PI HEALTH SCIENCES LIMITED

CORPORATE INFORMATION

Board of Directors

Mr. Narayan K Seshadri, Non-Executive, Non-Independent Chairperson

Mr. Anil Kumar Jain, Managing Director

Mr. Mayank Singhal, Non-Executive, Non-Independent Director

Mr. Rajnish Sarna, Non-Executive, Non-Independent Director

Dr. T.S. Balganesh, Non-Executive, Non-Independent Director

Bankers

AXIS Bank Limited

ICICI Bank Limited

Citi Bank

Auditors

S.S. Kothari Mehta & Co. LLP

Chartered Accountants

Corporate Identity Number (CIN)

U24290RJ2021PLC076803

Registered Office

Udaisagar Road, Udaipur, Rajasthan- 313001

Phone: +91-294-6651100,

Website: www.pihealthsciences.com

BOARD'S REPORT

Dear Members,

The Directors present the 3rd Annual Report on the business and operations of PI Health Sciences Limited ('the Company') together with the audited standalone and consolidated financial statements for the financial year ended March 31, 2024.

1. Financial Highlights:

(₹ in Mn)

Particulars	Standalone		Consolidated
	FY 2024	FY 2023	FY 2024
Revenue from Operations	276.99	-	3148.63
Other Income	245.01	0.94	75.97
Loss before Depreciation, Finance Costs and Tax Expense	(222.59)	(104.00)	(330.87)
Less: Depreciation and Amortization	152.71	6.41	578.41
Less: Finance Costs	372.13	16.47	571.58
Loss before Exceptional items and Tax Expense	(747.43)	(126.88)	(1480.86)
Add/(less): Exceptional items	-	-	-
Profit / (loss) before Tax Expense	(747.43)	(126.88)	(1480.86)
Less: Current Tax	-	-	-
Less: Deferred Tax	(589.05)	24.93	(588.91)
Loss for the year (1)	(158.38)	(101.95)	(891.95)
Other Comprehensive loss (2)	(0.45)	-	(31.18)
Total Comprehensive income / (loss) (1+2)	(158.83)	(101.95)	(923.13)
Balance of retained earnings brought forward from previous year	(102.80)	(0.85)	-
Earnings Per Share – Basic (in ₹)	(0.37)	(9.61)	(2.07)
Earnings Per Share – Diluted (in ₹)	(0.37)	(9.61)	(2.07)

2. Key Highlights

During the financial year ended March 31, 2024, the Company's total revenue including other income was ₹ 522.00 million on standalone basis as against ₹ 0.94 million achieved in the previous year. The standalone loss before interest, depreciation and tax increased by 114.03% at ₹ 222.59 million as against ₹ 104.00 million in the previous year. The standalone net loss after tax for the financial year ended March 31, 2024, increased by 55.35% to ₹ 158.38 million over the previous year at ₹ 101.95 million.

During the financial year ended March 31, 2024, the Company presented consolidated financial statements for the first time, being the first year where the Company has incorporated / acquired subsidiaries. Thus, there are no comparative financial details for comparison. On a consolidated basis, for the financial year ended March 31, 2024, the Company and its subsidiaries have achieved a total revenue including other income of ₹ 3224.60 million. The consolidated loss before interest, depreciation and tax was ₹ 330.87 million and the net loss after tax for the financial year ended March 31, 2024, was ₹ 891.95 million.

The earnings per share (EPS) for the year stood at ₹ (0.37) per equity share on standalone basis and ₹ (2.07) per share on consolidated basis.

3. State of Company's Affairs

The Company has embarked on a long-term value-creation journey by acquisition of Archimica S.p.A. (Italy), Therachem Research Medilab (India & US) and Solis Pharmachem (India) during the last financial year. These acquisitions combined with the new R&D center in Hyderabad, positions the Company to become a leading provider of Contract Research Organization (CRO) and Contract Manufacturing Organization (CMO) solutions. During the financial year, the Company conducted an in-depth mapping of the global CRO-CMO value chain and identified strategic focus areas for the long term. Integration activities, such as setting up of the new organization, harmonizing policies, upgrading systems like implementation of SAP, digitizing procurement and logistics processes and standardizing S&OP procedures, were undertaken. Furthermore, key infrastructure enhancements, including the construction of a new Kilo Lab in Italy and the modernization of quality control facilities across all sites were pivotal steps in building the Company into a growth engine.

4. Transfer to Reserves

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

5. Dividend

During the year under review, the Board of Directors ('the Board') has not declared any interim dividend. Further, the Board does not recommend declaration of any final dividend for the financial year ended on March 31, 2024, to conserve the reserves for the continued growth of the business of the Company. Further, the Company does not have any amounts of dividend due or outstanding or lying unpaid as of the date of the Balance Sheet, to be credited to Investor Education and Protection Fund under the provisions of the Companies Act, 2013 ('the Act').

6. Significant Events During the Financial Year 2023-24

Acquisitions

(a) On June 02, 2023, the Company acquired:

(i) 100% shareholding of Therachem Research Medilab (India) Private Limited ('TRM') vide a share purchase agreement dated April 27, 2023, amongst the Company, Therachem Research Medilab LLC, an entity incorporated in Alabama, United States of America ('TRM US'), Dr. Pooran Chand, Ms. Namita Bansal and TRM, for cash consideration of USD 42 million;

(ii) 100% shareholding of Solis Pharmachem Private Limited ('Solis') vide a share purchase agreement dated April 27, 2023, amongst the Company, TRM US, Dr. Pooran Chand, Ms. Namita Bansal and Solis, for cash consideration of USD 3 million;

(b) On April 27, 2023, PI Health Sciences Netherlands B.V. ('PIHS NL BV'), a wholly owned subsidiary of the Company, acquired 100% shareholding of Archimica S.p.A. ("Archimica") vide a share purchase agreement dated April 26, 2023, entered into with the sole shareholder of Archimica, Plahoma Twelve GmbH, a private limited company incorporated under German law, for cash consideration of € 34.20 million.

(c) PI Health Sciences USA, LLC ('PIHS USA LLC'), a wholly owned subsidiary of PIHS NL BV acquired certain identified assets of TRM US vide an asset purchase agreement dated April 27, 2023, entered into with TRM US, Dr. Pooran Chand and Ms. Namita Bansal, for cash consideration as per the terms of the asset purchase agreement.

Further, the information on the above acquisitions is also included under the notes to the financial statements which form part of this Annual Report.

Scheme of Amalgamation of Solis Pharmachem Private Limited and Therachem Research Medilab (India) Private Limited with the Company and their respective shareholders and creditors ('the Scheme')

During the year under review, the Company had entered into a Scheme of Amalgamation with Solis and TRM and their respective shareholders and creditors in accordance with the provisions of Section 233 and other applicable provisions of the Act and the rules framed thereunder ('the Scheme'). The Scheme was approved by the Board pursuant to the resolution passed at its meeting held on June 21, 2023 and by the members of the Company pursuant to the resolution passed at its meeting held on July 6, 2023.

The Hon'ble Office of the Regional Director, North-Western Region, vide its order dated September 27, 2023, had sanctioned the Scheme. The Appointed Date of the Scheme was June 02, 2023 and the Scheme became effective from October 10, 2023 ('Effective Date'). Upon the Scheme becoming effective, Solis and TRM merged with the Company and ceased to be in existence. The entire share capital of Solis and TRM, which was held by the Company along with its nominees, stood cancelled from the Effective Date of the Scheme.

7. Share Capital

Pursuant to the sanction of the Scheme, the authorised share capital of the Company increased from ₹ 6,000,000,000 (Rupees Six Thousand Million) to ₹ 6,255,500,000 (Rupees Six Thousand Two Hundred and Fifty Five Million Five Hundred Thousand) by creation of additional 255,500,000 (Two Hundred and Fifty Five Million Five Hundred Thousand) equity shares of ₹ 10 each on account of the combining of the authorised share capital of Solis and TRM with that of the Company.

During the year under review, on April 10, 2023, the Company allotted 416,499,949 (Four Hundred and Sixteen Million Four Hundred and Ninety Nine Thousand Nine Hundred and Forty Nine) equity shares at the face value of ₹ 10 (Rupees Ten) each per share, pursuant to the rights issue of equity shares.

Accordingly, as on March 31, 2024, the authorised share capital of the Company stood at ₹ 6,255,500,000 (Rupees Six Thousand Two Hundred and Fifty Five Million Five Hundred Thousand) comprising of 625,550,000 (Six Hundred and Twenty Five Million Five Hundred and Fifty Thousand) equity shares of ₹ 10 (Rupees Ten) each. The issued, subscribed and paid-up share capital of the Company stood at ₹ 4,409,999,460 (Rupees Four Thousand Four Hundred and Nine Million Nine Hundred and Ninety Nine Thousand Four Hundred and Sixty) comprising of 440,999,946 (Four Hundred and Forty Million Nine Hundred and Ninety Nine Thousand Nine Hundred and Forty Six) equity shares of ₹ 10/- (Rupees Ten) each fully paid.

