilities	84.06	8.65
c	Salaries Payable	32.45	192.99
d	Freight Payable	27.25	-
e	Audit Fee Payable	5.40	5.40
f	Remuneration/Expenses payable to directors	131.01	118.93
	Total Other Current Liabilites	**280.64**	**326.29**

Note No. 18 : Current Tax Liabilities(Net)

S.No.	Particulars	As on 31-03-2023	As on 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Provision for Income Tax	505.70	725.21
	Total Current Tax Liabilities (Net)	**505.70**	**725.21**

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Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Note No. 19 : Revenue From Operations

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Revenue from operations		
	(i) Sale of goods	33,643.27	27,938.78
	(i) Sale of Services	-	-
	Total Revenue from Operations	33,643.27	27,938.78

Note No. 20 : Other Income

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Foreign Exchange gain	186.48	494.22
b	Discount Received	2.64	2.95
c	Damage Goods	74.57	-
	Total Other Income	263.69	497.17

Note No. 21 : Cost of material consumed

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Cost of material consumed	20,241.56	19,559.63
	Total Cost of material consumed	20,241.56	19,559.63

Note No. 22 : Employee Benefits Expense

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Salaries, wages and bonus	2,866.83	1,225.08
b	Other employee benefit expenses	28.58	21.52
	Total Employee Benefit Expenses	2,895.41	1,246.60

Note No. 23 : Finance Costs

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	i) Interest Expenses		
	Interest on Vehicle Loan	34.93	14.16
	Interest on Term Loan	0.44	-
b	Interest on Lease	14.63	
	Total Finance Cost	50.00	14.16

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Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Note No. 24 : Administrative Expenses

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Bank charges	87.71	61.89
b	Rent	990.88	349.19
c	Repairs & maintenance	474.77	236.79
d	Advertising and business promotion expenses	84.07	102.14
e	Travelling expenses	291.23	137.64
f	Communication costs	39.53	34.49
g	Printing and stationery	93.51	52.05
h	Legal and professional fees	313.56	146.77
i	Payment to auditor	5.00	6.00
j	Listing Fees	7.62	12.35
k	Miscellaneous expenses	1,119.40	392.99
l	Product Registration Charges	84.94	119.09
m	Conveyance	974.84	284.82
n	Other Expenses	17.18	-
o	Fees & Subscription	63.90	22.28
p	Remuneration-Directors	89.00	48.00
q	CSR Expenses	33.04	22.53
r	Investor relations Expenses	32.75	26.91
s	Power and Fuel	28.16	34.89
t	Insurance	21.42	21.28
		-	-
	Total Administrative Expenses	**4,852.51**	**2,112.11**

Note No. 25: Current Tax

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
		Amount (Rs.)	Amount (Rs.)
a	Current tax expense for current year	923.87	683.28
b	Tax expense pertaining to prior years	65.94	-
	Total Current Tax	**989.81**	**683.28**

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Balaxi Pharmaceuticals Limited

Notes to Financial Statements for the year ended 31st March, 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

Annexure to Note: 7a

Ageing analysis for the FY 2022-23

Particulars	Outstanding for following periods from due date of payment					FY 2022-23
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	3,983.79	1,244.41	-	-	-	5,228.20
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	3,983.79	1,244.41	-	-	-	5,228.20

Ageing analysis for the FY 2021-22

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	1,480.30	1,275.60	-	-	-	2,755.90
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	1,480.30	1,275.60	-	-	-	2,755.90

Annexure to Note: 11

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
Ashish Maheshwari	180,774.00	1.78%	-
Minoshi Maheshwari	105,580.00	1.04%	-
Balaxi Overseas Private Limited	7,000,000.00	68.75%	-

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Annexure to Note: 15a

Ageing analysis for the FY 2022-23

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,225.93	-	-	-	1,225.93
(ii) Others	2,225.99	-	-	-	2,225.99
(iii) Disputed dues-MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
	3,451.92	-	-	-	3,451.92

Ageing analysis for the FY 2021-22

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	4,907.28	4.17	-	-	4,911.45
(iii) Disputed dues-MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
	4,907.28	4.17	-	-	4,911.45

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Amount In Rs. Lakhs(except for number of shares and EPS)