The Company had on January 15, 2024, issued 1,000,000,000 (One Thousand million) Optionally Fully Convertible Debentures ('OFCDs') at the face value of ₹ 10 (Rupees Ten) each per debenture aggregating to issue size of ₹ 10,000,000,000 (Rupees Ten Thousand Million), at an interest of 0.50% on a non-cumulative basis per annum, through private placement on a preferential basis to PI Industries Limited, holding company. Out of the aforesaid issue, 550,000,000 (Five Hundred and Fifty Million) OFCDs of ₹ 10 each aggregating to ₹ 5,500,000,000 (Rupees Five Thousand Five Hundred Million), were allotted by the Company to PI Industries Limited on January 25, 2024, pursuant to the offer made through private placement on a preferential basis.

Except as mentioned above, there was no further issue of shares/ securities by way of rights issue, bonus issue or preferential issue, etc., during the year under review. Further, the Company has not undertaken any reduction of share capital, buy back of shares, issue of sweat equity shares or shares with differential voting rights as to dividend, voting or otherwise and has not implemented any employee stock option scheme/ plan, during the year under review.

8. Subsidiary, Joint Ventures & Associate Companies

As on March 31, 2024, the Company had three (3) subsidiary companies and does not have any joint venture / associate company(ies) within the meaning of Section 2(6) of the Act.

During the year under review, the following companies became / ceased to be subsidiary of the Company:

(a) TRM was acquired as a wholly owned subsidiary on June 2, 2023. Pursuant to the Scheme, as defined above, TRM merged with the Company and ceased to be in existence upon the Scheme becoming effective.

(b) Solis was acquired as a wholly owned subsidiary on June 2, 2023. Pursuant to the Scheme, as defined above, Solis merged with the Company and ceased to be in existence upon the Scheme becoming effective.

(c) PIHS NL BV was incorporated as a wholly owned subsidiary under Dutch laws, in Amsterdam, the Netherlands, on April 7, 2023.

(d) PIHS USA LLC was incorporated as a step-down wholly owned subsidiary, through PIHS NL BV, in the state of Delaware, USA, on April 24, 2023.

(e) Archimica was acquired as a step-down wholly owned subsidiary, through PIHS NL BV, in Italy, on April 27, 2023.

In accordance with the Section 129(3) of the Act read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of the subsidiary companies in the prescribed format under Part A of the Form AOC-1 is enclosed as **Annexure A** to this Report. The Company has prepared consolidated financial statements consisting of the financials of all its Subsidiary companies.

The key highlights of the subsidiary companies are as under:

(a) PI Health Sciences Netherlands B.V. ("PIHS NL BV")

The Company owns a 100% stake in PIHS NL BV. PIHS NL BV has reported a net loss of ₹ 83.85 million during the period ended March 31, 2024. Due to the size of the operations and local laws, the annual accounts of this Company are not required to be audited. The same has been certified by the management of PIHS NL BV for the purpose of consolidation.

(b) PI Health Sciences USA LLC ('PIHS USA LLC')

PIHS NL BV owns a 100% stake in PIHS USA LLC. PIHS USA LLC has reported a net loss of ₹ 45.87 million during the period ended March 31, 2024. Due to the size of the operations and local laws, the annual accounts of this Company are not required to be audited. The same has been certified by the management of PIHS USA LLC for the purpose of consolidation.

(c) Archimica S.p.A. ('Archimica')

PIHS NL BV owns a 100% stake in Archimica. Archimica has reported a net loss of ₹ 349.78 million during the period ended March 31, 2024.

9. Annual Return

Pursuant to the provisions of Section 92(3), read with Section 134(3)(a) of the Act, a copy of the Annual Return, in the prescribed form, as on March 31, 2024, which will be filed with Registrar of Companies, Ministry of Corporate Affairs, has been uploaded on the Company's website and can be accessed at https://pihealthsciences.com/.

10. Material Changes and Commitments Affecting The Financial Position of The Company

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

11. Deposits

The Company has not accepted any public deposits under Chapter V of the Act during the financial year under review.

12. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The operations of the Company were not energy intensive nor required adoption of technology. Hence, the information on the conservation of energy, technology absorption in terms of Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, is not provided in this report. Further, the information on foreign exchange inflow or outflow during the year under review is given as below:

(₹ in million)

Particulars	2023-24	2022-23
Foreign Exchange Earned	499.55	0.00
Outgo of Foreign Exchange	290.92	0.00

13. Risk Management

In accordance with Section 134 of the Act, the Company has adopted a well-defined risk management policy which inter-alia, includes identification, assessing, management, monitoring, reporting of various risk and controls. Further, information on the financial risk management framework of the Company is included in the notes to the financial statements which forms part of this Annual Report.

14. Internal Controls Systems and Adequacy

The Company has in place adequate Internal Financial Controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. The Company has identified and documented all key internal financial controls as part of its Internal Financial Control reporting framework. The Company uses SAP ERP to process financial transactions and maintain its books of accounts to ensure its adequacy, integrity and reliability. Deloitte Touche Tohmatsu India LLP, who have been engaged as the Internal auditors for FY 2024, perform the internal audit and assess the internal controls and statutory compliances in various areas and provide suggestions for improvement. Independence of internal auditors is ensured through direct reporting to the Board. Internal Auditors independently evaluate the adequacy of internal controls and review the various business processes. Internal Audit reports are placed before the Board. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective as on March 31, 2024.

15. Auditors

Statutory Auditor

In accordance with section 139(2) of the Act, M/s. SS Kothari Mehta & Co. LLP, Chartered Accountants, (firm registration number 000756N/N1500441) were appointed as Statutory Auditors by the members of the Company at the first Annual General Meeting ('AGM') held on August 22, 2022 for a term of five consecutive years, to hold office from the conclusion of the first AGM till the conclusion of the sixth AGM to be held in the calendar year 2027.

The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark on the financial statements for the financial year ended March 31, 2024. The notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s MMJB & Associates LLP, Practicing Company Secretaries (CP No. 8968), as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as Annexure B and forms an integral part of this Report. Except for delay in appointment of the Chief Financial Officer, Company Secretary, who have been appointed during the year and non-appointment of Woman Director, for which the Company is in process of identifying suitable candidate, the Secretarial Audit Report for the financial year ended March 31, 2024, does not contain any qualification, reservation or adverse remark.

Internal Auditor

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, the Board had appointed Deloitte Touche Tohmatsu India LLP as the Internal Auditor of the Company to conduct internal audit for the financial year ended on March 31, 2024.

16. Cost Records

As per Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and accordingly, such accounts and records are maintained. The cost audit does not apply to the Company as its export revenue exceeds 75% of the total revenue.

17. Board of Directors and Key Managerial Personnel

The composition of the Board is in line with the applicable provisions of the Act. As on March 31, 2024, the Board comprised of five Directors, viz., one Executive Director, four Non-Executive Directors.

During the financial year under review, there was no change in the Board of the Company. The Company has not appointed any Independent Director as the Company is not mandatorily required to appoint Independent Director in accordance with the applicable provisions of the Act.

Further, in accordance with the provisions of Section 152(6) of the Act and Articles of Association of the Company, Mr. Mayank Singhal (DIN: 00006651) will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for the consideration of the members of the Company at the ensuing AGM.

In accordance with the provisions of Section 203 of the Act, read with the rules made thereunder, the Board of Directors appointed Mr. Ankit Nayyar as Chief financial Officer of the Company with effect from November 07, 2023, and Ms. Ruchi Sheth as the Company Secretary of the Company with effect from January 15, 2024.

18. Evaluation of The Board's Performance

An evaluation of the performance of all Directors is undertaken annually. The Company has implemented a system of performance evaluation whereby the performance of the Board of Directors as a whole and of its Committees and Individual Directors is evaluated based on a structured questionnaire which is comprised of evaluation criteria. The Board of Directors discussed the feedback and expressed its satisfaction with the evaluation process.

19. Number of Meetings of The Board

During the year under review, eight Board Meetings were held on April 5, 2023, April 6, 2023 (adjourned), April 11, 2023, June 21, 2023, August 3, 2023, September 9, 2023, November 7, 2023, January 15, 2024 and February 6, 2024. The interval between two Board meetings did not exceed the maximum gap of one hundred and twenty days.

20. Particulars of Loans, Guarantees or Investments

The particulars of loans, guarantees, investments and securities provided covered under the provisions of Section 186 of the Act have been disclosed in notes to the financial statements forming part of the Annual Report.

21. Particulars of Contracts or Arrangements With Related Parties

During the year under review, all contracts/ arrangements/ transactions entered into by the Company with its related parties were in the ordinary course of business and on an arm's length basis. The Company has not entered into any arrangement / transaction with related parties which could be considered material in accordance with the Companies Act, 2013 and the Rules framed thereunder. Accordingly, the disclosure of Related Party Transactions in Form AOC - 2 is not applicable. The details of the Related Party Transactions have been included in the notes to the financial statements forming part of this Annual Report.

22. Secretarial Standards

The Company has complied with all the applicable provisions of the Secretarial Standard - 1 on 'Meeting of the Board of Directors' and Secretarial Standard – 2 on 'General Meetings'.

23. Directors' Responsibility Statement

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

i. in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed with no material departures;

ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the loss of the Company for the year ended on that date;

iii. the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

iv. the Directors have prepared annual accounts on a going concern basis; and

v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

24. Corporate Social Responsibility ('CSR')

In accordance with the Scheme, TRM merged with the Company from the appointed date i.e. June 02, 2023, with effect from the Effective Date of the Scheme i.e. October 10, 2023. TRM had a Corporate Social Responsibility ('CSR') unspent liability of ₹ 9.32 million for FY 2022-23, which was kept in a separate Bank account. The said amount was transferred to PI Foundation for implementation of the following ongoing CSR projects in the areas of education & skill development and health, hygiene & sanitation, rural development in accordance with the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014:

i. Pre-school learning, awareness about personal hygiene for children, Industry relevant & livelihood -oriented skilling.

ii. Integrated education program for especially abled children

iii. Construction of toilets, Education assistance to especially abled children, Rural development initiatives.

Out of the above unspent amount for FY 2022-23, the Company has spent an amount of ₹ 5.21 million towards the aforesaid ongoing CSR Projects, during the year. As per provisions of section 135(6) of the Act, any amount remaining unspent under section 135(5) pursuant to any ongoing project shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company. Accordingly, the unspent obligation, is Rs 4.11 million, towards the ongoing CSR projects/programs have been transferred by the Company to a specified account within the prescribed period.

Further, TRM had made a provision of ₹ 3.49 million as Corporate Social Responsibility ('CSR') obligation for FY 2023-24. By virtue of the merger, the said provision has become part of the Company and stands unspent as on March 31, 2024.

The above amount not being allocated towards any ongoing CSR projects during FY 2024, in terms of the provisions of section 135(5) and (6) of the Act and the rules made thereunder, the

Board has approved transfer of the said amount to a Fund specified under Schedule VII viz., Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

The annual report on CSR as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out in Annexure C to this Report.

25. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace

The Company is committed towards creating a safe and dignified working environment free from sexual harassment and has a zero-tolerance policy towards any sexual harassment at the workplace. The Company has formulated and implemented a policy for Prevention of Sexual Harassment of Women at workplace. The Company has constituted Internal Complaints Committee to enquire into complaints of Sexual Harassment and to perform duties as prescribed under the Policy of the Company. The Company has not received any complaint of sexual harassment during the financial year 2023-24.

26. General

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

a. No changes are made in the nature of business of the Company.

b. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

c. The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act.

d. Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company.

e. There were no instances of one-time settlement with any Bank or Financial Institutions.

27. Acknowledgement

The Directors take this opportunity to thank all the stakeholders for their support and co-operation.

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

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Dated: May 15, 2024
Place: Mumbai

Health Sciences

ANNEXURE – A

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) - Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A – Subsidiaries (Information in respect of each subsidiary to be presented with amounts in Mn.)

S. No.	Particulars	Name of the subsidiaries		
		PI Health Sciences Netherlands B.V.	PI Health Sciences USA LLC	Archimica S.p.A.
1.	The date since when subsidiary was acquired	April 07, 2023	April 24, 2023	April 27, 2023
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	EUR; 1 = 89.8775	USD; 1 = 83.4050	EUR; 1 = 89.8775
4.	Share capital	2,063.53	123.06	908.26
5.	Reserves & surplus	(117.88)	(44.15)	382.64
6.	Total assets	4,265.24	1,654.03	4331.64
7.	Total Liabilities	2,319.59	1,575.11	3040.74
8.	Investments	3,166.27	Nil	Nil
9.	Turnover	Nil	144.09	5.52
10.	Profit / (Loss) before taxation	(83.85)	(45.87)	(349.64)
11.	Provision for taxation	Nil	Nil	0.14
12.	Profit / (Loss) after taxation	(83.85)	(45.87)	(349.78)
13.	Proposed Dividend	Nil	Nil	Nil
14.	Extent of shareholding (In %)	100%	100% by PI Health Sciences Netherlands B.V.	100% by PI Health Sciences Netherlands B.V.

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - None.
2. Names of subsidiaries which have been liquidated or sold during the year:
   (a) Therachem Research Medilab (India) Private Limited was acquired as a wholly owned subsidiary on June 02, 2023. Pursuant to the Scheme, as defined above, TRM merged with the Company ceased to be in existence upon the Scheme becoming effective.
   (b) Solis Pharmachem Private Limited was acquired as a wholly owned subsidiary on June 02, 2023. Pursuant to the Scheme, as defined above, Solis merged with the Company ceased to be in existence upon the Scheme becoming effective.

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

Sd/-
Narayan K. Seshadri
Chairperson
DIN: 00053563

Dated: May 15, 2024
Place: Mumbai

ANNEXURE – B

MMJB & Associates LLP

Company Secretaries

803-804, 8th Floor, Ecstasy, Citi of Joy, JSD Road, Mulund - West,

Mumbai – 400080, (T) 022-21678100 LLPIN: AAR-9997

MMJC

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

for the Financial Year Ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PI Health Sciences Limited
Udaisagar Road, Udaipur - 313001,
Rajasthan, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PI Health Sciences Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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

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

i. The Companies Act, 2013 (**the Act**), and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (**Not Applicable to the Company during the Audit Period**)

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment (**Foreign Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit Period**);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable to the Company during the Audit Period**)

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**Not Applicable to the Company during the Audit Period**)

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**)

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**)

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

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (**Not Applicable to the Company during the Audit Period**)

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**);

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**)

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (**Not Applicable to the Company during the Audit Period**)

During the Audit Period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above except:

1. *Post right issue dated 5th November, 2022 the paid-up share capital of the Company increased to 24,49,99,970, due to which Company was required to appoint Company Secretary and Chief Financial Officer under section 203 of the Act. The Company has appointed Company Secretary w.e.f. 15th January, 2024 and Chief Financial Officer w.e.f. 7th November, 2023.*

2. *Post Right issue dated 10th April, 2023 the paid-up share capital of the Company increased to 440,99,99,460, due to which Company was required to appoint Woman Director under Section 149 of the Act. The Company is still identifying a suitable candidate for the same.*

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following law applicable specifically to the Company:

- The Indian Boilers Act, 1923; and
- Hazardous Waste Management Rules, 2016

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (where meeting is convened at a shorter notice necessary approvals have been obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that, during the audit period the Company:

- issued and allotted 41,64,99,949 Equity Shares of ₹ 10/- each at par aggregating to total value of ₹ 416,49,99,490/- to PI Industries Limited on right basis;
- incorporated PI Health Sciences Netherlands B.V. a wholly owned Subsidiary, under Dutch law in Amsterdam, the Netherlands and approved infusion of equity up to ₹ 206 Crores (equivalent to USD 25 Million) and debt up to ₹ 290 Crores (equivalent to USD 35 Million), from time to time in one or more tranches.
- acquired 100% stake in Therachem Research Medilab (India) Private Limited and Solis Pharmachem Private Limited directly and in Archimica S.p.A., in Italy and PI Health Sciences USA LLC in Delaware, USA, through PI Health Sciences Netherlands B.V.
- obtained shareholders approval in extraordinary general meeting held on 5th April, 2023 for making investments, giving loans, guarantees and securities in excess of the limit specified under section 186 of the Act for an amount not exceeding ₹ 20,000 million outstanding at any time.
- in accordance with the Scheme of Amalgamation have obtained shareholders approval in extraordinary general meeting dated 06th July, 2023 for increasing its Authorised Share Capital from ₹ 600,00,00,000/- divided into 60,00,00,000 equity shares of ₹ 10 each to ₹ 6,25,55,00,000/- divided into 62,55,50,000 equity shares of ₹ 10 each.
- obtained shareholders approval in extraordinary general meeting held on 15th January, 2024 for borrowings and creation of charge on the assets of the Company in excess of the limit specified under section 180(1)(a) and (c) of the Act. not exceeding ₹ 20,000 million or up to two time of the aggregate of the paid up capital and free reserve of the Company, whichever is higher.
- issued 1,000 million unsecured optionally fully Convertible Debenture (‘OFCD’), having a face value of ₹ 10 each out of which allotted 550 million OFCD of ₹ 10 each aggregation to ₹ 5500 million at the interest of 0.50% on a Non-cumulative basis per annum up to the date of conversion or redemption to PI Industries Limited through private placement basis.

For MMJB & Associates LLP
Company Secretaries

Sd/-
Deepti Joshi
Designated Partner
FCS: F8167
CP: 8968
PR: 2826/2022
UDIN: F008167F000376920

Date: May 15, 2024
Place: Mumbai

* This report is to be read with our letter of event date which is annexed as **Annexure I** and which forms an integral part of this report.

ANNEXURE – I

To,
The Members,
PI Health Sciences Limited
Udaisagar Road, Udaipur - 313001, Rajasthan, India.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

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

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MMJB & Associates LLP
Company Secretaries

Sd/-
Deepti Joshi
Designated Partner
FCS: F8167
CP: 8968
PR: 2826/2022
UDIN: F008167F000376920

Date: May 15, 2024
Place: Mumbai

ANNEXURE – C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ('CSR') ACTIVITIES

1. **Brief outline of the Company's CSR policy:** Not applicable

2. **Composition of the CSR Committee:** Not applicable

3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the web-site of the company:** Composition of CSR Committee was not applicable to the Company as it did not meet the criteria specified under section 135 of the Companies Act 2024. However, by virtue of the merger of TRM with the Company, the obligations of TRM were transferred to the Company. The details of the CSR projects undertaken and approved by the Board of TRM has been uploaded on the Company's website and can be accessed at https://pihealthsciences.com/

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable

5. (a) **Average net profit of the company as per section 135(5):** Not applicable

   (b) **Two percent of average net profit of the company as per section 135(5):** Not applicable. However, by virtue of the merger of TRM with the Company, the CSR obligations of TRM of ₹ 3.49 million for FY 2024, formed part of the Company.