26 Earning Per Share

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

The following reflects the income and share data used in the basic and diluted EPS computations:

	31-Mar-23	31-Mar-22
Profit after tax	4,596.25	4,765.78
Weighted average number of equity shares (for Basic EPS)	10,033,400	10,000,000
Weighted average number of equity shares (for Diluted EPS)	10,123,100	10,000,000
Basic earnings per share for continued operations (in rupees)	45.81	47.66
Diluted earnings per share for continued operations (in rupees)	45.40	47.66

27 Segment information

The operating segment of the Group is identified as "Specialized Wholesale" as the Chief Operating Decision Maker reviews business performance at an overall level as one segment. Therefore the entire operation fall within only one single reportable segment

28 Related party transactions

A. Name of the related parties and related party relationship

a) Holding company

Balaxi Overseas Private Limited

b)Directors

Ashish Maheshwari
Minoshi Maheshwari
Gandhi Gamji
Kunal M Bhakta
M. Srinivas Rao
Purnima Kamble

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Notes to Consolidated financial statements for the year ended 31 March 2023

Amount In Rs. Lakhs(except for number of shares and EPS)

c) Key managerial personnel

Ashish Maheshwari	Managing Director
Amol Mantri	CFO
Udayan Shukla	Company Secretary
Pranav Maheshwari	Senior Vice President

d) Wholly Owned Subsidary company
Balaxi Global DMCC, Dubai

B. Transactions with related parties

Operating and administrative costs	**31-Mar-23**	**31-Mar-22**
Balaxi Overseas Pvt Ltd		
Rent	-	-
Reimbursement of Expenses to Directors	40.56	20.05
Directors Remuneration	-	-
Ashish Maheshwari	80.00	30.00
Minoshi Maheshwari	9.00	18.00
Sitting Fee	17.00	15.00
KMP Salary	55.10	24.00
CSR	25.50	22.53
Capital contribution to Balaxi Global DMCC	(0.00)	(0.00)
Loan from Directors	-	-
Loan repaid to Directors	100.00	100.00
Subsidiaries		
Sale with the subsidiary companies	10,813.78	5,184.50
Purchase with the subsidiary companies	10,813.78	5,184.50
KMP Salary with the subsidiary companies	233.69	215.83

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Amount In Rs. Lakhs(except for number of shares and EPS)

29 Capital Management

For the purpose of Company's capital management, Capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	31-Mar-23	31-Mar-22
Borrowings	1,075.10	363.81
Trade and other payables	3,732.56	5,237.73
Less: Cash and cash equivalents	(2,821.68)	(719.29)
Net Debt	**1,985.98**	**4,882.25**
Equity	17,258.29	11,316.42
Capital and Net Debt	**19,244.27**	**16,198.67**
Gearing Ratio	***10.32%***	***30.14%***

30 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations and FVTPL investments.

The Company is exposed to market risk and liquidity risk. The Company's senior management oversees management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures so that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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Amount In Rs. Lakhs(except for number of shares and EPS)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency rate risk, interest rate risk and other price risk. Financial instruments affected by market risk include FVTPL financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

Equity price risk

The Company's listed equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. The Company's Board of Directors reviews and approves all equity investment decisions.

Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company has sufficient working capital funds available to honour the debt maturing within 12 months.

31 MSME

The Company has entered into business transactions with suppliers registered under the Micro, Small and Medium Enterprises Development act,2006, the payment for which have been made within the stipulated or agreed time.

32 Subsequent Events

There are no significant events that occurred after the balance sheet date.

33 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

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Amount In Rs. Lakhs(except for number of shares and EPS)

34 Additional Regulatory Information

i) The company doesn't possess any immovable property. In respect of immovable properties taken on lease and disclosed as property, plant and equipment in the Consolidated financial statements, the lease agreements are duly executed in the name of the Company.

ii) The Company has not revalued any of its Property, Plant and Equipment during the year.

iii) No loans and advances were granted to promoters, directors, KMPs and the related parties

iv) Capital work in Progress aging schedule

CWIP	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	225.96	57.20			283.16

v) The company did not hold any Benami Property and hence no proceedings were initiated or pending against the company

vi) There are borrowings from banks on the basis of current assets given as security. Returns and statements submitted by the company are in agreement with the Books of Account.