   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Not applicable

   (d) **Amount required to be set off for the financial year, if any:** Not applicable

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** Not applicable. However, by virtue of the merger of TRM with the Company, the CSR obligations of TRM of ₹ 3.49 million for FY 2024, formed part of the Company.

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)** – Not applicable. However, by virtue of the merger of TRM with the Company, the CSR obligations of TRM of ₹ 3.49 million for FY 2024, formed part of the Company.

   (b) **Amount spent in administrative overheads** – Not applicable

   (c) **Amount spent on Impact Assessment, if applicable** – Not applicable

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]** – ₹ 3.49 million

   (e) **CSR amount spent or unspent for the Financial Year** – as below:

Total Amount Spent for the Financial Year (₹ in Million)	Amount Unspent (₹ in million)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3.49	-	-	Swach Bharat Kosh	3.49	Will be transferred before 30 September 2024

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

S. No.	Particular	Amount (₹ in million)
(i)	Two percent of average net profit of the company as per Section 135(5)	Not applicable
(ii)	Total amount spent for the Financial Year	3.49
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not applicable

7. **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in million)	Balance Amount in unspent CSR Account under section 135 (6) (₹ in million)	Amount spent in the reporting Financial Year (₹ in million)	Amount transferred to a fund specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years. (₹ in million)	Deficiency, if any
					Amount (₹ In million)	Date of transfer		
01.	FY 2022-23	9.32	4.11	5.21	Nil	NA	4.11	Nil

8. **Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: If yes, enter the number of Capital assets created / acquired:**

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

Sl. No.	Short particulars of the property or assets [including complete address and location of the Property]	Pin code. of the property or asset(s)	Date of creation	Amount of CSR amount spent (In ₹ Million)	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if Applicable	Name	Registered Address
01.	Bus for safe transportation of children of brick kiln workers- 01	134109	FY23-24	1.67	CSR00024083	Association for Social Health in India	Panchkula, Haryana
02.	Construction of multi-purpose hall for children -01	134109	FY23-24	0.83	CSR00024083	Association for Social Health in India	Panchkula, Haryana
03.	Digital Setup & software for computer for students	134109	FY23-24	0.68	CSR00024083	Association for Social Health in India	Panchkula, Haryana
04.	Construction of health and sanitation infrastructure (toilets) – 14	283122	FY23-24	0.80	CSRO0019563	Jayati Bhartam	Lucknow, Uttar Pradesh
05.	Storage essentials for students Almirah -05. Bookshelf -3; Trunks -04	226021	FY23-24	0.07	CSRO0019563	Jayati Bhartam	Lucknow, Uttar Pradesh

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):** The provisions of section 135 of the Act were not applicable to the Company for FY 2024. However, by virtue of merger, the provisions made by TRM towards CSR obligations have become part of the Company which stood unspent as on March 31, 2024. The Company in terms of the provisions of section 135 of Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, will transfer the unspent CSR amount of ₹ 34,93,809 to a Fund specified under Schedule VII before September 30, 2024.

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

Sd/-
Anil Kumar Jain
Managing Director
DIN: 09707763

Sd/-
Mayank Singhal
Director
DIN: 00006651

Dated: May 15, 2024
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of **PI Health Sciences Limited**

Report on the Audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **PI Health Sciences Limited** ("the Company"), which comprise the balance sheet as at March 31 2024, the statement of profit and loss including the statement of other comprehensive income, the statement of cash flow statement and the statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information. (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone financial statements and Auditor's Report Thereon

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial statements

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.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The balance sheet, the statement of profit and loss including the statement of other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.

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

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   (g) In our opinion, and according to the information and explanations given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the 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 litigation 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, required to be transferred, to the Investor Education and Protection Fund by the Company;

      iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 49 of the standalone financial statement, no funds have been advanced or loaned or invested by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 49 of the standalone financial statement, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      (c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and iv (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit log was not enabled to capture any direct changes at the database level. Further, during the course of our audit, we did not notice any instance of audit trail feature being tampered with.

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

For S.S. KOTHARI METHA & CO. LLP
Chartered Accountants
Firm registration number: 000756N/N500441

Sd/-
Amit Goel
Partner
Membership No.: 500607

Place: Mumbai
Dated: May 15, 2024
UDIN: 24500607BKEIVJ2538

Annexure A to the Independent Auditor's Report to the Members of PI Health Sciences Limited dated May 15, 2024 on its standalone financial statements.

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

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

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

(b) The Company has physically verified certain property, plant and equipment and right-of-use of assets as per its program of physical verification that covers all items of property, plant and equipment over a period of three years, which in our opinion is reasonable having regard to the size of the company and the nature of its property, plant and equipment. Based on information and records provided, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the title deeds provided to us, we report that, the title deeds of the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the Company) are held in the name of the Company as at the balance sheet date except as disclosed in note 4 of standalone financial statements. Details are mentioned below:-

Description of property	Gross Carrying value (₹ in Million)	Net Carrying value (₹ in Million)	Held in name of	Whether promoter, director or their relative or employee	Period held Indicate range, where appropriate	Reason for not being held in name of company
Plot No. 969 and 969(A), Industrial Area, Sitapura Phase -III, Jaipur.	160.80	159.19	Therachem Research Medilab (India) Private Limited	Not applicable	April, 2008	Assets has been transferred on account of scheme of Amalgamation(merger) between the Company and Therachem Research Medilab (India) Private Limited with effect from June 02, 2023.
Industrial Plot 4707-A/5,Survey No.366,369,373/1 and 373/2, Ankleshwar	31.00	30.55	Solis Pharmachem Private Limited	Not applicable	March, 2021	Assets has been transferred on account of scheme of Amalgamation(merger) between the Company and Solis Pharmachem Private Limited with effect from June 02, 2023.

(d) According to the information and explanations given to us, the Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the year. Hence, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and records provided, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, physical verification of the inventory has been conducted at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification when compared with books of account.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security, given loan or made investments in companies, firms, limited liability partnerships or any other parties during the year except as given below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other parties as below:

Particular	Loan (₹ Million)
Aggregate amount granted/ provided during the year:	
- Subsidiary	2,185.04
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary	2,188.89

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the term and condition of loans granted and investment made during the year is not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated. The repayment of loan has not been fallen due during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investment made, loan given provided by the Company, in our opinion the provisions of Section 185 and 186 of the Act, have been complied with. The Company has not given any security and provided guarantee during the year.

v. In our opinion and according to the information and explanation given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, customs duty, excise duty, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

viii. In our opinion, based on audit procedures and according to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion, based on audit procedures and according to the information and explanations given to us, in respect of other loans, the Company has not defaulted in repayment of inter-corporate deposits / loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) According to the information and explanations given to us and procedures performed by us the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and procedures performed by us the Company has complied with provisions of sections 42 and 62 of the Act, in respect of the preferential allotment of optionally fully convertible debenture during the current financial year. The funds raised, have been used for the purposes for which the funds were raised.

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable Indian Accounting Standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

xiv (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

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

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

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) of the Order are not applicable to the Company.

xvii. The Company has incurred cash losses amounting to ₹ 5.95 Million in the current financial year and ₹ 95.54 Million in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix According to the information and explanations given to us and 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 standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company.

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx (a) In our opinion and according to the information and explanations given to us, the Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Act, till the date of the report. However, the period for such transfer i.e. six months of the expiry of the financial year as permitted under second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report. This matter has been disclosed in note 36 to the standalone financial statements.

(b) In our opinion and according to the information and explanations given to us, all amounts that are unspent under section (5) of section 135 of Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of the standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For S.S. KOTHARI METHA & CO. LLP
Chartered Accountants
Firm registration number: 000756N/N500441

Sd/-
Amit Goel
Partner
Membership No.: 500607

Place: Mumbai
Dated: May 15, 2024
UDIN: 24500607BKEIVJ2538

Annexure B to the Independent Auditor's Report to the Members of PI Health Sciences Limited dated May 15, 2024 on its standalone financial statements.

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

We have audited the internal financial controls with reference to financial statements of the PI Health Sciences Limited (the 'Company') as of March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For S.S. KOTHARI METHA & CO. LLP
Chartered Accountants
Firm registration number: 000756N/N500441

Sd/-
Amit Goel
Partner
Membership No.: 500607

Place: Mumbai
Dated: May 15, 2024
UDIN: 24500607BKEIVJ2538

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non- Current assets			
Property, plant and equipment	4	1,400.83	135.54
Right of use assets	5	546.76	508.53
Capital work-in-progress	6	95.21	16.24
Goodwill	7	871.61	-
Other intangible assets	8	1,592.02	-
Financial assets			
(i) Investments	9	2,063.53	-
(ii) Loans	10	2,188.89	-
(iii) Other financial assets	12	9.06	0.21
Deferred tax assets (net)	11	-	24.93
Other Non-Current assets	13	19.78	102.38
Total Non-Current assets		**8,787.69**	**787.83**
Current assets			
Inventories	14	134.15	-
Financial assets			
(i) Trade receivables	19(a)	106.55	-
(ii) Contracts assets	19(b)	316.21	-
(iii) Cash and cash equivalents	15	376.74	33.12
(iv) Bank balances other than (iii) above	16	11.56	1.03
(v) Other financial assets	17	144.57	-
Current tax assets	18	98.05	0.09
Other current assets	13	323.48	109.00
Total current assets		**1,511.31**	**143.24**
Total assets		**10,299.00**	**931.07**
EQUITY & LIABILITIES			
Equity			
Equity share capital	20	4,410.00	245.00
Other equity	20	225.76	(102.80)
Total equity		**4,635.76**	**142.20**
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	21	4,937.69	690.00
(ii) Lease liabilities	22	71.45	30.34
(iii) Other financial liabilities	23	2.20	-
Deferred tax liabilities (Net)	11	143.68	-
Provisions	24	22.90	1.18
Total non current liabilities		**5,177.92**	**721.52**
Current Liabilities			
Financial liabilities			
(i) Lease liabilities	22	12.44	2.49
(ii) Trade payables	26		
(a) total outstanding dues of micro enterprises and small enterprises		7.62	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		41.67	-
(iii) Other financial liabilities	23	383.48	59.56
Provisions	24	1.49	-
Other current liabilities	25	38.62	5.30
Total current liabilities		**485.32**	**67.35**
Total liabilities		**5,663.24**	**788.87**
Total equity and liabilities		**10,299.00**	**931.07**

Notes to accounts **1 to 50**

The accompanying notes referred to above formed the integral part of the financial statement

As per our report of even date

For S.S. KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm Registration No.: 000756N/N500441

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

Sd/-
Amit Goel
Partner
Membership No.500607

Sd/-
Anil Kumar Jain
Managing Director
DIN: 09707763

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Sd/-
Ankit Nayyar
Chief Financial Officer

Sd/-
Ruchi Sheth
Company Secretary

Place: Mumbai
Date: May 15, 2024

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	27	276.99	-
Other income	28	245.01	0.94
Total Income		**522.00**	**0.94**
Expenses:			
Cost of materials consumed	29	180.42	-
Changes in inventories of finished goods, work in progress and stock in trade	30	(19.92)	-
Employee benefit expense	31	239.45	62.87
Finance cost	32	372.13	16.47
Depreciation & amortisation	33	152.71	6.41
Other expense	34	344.64	42.07
Total expenses		**1,269.43**	**127.82**
Loss before tax for the period		**(747.43)**	**(126.88)**
Income tax expense	**35**		
Deferred tax		(589.05)	24.93
Current tax		-	-
Total tax expense for the period		**(589.05)**	**24.93**
Loss after tax for the period		**(158.38)**	**(101.95)**
Other comprehensive income for the period			**-**
(i) Items that will not be reclassified to profit or loss			
Remeasurements losses on defined benefit plans		(0.60)	-
Income tax relating to the above item		0.15	-
Total comprehensive loss for the period		**(158.83)**	**(101.95)**
Earnings per equity share	**47**		
1) Basic (in ₹)		(0.37)	(9.61)
2) Diluted (in ₹)		(0.37)	(9.61)
Face value per share (in ₹)		**10.00**	**10.00**
Notes to accounts	1 to 50		

The accompanying notes referred to above formed the integral part of the financial statement

As per our report of even date

For S.S. KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm Registration No.: 000756N/N500441

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

Sd/-
Amit Goel
Partner
Membership No.500607

Sd/-
Anil Kumar Jain
Managing Director
DIN: 09707763

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Sd/-
Ankit Nayyar
Chief Financial Officer

Sd/-
Ruchi Sheth
Company Secretary

Place: Mumbai
Date: May 15, 2024

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before income tax	**(747.43)**	**(126.88)**
Adjustments for :-		
Depreciation and amortisation expense	152.71	6.41
Finance costs	372.13	16.47
Provision for bad and doubtful debts & advances	1.61	0.30
Interest income on loans and bank deposits	(117.01)	(0.94)
Interest income on unwinding of security deposits	(0.14)	(0.00)
Unrealised loss on foreign currency transactions (net)	19.15	-
Operating profit before working capital changes	**(318.98)**	**(104.64)**
(Increase) / decrease in trade receivables	431.49	-
(Increase) / decrease in inventories	10.44	0.00
(Increase) / decrease in financial assets	(120.27)	(0.21)
(Increase) / decrease in other assets	(150.85)	(108.70)
Increase / (decrease) in trade payables	(13.04)	-
Increase / (decrease) in provisions	12.70	1.18
Increase / (decrease) in financial liabilities	122.66	5.42
Increase / (decrease) in other liabilities	(306.60)	5.24
Cash used in operations before tax	**(332.45)**	**(201.71)**
Income taxes paid	(0.67)	(0.09)
Net cash used in operating activities	**(333.12)**	**(201.80)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment including capital work in progress, intangible assets, capital advances and creditors	(834.67)	(197.85)
Invesment in bank deposits	(11.56)	-
Acquisition of businesses net of cash and bank balances of ₹ 599.33	(3,000.39)	-
Equity investment in wholly owned subsidiaries	(2,063.53)	-
Loan provided to wholly owned subsidiaries	(2,185.04)	-
Interest received	91.73	0.94
Net cash used in investing activities	**(8,003.46)**	**(196.91)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital	4,165.00	235.00
Principal elements of deferred lease payments	-	(480.02)
Proceeds from long term borrowings	9,410.00	690.00
Payment of long term borrowings	(4,600.00)	-
Payment of lease liabilities	(14.81)	-
Interest paid (net)	(281.02)	(15.62)
Net cash inflow from financing activities	**8,679.17**	**429.36**
D. Net cash inflow from operating, investing & financing activities (A+B+C)	**342.59**	**30.64**
Opening balance of cash & cash equivalents	**34.15**	**3.50**
Closing balance of cash & cash equivalents	**376.74**	**34.15**

Note: Cash and cash equivalents included in the cash flow statement comprise of the following :-

	As at March 31, 2024	As at March 31, 2023
i) Cash on hand	0.08	-
ii) Balance with banks :		
-In current accounts	141.66	33.12
-In fixed deposits	235.00	1.03
Total	**376.74**	**34.15**

The above cash flow statement has been prepared under the Indirect method as set out in IND AS - 7 “Cash Flow Statement”.

Figures in brackets indicate cash outflows.

As per our report of even date

For S.S. KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm Registration No.: 000756N/N500441

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

Sd/-
Amit Goel
Partner
Membership No.500607

Sd/-
Anil Kumar Jain
Managing Director
DIN: 09707763

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Sd/-
Ankit Nayyar
Chief Financial Officer

Sd/-
Ruchi Sheth
Company Secretary

Place: Mumbai
Date: May 15, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

a. Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	2,44,99,997	245.00	10,00,000	10.00
Changes in equity share capital during the year	41,64,99,949	4,165.00	2,34,99,997	235.00
Balance at the end of the year	**44,09,99,946**	**4,410.00**	**2,44,99,997**	**245.00**

b. Other Equity

Particulars	Retained earnings	Equity component of compound financial instrument	Total other equity
Balance as at April 01, 2022	**(0.85)**	**-**	**(0.85)**
Loss for the year	(101.95)	-	(101.95)
Total comprehensive loss for the year	**(101.95)**	**-**	**(101.95)**
Balance as at March 31, 2023	**(102.80)**	**-**	**(102.80)**
Loss for the year	(158.38)	-	(158.38)
Other comprehensive income for the year	(0.45)	-	(0.45)
Total comprehensive loss for the year	**(158.83)**	**-**	**(158.83)**
Transaction with owners in their capacity as owners:			
Issue of optionally fully convertible debentures (OFCD)	-	651.50	651.50
Deferred tax created	-	(163.97)	(163.97)
Transaction cost	-	(0.14)	(0.14)
Transaction with owners in their capacity as owners:	-	**487.39**	**487.39**
Balance at March 31, 2024	**(261.63)**	**487.39**	**225.76**

As per our report of even date

For S.S. KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm Registration No.: 000756N/N500441

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

Sd/-
Amit Goel
Partner
Membership No.500607

Sd/-
Anil Kumar Jain
Managing Director
DIN: 09707763

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Sd/-
Ankit Nayyar
Chief Financial Officer

Sd/-
Ruchi Sheth
Company Secretary

Place: Mumbai
Date: May 15, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

1. Corporate Information

PI Health Sciences ("the Company") is a public limited company and has its registered office at Udaisagar Road, Udaipur -313001 (Rajasthan). The principal activities of the Company are research, preparation, manufacture, distribution and sale of active pharmaceutical ingredients ("APIs") and intermediates.

2. Basis of Preparation

The Company has consistently applied the following accounting policies to all periods presented in the financial statements unless otherwise stated.

a) Statement of compliance

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

These financial statements were approved and adopted by the board of directors of the Company in their meeting dated May 15, 2024, and are subject to shareholder approval at the forthcoming Annual General Meeting of shareholders.