vii) The company was not declared as a wilful defaulter by any bank or financial institution.

viii) The company did not enter into any transactions with struck off companies.

ix) Ratios

	31/03/2023	31/03/2022
a) Current Ratio	3.64	2.23
(b) Debt-Equity Ratio	0.33	0.56
(c) Debt Service Coverage Ratio	74.32	182.82

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Amount In Rs. Lakhs(except for number of shares and EPS)

(d) Return on Equity Ratio	0.27	0.42
(e) Inventory turnover ratio	1.99	3.48
(f) Trade Receivables turnover ratio	8.43	5.36
(g) Trade payables turnover ratio	0.49	0.46
(h) Net capital turnover ratio	1.95	2.47
(i) Net profit ratio	0.14	0.17
(j) Return on Capital employed	0.31	0.48
(k) Return on investment.		

35 Undisclosed Income

All transactions were recorded in the books of account and there was no undisclosed income that has been surrendered or disclosed as income during the year.

36 Corporate Social Responsibility

	Amount (Rs.)
(i) amount required to be spent by the company during the year,	33.04
(ii) amount of expenditure incurred,	9.54
(iii) shortfall at the end of the year,	23.50
(iv) total of previous years shortfall,	0
(v) reason for shortfall,	Pertains to an ongoing project
(vi) nature of CSR activities,	Promotion of education, Healthcare and women empowerment
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Balaxi Foundation
(viii)where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA

*Total amount unspent has been transferred to Unspent CSR Account on 24th April 2023.

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Balaxi Pharmaceuticals Limited

Notes to Consolidated financial statements for the year ended 31 March 2023

1. **General Information**

Balaxi Pharmaceuticals Limited ('the Company') is a public limited company incorporated and domiciled in India whose shares are publicly traded. The Parent Company and subsidiary are referred to as "Company" for the purpose of this Consolidated Financial Statements. The Parent Company has a wholly owned foreign subsidiary Balaxi Global DMCC, Dubai. The registered office is located at Plot no.409, H.No. 82-293, Maps Towers, 3rd Floor, Phase III, Road No: 81, Jubilee Hills, Hyderabad, Telangana, India. The Company was incorporated in September 1942.

2. **Significant Accounting Policies and Key Accounting Estimates and Judgements**

a) Basis of accounting and preparation of Consolidated Financial Statements

i) Statement of Compliance

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

ii) Basis of preparation

These financial statements have been prepared on accrual and going concern basis. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:
An asset is classified as current when it satisfies any of the following criteria:
a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realized within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:
A liability is classified as current when it satisfies any of the following criteria:
a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;

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c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

These financial statements have been prepared on the historical cost convention except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;
- refer accounting policy regarding financial instruments

The financial statements were authorised for issue by the Company's Board of Directors on May 29, 2023.

iii) Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupees (₹) rounded off to lakhs unless otherwise stated, except share data.

iv) Use of Estimates and Judgements

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the

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revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

b) Group information

The consolidated financial statements of the Group includes subsidiaries and step down subsidiaries listed in the table below:

Name of investee	Relationship	Country of incorporation	Percentage of ownership 31-03-2023
Balaxi Global DMCC, Dubai	Subsidiary	Dubai	100
Balaxi Healthcare Dominica SRL, Dominican Republic	Step down Subsidiary	Dominican Republic	100
Balaxi Healthcare Guatemala S.A., Guatemala	Step down Subsidiary	Guatemala	100
Balaxi Heathcare Honduras S. DE R.L	Step down Subsidiary	Honduras	100
Balaxi Heathcare El Salvador SA DE	Step down Subsidiary	El Salvador	100
Balaxi Heathcare Angola LDA	Step down Subsidiary	Angola	100
Balaxi Heathcare Centrafrique SARL	Step down Subsidiary	Centrafrique	100

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c) Basis of Consolidation

i. The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

ii. Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

iii. The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiary line-by line by adding together the like items of assets, liabilities, income and expenses. All intra Group assets, liabilities, income, expenses and unrealised profits/losses on intra-Group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements. "

d) Property, plant and equipment

i) Recognition and Measurement

Freehold land and buildings (property) held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment. Freehold land is not depreciated.

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.
If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

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Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 - Property, Plant and Equipment.