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities and contingent considerations are measured at fair value;

- Defined benefit plan assets measured at fair value

c) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognized in the financial statements are:

(i) Provision for expected credit losses (ECL) on trade receivables

The Company uses a provision matrix to calculate ECL for trade receivables. The ECL provision matrix is based on the Company's historical observed default rates. The Company adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECL is sensitive to changes in circumstances and accordingly Company's actual default in the future may be different.

(ii) Recognition of deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realisable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

(iii) Impairment test of non-financial assets (goodwill and intangible assets)

The Company assesses at each reporting date whether there is an indication that goodwill and intangible assets recognized on business combination may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are estimated based on past trend and discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

3. Material Accounting Policies

a) Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

ii) Depreciation

Depreciation on property, plant and equipment is provided on the Straight-Line Method based on the useful life of assets estimated by the Management which coincide with the life specified under Schedule II of the Companies Act, 2013

The Company has estimated the useful lives as prescribed in schedule II of Companies Act, 2013, as follows:

-Plant and machinery	4 - 15 years
-Computer	3 - 6 years
- Electrical installations and equipment	4 - 10 years
- Furniture and fixtures	10 years
- Office equipment	4 - 5 years
- Vehicles	8 - 10 years

Leasehold land is being amortised over the lease period and Cost of improvement on leasehold building is being amortised over the lease period or useful life whichever is lower, unless the entity expects to use the assets beyond the lease term.

Based on assessment made by technical experts, the Management believes that the useful lives as given above best represent the period over which it expects to use these assets.

b) Intangible assets

i) Recognition and measurement

Goodwill

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Intangible assets acquired separately

Intangible assets that are acquired by the Company are measured at cost, less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets - Research and development

Research costs are expensed as incurred. Development costs are capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized in profit or loss as incurred.

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

ii) Amortization

Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful life of customer contract is 20 years.

c) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

d) Financial instruments

i) Subsequent measurement

i) Financial assets carried at amortized cost

A financial asset (which includes loans and advances, security deposits, deposits with banks and financial institutions, cash and cash equivalents, bank balance other than cash and cash equivalents, and trade receivables) is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

ii) Financial liabilities

Financial liabilities (which includes borrowings, trade payables and other financial liabilities (other than derivative financial instruments)) are subsequently carried at amortized cost using the effective interest method.

iii) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

e) Inventories

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on weighted average basis and are net of Goods and service tax credit.

Cost of Work in progress and Finished Goods is determined on first-in-first out basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

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

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

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

g) Revenue Recognition

i) Sale of goods

The Company manufactures and sells a range of products to various customers. Revenue is recognised over the period of time for contracts wherein the Company's performance does not create an asset with alternative use to the Company and the entity has an enforceable right to payment for performance completed till date. Management has determined that it is highly probable that there will be no rescission of the contract and a significant reversal in the amount of revenue recognised will not occur. Accordingly, revenue is recognised for these contracts based on Input method wherein amount of revenue to be recognised is determined based on the actual cost incurred till date and the estimated margin on the contract because there is a direct relationship between the Company's effort (i.e., based on the material consumed and labour hours incurred) and the enforceable right to Payment for performance completed till date. For remaining contracts, revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue recognised in relation to these contracts in excess of billing is recognised as a Contract Asset. Accumulated experience is used to estimate and provide for the discounts and returns using the expected value method and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. A refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned. Liability (included in other financial liabilities) is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period

Amounts disclosed as revenue are net of returns, discounts, volume rebates and net of goods and service tax.

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

ii) Sale of services

Revenue from sale of services is recognised over the period of time as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

iii) Export Incentives

Incentives on exports are recognised in books after due consideration of certainty of utilisation/ receipt of such incentives.

iv) Interest Income

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

h) Employee Benefits

i) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when they are due.

ii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The Company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the

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

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

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in the period in which they occur, directly in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss under employee benefit expense.

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

i) Income tax

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

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes.

j) Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

k) Lease

The Company leases various offices, warehouses, IT equipment and vehicles. Rental contracts are typically made for fixed periods but may have extension and termination options.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

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

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

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

Other Accounting Policies

l) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange difference

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective

In accordance with Ind-AS 101 'First Time Adoption of Indian Accounting Standards', the Company has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on translation of long-term foreign currency monetary items relating to acquisition of depreciable property, plant and equipment taken before the transition date are capitalized and depreciated over the remaining useful life of the asset.

m) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

o) Earnings per share:

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

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

p) Dividends

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

q) Business Combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the capital reserve.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

4. Property, Plant and Equipment

	Freehold land	Buildings	Leasehold land	Furniture and fixtures	Office equipments	Plant and Machinery	Vehicles	Computer	Total
Gross carrying amount									
As at beginning of April 01, 2022	**5.45**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.45**
Additions	-	-	-	1.21	0.72	119.44	11.62	0.16	**133.15**
Disposals	-	-	-	-	-		-	-	-
As at March 31, 2023	**5.45**	**-**	**-**	**1.21**	**0.72**	**119.44**	**11.62**	**0.16**	**138.60**
Additions			-	42.91	9.51	728.16	-	22.39	802.97
Additions through business combination	-	134.38	191.80	3.59	1.64	191.48	0.92	1.42	525.23
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2024	**5.45**	**134.38**	**191.80**	**47.71**	**11.87**	**1,039.08**	**12.54**	**23.97**	**1,466.80**
Acumulated depreciation									
As at beginning of April 01, 2022	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	-	-	0.09	0.04	2.39	0.51	0.03	3.06
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2023	**-**	**-**	**-**	**0.09**	**0.04**	**2.39**	**0.51**	**0.03**	**3.06**
Depreciation charge during the year	-	4.77	2.06	1.59	0.68	51.30	1.54	0.97	62.91
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2024	**-**	**4.77**	**2.06**	**1.68**	**0.72**	**53.69**	**2.05**	**1.00**	**65.97**
Net carrying amount									
As at March 31, 2023	**5.45**	**-**	**-**	**1.12**	**0.68**	**117.05**	**11.11**	**0.13**	**135.54**
As at March 31, 2024	**5.45**	**129.61**	**189.74**	**46.03**	**11.15**	**985.39**	**10.49**	**22.97**	**1,400.83**

Notes:

a. Addition in leasehold land in the current year represents land which has been acquired on acquisition of “Therachem Research Medilab (India) Private Limited” and “Solis Pharmachem Private Limited” amounting to ₹ 160.80 and ₹ 31.00 respectively. These assets are pending for registration in the name of the Company as on March 31, 2024.

Relevant line items in the Balance sheet	Description of item of property	Gross Carrying Value	Title deeds held in name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter or director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Leasehold Land	191.8	Previous Owner	NA	02-06-2023	Registration of leasehold land in the name of Company is under process

b. Refer note 39 for disclosure of contractual comitmments for the acquisition of property, plant and equipment.

c. Refer note 45 for acquisition of property, plant and equipment through business combination.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

5. Right of Use Assets

Gross carrying amount	Land	Building	Total
As at beginning of April 01, 2022	-	-	-
Additions	157.03	354.86	**511.89**
Disposals	-	-	-
As at March 31, 2023	**157.03**	**354.86**	**511.89**
Additions	-	55.69	55.69
Additions through business combination*	-	3.36	3.36
Disposals	-	-	-
As at March 31, 2024	**157.03**	**413.91**	**570.94**

*Additions due to conversion of "Therachem Research Medilab (India) Private Limited" financials from IGAAP to Indian Accounting Standard (Ind AS).

Accumulated amortisation			
As at beginning of April 01, 2022	-	-	-
Amortisation charge during the year	2.22	1.14	3.36
Disposals	-	-	-
As at March 31, 2023	**2.22**	**1.14**	**3.36**
Amortisation charge during the year	3.09	17.73	20.82
Disposals	-	-	-
As at March 31, 2024	**5.31**	**18.87**	**24.18**
Net Carrying Amount			
As at March 31, 2023	**154.81**	**353.72**	**508.53**
As at March 31, 2024	**151.72**	**395.04**	**546.76**

Note: Details of assets given on operating lease included in right of use assets:

Particulars	Building
As at March 31, 2023	
Gross block	17.54
Accumulated depreciation	0.06
Net carrying amount	**17.48**
As at March 31, 2024	
Gross block	17.54
Accumulated depreciation	0.34
Net carrying amount	**17.20**

6. Capital Work-In-Progress

(a) Cost

Particulars	Amount
As at beginning of April 01, 2022	-
Additions	16.24
Disposal	-
Amount transferred from CWIP	-
As at March 31, 2023	**16.24**
Additions	881.94
Disposal	-
Amount transferred from CWIP	(802.97)
As at March 31, 2024	**95.21**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(b) Ageing of capital work-in progress

Particulars	Amount in capital work in progress for a period of				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in progress	95.21	-	-	-	**95.21**
Projects temporarily suspended	-	-	-	-	-
Projects in progress	16.24	-	-	-	**16.24**
Projects temporarily suspended	-	-	-	-	-

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

Particulars	To be completed in				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in progress					
- R&D lab Hyderabad (Phase -III)	95.21	-	-	-	**95.21**
Projects temporarily suspended	-	-	-	-	-
	95.21	-	-	-	**95.21**
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Note: There are no project as on March 31, 2024 where the project timeline is overdue.

7. Goodwill

Cost	Amount
As at beginning of April 01, 2022	-
Additions	-
As at March 31, 2023	-
Additions through business combination	871.61
As at March 31, 2024	**871.61**

Goodwill of ₹ 871.61 generated on account of business combination and is tested for impairment annually in accordance with Ind AS 36 “Impairment of Assets”, such investment is considered for the purpose of impairment review. Management has assessed whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections. As on the reporting date, the recoverable amount is determined at ₹ 8894.2, through an independent valuer, based on the value in use calculation which uses cash flow projections based on the projected profitability. As value in use are significantly higher than the carrying amount no impairment was recorded in books of accounts.

Note: For goodwill computation, kindly refer note 45.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

8. Other Intangible Assets

Particulars	Amount
Gross carrying amount	
As at beginning of April 01, 2022	**-**
Additions	-
Disposals	-
As at March 31, 2023	**-**
Additions	-
Additions through business combination	1,661.00
Disposals	-
As at March 31, 2024	**1,661.00**
Acumulated amortisation	
As at beginning of April 01, 2022	**-**
Amortisation charge during the year	-
Disposals	-
As at March 31, 2023	**-**
Amortisation charge during the year	68.98
Disposals	-
As at March 31, 2024	**68.98**
Net Carrying Amount	
As at March 31, 2023	**-**
As at March 31, 2024	**1,592.02**

Note: Other intangible assets pertains to customer contracts and relations identified on acquisition of Therachem Research Medilab (India) Private Limited made during the year.

9. Investment

	As at March 31, 2024	As at March 31, 2023
Investment in equity instruments (fully paid up)		
Unquoted shares		
Investment in equity instruments of wholly-owned subsidiary company at cost		
PI Health Sciences Netherlands B.V.	2,063.53	-
22,935,780 (March 31, 2023: nil) equity shares of € 1 each fully paid		
TOTAL	**2,063.53**	**-**
Aggregate amount of unquoted investment	**2,063.53**	**-**
Aggregate amount of impairment in value of investment	**-**	**-**

10. Loan

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loans to related parties (refer note 41)	2,188.89	-
TOTAL	**2,188.89**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

11. Deferred Tax (Assets)/Liabilities

		As at March 31, 2024	As at March 31, 2023
The balance comprises temporary differences attributable to:			
(a)	**Deferred tax liabilities**		
	Plant, property and equipment	68.87	1.75
	Deferred purchase consideration	3.26	-
	Sub-Total (a)	**72.13**	**1.75**
(b)	**Deferred tax assets**		
	Provision for employee benefits	**5.99**	**-**
	Other provisions	0.48	-
	Lease assets	(116.49)	1.06
	Optionally Fully Convertible Debentures (OFCD)	22.41	-
	Unabsorbed depreciation and losses	177.75	25.62
	Unabsorbed loss on account of acquisition	0.71	-
	Other comprehensive items		
	- Remeasurement of defined benefit plans	0.15	-
	Others	1.41	-
	Sub-Total (b)	**92.41**	**26.68**
	Net deferred tax (assets)/liabilities (a)-(b)	**(20.29)**	**(24.93)**

	Movement in deferred tax:	As at March 31, 2023	Recognised in P&L	Recognised in OCI	As at March 31, 2024
(c)	**Deferred tax liabilities**				
	Plant, property and equipment	1.75	67.12	-	68.87
	Deferred purchase consideration	-	3.26		3.26
	Sub-Total (c)	**1.75**	**70.38**	**-**	**72.13**
(d)	**Deferred tax assets**				
	Provision for employee benefits	-	(5.99)	-	5.99
	Other provisions	-	(0.48)	-	0.48
	Lease assets	1.06	117.55	-	(116.49)
	OFCD	-	(22.41)	-	22.41
	Unabsorbed depreciation and losses	25.62	(152.13)	-	177.75
	Unabsorbed loss on account of acquisition	-	(0.71)	-	0.71
	Other comprehensive items				
	- Remeasurement of defined benefit plans	-	-	(0.15)	0.15
	Others	-	(1.41)	-	1.41
	Sub-Total (d)	**26.68**	**(65.59)**	**(0.15)**	**92.42**
(e)	**Net deferred tax (assets)/liabilities (a)-(b)**	**(24.93)**	**4.79**	**(0.15)**	**(20.29)**
(f)	Other adjustments:				
	- Impact on OFCD recognition	-	-	-	163.97
	- Impact on business combination	-	(593.84)	-	-
	Net deferred tax (assets)/liabilities (e)-(f)	**(24.93)**	**(589.05)**	**(0.15)**	**143.68**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Movement in deferred tax:		As at April 01, 2022	Recognised in P&L	Recognised in OCI	As at March 31, 2023
(g)	**Deferred tax liabilities**				
	Plant, property and equipment	-	1.75		1.75
	Sub-Total (g)	**-**	**1.75**	**-**	**1.75**
(h)	**Deferred tax assets**				
	Lease assets	-	1.06		1.06
	Unabsorbed depreciation and losses	-	25.62		25.62
	Sub-Total (h)	**-**	**26.68**	**-**	**26.68**
	Net deferred tax assets (g)-(h)	**-**	**(24.93)**	**-**	**(24.93)**

12. Other Non-Current Financial Assets

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless stated otherwise		
Security deposits	9.06	0.21
TOTAL	**9.06**	**0.21**

13. Other Current Assets

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured unless stated otherwise				
Capital advances				
- Considered good	17.93	102.38	-	-
- Doubtful	-	-	-	-
- Less: Allowance for doubtful advances	-	-	-	-
Sub-Total	**17.93**	**102.38**	**-**	**-**
Advances to vendors - considered good				
- Considered good	-	-	31.21	-
- Doubtful	-	-	-	-
- Less: Allowance for doubtful advances	-	-	-	-
Sub-Total	**-**	**-**	**31.21**	**-**
Prepayments	1.85	-	12.88	-
Balance with government authorities	-	-	275.11	109.00
Export incentive receivables	-	-	4.14	-
Other receivable	-	-	0.14	-
TOTAL	**19.78**	**102.38**	**323.48**	**109.00**

14. Inventories

	As at March 31, 2024	As at March 31, 2023
Raw materials	102.73	-
Semi-finished goods	18.19	-
Finished goods	1.73	-
Stores & spares	11.50	-
TOTAL	**134.15**	**-**

Note : Valuation of inventories is stated in note 3(e) of material accounting policies.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

15. Cash and Cash Equivalents

	As at March 31, 2024	As at March 31, 2023
Cash in hand	0.08	-
Balance with banks		
-Balances in current account	141.66	33.12
-Deposits with maturity of less than 3 months	235.00	-
TOTAL	**376.74**	**33.12**

16. Bank Balances Other Than Cash And Cash Equivalents

	As at March 31, 2024	As at March 31, 2023
Fixed deposits with bank	11.56	1.03
TOTAL	**11.56**	**1.03**

17. Other Current Financial Assets

	As at March 31, 2024	As at March 31, 2023
Receivable from related parties (refer note 41)	21.77	-
Management fees receivable from related parties (refer note 41)	107.90	-
Interest accrued but not due	3.51	
Other receivables	11.39	-
TOTAL	**144.57**	**-**

18. Current Tax Assets

	As at March 31, 2024	As at March 31, 2023
TDS Receivable/Advance Tax	98.05	0.09
TOTAL	**98.05**	**0.09**

19(a) Trade Receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables	91.31	-
Receivable from related parties (refer note 41)	15.85	-
Less: Allowance for credit losses	(0.61)	-
TOTAL	**106.55**	**-**
Break up of security details		
Trade receivables considered good, secured	-	-
Trade receivables considered good, unsecured	107.16	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Less: Allowance for credit losses	(0.61)	
TOTAL	**106.55**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Ageing of trade receivables as at March 31, 2024:

			Outstanding for following periods from the due date					
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed trade receivable								
Considered good	16.69	69.78	20.69	-	-	-	-	107.16
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivable								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Sub-Total	**16.69**	**69.78**	**20.69**	**-**	**-**	**-**	**-**	**107.16**
Less allowance for credit losses								**(0.61)**
TOTAL	**16.69**	**69.78**	**20.69**	**-**	**-**	**-**	**-**	**106.55**

Ageing of trade receivables as at March 31, 2024:

			Outstanding for following periods from the due date					
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed trade receivable								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivable								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Sub-Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less allowance for credit losses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

19(b) Contract Assets

	As at March 31, 2024	As at March 31, 2023
Contract assets	**316.21**	**-**
TOTAL	**316.21**	**-**

Note: Recoverable from customer under contract for supply of goods manufactured exclusively for customers

20. Equity

(i) Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorised shares:		
625,550,000 (March 31, 2023: 600,000,000) Equity shares of ₹10 each	6,256	6,000
Issued shares:		
440,999,946 (March 31, 2023: 24,499,997) Equity shares of ₹10 each	4,410	245
Subscribed and fully paid up shares:		
440,999,946 (March 31, 2023: 24,499,997) Equity shares of ₹10 each	4,410	245

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(a) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Opening balance at the beginning of the year	2,44,99,997	245	10,00,000	10
Issued during the period	41,64,99,949	4,165	2,34,99,997	235
Outstanding at the end of the year	**44,09,99,946**	**4,410**	**2,44,99,997**	**245**