An item of property, plant and equipment and any significant part thereof is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognized.

ii) Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

iii)Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company

The Company has componentised its PPE and has separately assessed the life of major components. The Company depreciates its fixed assets over the useful lives as prescribed in Schedule II to the Act.

Estimated useful lives of the assets, are as follows:

Asset Category	Estimated useful life (years)
Furniture & Fixtures	10
Computers	3
Office Equipment	5

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Vehicles	8

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

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

e) Intangible assets

i) Recognition and Measurement

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iv) Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

f) Leases

i) Group as a Lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability

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adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. The Group has elected to use the incremental borrowing rate as the discount, the future lease payments. The details of ROU assets held by the Group along with depreciation are given in schedule 3.

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ii) Group as Lessor

Leases for which the Group is a lessor are classified as finance or operating leases. 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. In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group' s net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group' s net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

g) Impairment of assets

The carrying amounts of the Group's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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h) Inventories

Inventories are valued at lower of cost, determined on "Weighted average" basis and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

i) Raw materials, fuel, stores & spare parts and packing materials:
Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis.

ii) Work-in- progress (WIP), finished goods and stock-in-trade:
Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

i) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

j) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.
Where the Group receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

k) Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.
Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

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l) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) 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).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognized immediately in the statement of profit and loss.

I. Financial Assets

The Group's Financial Assets mainly comprise of;

- Current financial assets- mainly consisting of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, incentive receivable from Government and other current receivables.

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- Non-current financial assets mainly consist of financial investments in equity, fixed deposits and non-current deposits.

i)Initial Recognition and measurement of Financial Assets

The Group recognizes a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets other than trade receivables are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables are initially recognised at transaction price. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e. the date that the Group commits to purchase or sell the asset.

ii)Subsequent Measurement of Financial Assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

➢ **Financial Assets at Amortized Cost;**

A Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost category is the most relevant to the Group. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as noncurrent receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognized in the statement of profit and loss.

➢ **Financial Assets at Fair Value through Profit and Loss**

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognized in the statement of profit and loss. The Group has designated its investments in equity instruments as FVTPL category.

➢ **Financial Assets at Fair Value through Other Comprehensive Income**

The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group has not designated investments in any equity instruments as FVTOCI.

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iii)Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e. removed from the Group's balance sheet) when:

i) The rights to receive cash flows from the asset have expired, or

ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Group has transferred substantially all the risks and rewards of the asset, or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iv)Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

i) Trade Receivables

ii) Other financial assets that are measured at amortized cost.

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition.

If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance

II. Financial Liabilities and Equity Instruments

a) Financial Liabilities

The Group's Financial Liabilities mainly comprise of;

- Current financial liabilities- mainly consisting of trade payables and liability for capital expenditure.
- Non-current financial liabilities mainly consist of Borrowings.

i)Initial Recognition and measurement of Financial Liabilities

The Group recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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Financial liabilities are initially recognized and measured at amortized cost

ii)Subsequent Measurement of Financial Liabilities at Amortized Cost

The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method. Interest expense that is not capitalized as part of cost of an asset is included in the 'Finance costs' line item. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period

iii)Derecognition of Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

n) Foreign Currency Transactions

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

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o) Provisions, Contingent liabilities and Contingent Assets

A provision is recognized 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

p) Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur.

i) Sale of Goods

Revenue from the sale of goods is recognized when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations. The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates 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, price concessions and rebates. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Group estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not

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occur when the associated uncertainty with the variable consideration is subsequently resolved.

ii) Service Income

Revenue from services rendered is recognized in the profit or loss as the underlying services are performed. Upfront nonrefundable payments received under these arrangements are recognized as revenue upon satisfaction of performance obligations.

iii) Interest and Dividend Income

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

iv) Export Incentive

Export incentives comprise of Duty draw back and MEIS (Merchandise Exports from India scheme) scrips. Duty drawback is recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. MEIS scrips are freely transferable and can be utilised for the payment of customs duty. MEIS scrips are recognised either on transfer/sale of such scrips or when it is reasonably certain that such scrips can be utilised against import duties

q) Employee benefits

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Defined contribution plans

The Group's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss. The Group's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined
contribution plan.

Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

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Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Group's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

r) Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

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

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

s) Earnings per share

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The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

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