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

	As at March 31, 2024		As at March 31, 2023	
	Number	% holding	Number	% holding
PI Industries Limited and its nominees	**44,09,99,997**	**100%**	**2,44,99,997**	**100%**

(d) Details of equity shares held by promoter : PI Industries Limited along with its nominees

	As at March 31, 2024	As at March 31, 2023
Number of shares at the beginning of the year	2,44,99,997	10,00,000
Change during the year	41,64,99,949	2,34,99,997
Number of shares at the end of the year	**44,09,99,946**	**2,44,99,997**
% of total shares	100%	100%
% change during the year	1700%	2350%

(ii) Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings	(261.63)	(102.80)
Equity component of compound financial instrument	487.39	-

(a) Retained earnings

	Amount
As at April 01, 2022	**(0.85)**
Net profit/(loss) for the year	(101.95)
As at March 31, 2023	**(102.80)**
Net profit/(loss) for the year	(158.38)
-Items of other comprehensive income recognised directly in retained earnings	
Remeasurements gains/(losses) on defined benefit plans	(0.45)
As at March 31, 2024	**(261.63)**

Nature and Purpose of the reserve

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve if any, dividend or other distributions paid to shareholders. Further, it also includes the impact of remeasurements of the defined benefit obligations, net of tax.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(b) Equity component of compound financial instrument

The Company has issued 550 million unlisted unsecured Optionally Fully Convertible Debentures ("OFCD"), having a face value of ₹ 10 each, aggregating to ₹ 5,500 million, at an interest of 0.50% on a non-cumulative basis per annum to PI Industries Limited (PI), holding company through private placement on a preferential basis. OFCD shall be repaid for a maximum of 10 years, repayable on demand by PI with a moratorium of 5 years.

Conversion rights: PI shall have the right to convert, in whole or in part, the OFCD into fully paid-up equity shares of ₹ 10 each of the Company, at PI's sole discretion, at the fair value on the date of issue, which shall be determined by the valuation report obtained by a registered valuer acceptable to the parties.

Redemption: PI shall be entitled to exercise the option for redemption of the OFCD, during the term of the OFCD. At maturity, or earlier if PI exercises its redemption option, OFCD to be redeemed at a premium calculated as the average interest on Government Securities of an equivalent term for the period from the date of issuance of the OFCD until the date of redemption, subject to an overall cap of 9% per annum.

Premium payable on exerise of redemption option has been estimated at 7.15% p.a.

Until conversion, OFCD will rank higher than the Equity Shares for repayment of the principal amount and interest accrued there, and rank pari passu with other unsecured creditors.

OFCD issued by the Company are classified as compound financial instruments. These OFCD are separated into liability and equity components based on the terms of the contract. The liability component has been measured based on the present value of contractual obligation to pay cash as the Company doesn't have the discretionary right to avoid these obligation. The difference between the fair value of OFCD on the date of issue and liability component measured has been presented as equity component. Interest on liability component is recognised as finance cost using the effective interest method.

	Amount
As at April 01, 2023	-
Add: OFCD issued during the year	651.50
Less: Deferred tax created	(163.97)
Less: Transaction cost	(0.14)
As at March 31, 2024	**487.39**

21. Borrowings

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured				
Loan from parent company	-	690.00	-	-
Liability component of OFCD	4,937.69	-	-	-
TOTAL	**4,937.69**	**690.00**	**-**	**-**

Changes in liabilities arising from financing activities - Borrowings

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	690.00	-
Add: New loan received during the year	9,410.00	690.00
Less: Transaction cost	(1.06)	-
Add: Interest cost	375.81	15.62
Less: Interest paid during the year	(281.02)	(15.62)
Less: Principal repayment during the year	(4,600.00)	-
Less: Equity component of OFCD transferred to reserves	(651.50)	-
Closing balance*	4,942.23	690.00

* Closing balance includes ₹ 4.54 interest payable to parent company which has been disclosed under current financial liability.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Terms and Conditions

a) The Company had taken loan from parent company carrying interest rate of 9.5% per annum which is repayable after five years in five equal installments as mutually decided by both parties. This loan has been fully repaid by the Company as on March 31, 2024.

b) Kindly refer other equity note for terms of OFCD.

c) As on the Balance sheet date, there is no default in repayment of loans and interest.

22. Lease Liabilities

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Lease liabilities	71.45	30.34	12.44	2.49
TOTAL	**71.45**	**30.34**	**12.44**	**2.49**

Changes in liabilities arising from financing activities - Lease liabilities

	For the year ended	
	March 31, 2024	March 31, 2023
Opening balance	32.83	-
Add: New leases entered during the year	55.67	31.98
Add: Leases acquired on account of business combination	3.72	-
Add: Interest cost on leases	6.48	0.85
Less: Payment during the year	(14.81)	-
Closing balance	83.89	32.83

The Company incurred ₹ 3.49 for the years ended March 31, 2024 (for the year ended March 31, 2023: ₹ 0.33) towards expenses relating to short term leases.

23. Other Financial Liabilities

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Employee payables	-	-	17.04	2.30
Interest accrued but not due on borrowings*	-	-	4.54	-
Creditors for capital purchases	-	-	33.46	54.10
Security deposits	2.20	-	-	-
Other payables**	-	-	328.44	3.16
TOTAL	**2.20**	**-**	**383.48**	**59.56**

* Interest is payable to related party.

** It includes deferred purchase consideration on acquisition of “Therachem Research Medilab (India) Private Limited” amounting to ₹ 254.36 which is payable after 18 months from the completion date.

24. Provisions

	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits				
Gratuity	6.20	1.18	0.05	-
Long term compensated absences	16.70	-	1.44	-
TOTAL	**22.90**	**1.18**	**1.49**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

25. Other Current Liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	14.96	5.30
Advance from customers	20.17	-
Provision for CSR (refer note 36)	3.49	-
TOTAL	**38.62**	**5.30**

26. Trade Payables

	As at March 31, 2024	As at March 31, 2023
Trade payables		
-Due to micro and small enterprises	7.62	-
-Others*	41.67	-
TOTAL	**49.29**	**-**

* Other trade payables includes amount due to related parties amounting to ₹ 2.65 (March 31, 2023 ₹ 0.25)

(a) Trade payable ageing as at March 31, 2024:

Particulars	Unbilled dues	Outstanding for following periods from due date					
		Not due	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed trade payable							
Micro and small enterprises	-	7.62	-	-	-	-	7.62
Others*	-	9.31	26.86	-	5.50	-	41.67
Disputed trade payable							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**-**	**16.93**	**26.86**	**-**	**5.50**	**-**	**49.29**

* ₹ 5.50 pertains to payables acquired through business combination during the FY 2023-24.

Trade payable ageing as at March 31, 2023:

	Unbilled dues	Outstanding for following periods from due date					
		Not due	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed trade payable							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Disputed trade payable							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**-**	**-**		**-**	**-**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(b) Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act):

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount due to supplier registered under the MSMED Act and remaining unpaid at the year end*	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to supplier registered under the MSMED Act, beyond the appointed day during the year	15.05	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.06	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
Interest accrued and remaining unpaid at the end of the year	0.03	-
Amount of further interest remaining due and payable in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-

* Does not include ₹ 7.62 (March 31, 2023 : ₹ nil) as the balance is not dues as on the reporting date.

27. Revenue From Operations

		For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations includes			
Sale of products (Gross);		244.78	-
Less: Discount		-	-
a) Sale of products		244.78	-
b) Sale of services;		16.63	-
c) Other operating revenues:			
Scrap sales		2.21	-
Export incentives		13.37	-
Revenue from operations (Net)	**TOTAL**	**276.99**	**-**

(i) The Company has exclusive long-term contract manufacturing agreements with its customers which provides the Company an enforceable right to payment for performance completed to date and performance on these contracts does not create an asset with an alternative use to the Company. These contractual understanding with customers leads to satisfaction of performance obligations over a period of time and revenue is recognised based on percentage of completion of each performance obligation till date in line with Ind AS 115 - "Revenue from contract with customers".

(ii) The Company disaggregates revenue from contract with customer by geography as follows:

	For the year ended March 31, 2024
America	221.37
Europe	15.85
Rest of world	7.56
Total	**244.78**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(iii) Reconciliation of revenue recognised with the contract price is as follows:

	For the year ended March 31, 2024
Contract Price	**244.78**
Adjustments for:	
Refund liabilities	-
Discount/Incentives	-
Revenue recognised	**244.78**

(iv) Changes in contract assets are as follows:

	For the year ended March 31, 2024
Opening balance as on April 1, 2023	**-**
Add: Effect of business combination	825.79
Less: Invoices raised that were included in the contract assets balance at the beginning of the year	564.66
Add: Increase due to revenue recognised during the year, excluding amounts billed during the year	51.99
Add: Exchange difference	3.09
Closing balance as on March 31, 2024	**316.21**

28. Other Income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
- Fixed deposits	12.11	0.94
- Others*	104.90	-
Interest income on unwinding of security deposits	0.14	-
Miscellaneous income**	127.86	-
TOTAL	**245.01**	**0.94**

* Others includes interest income from related party amounting to ₹ 104.49 (refer note 41)
** Miscellaneous income includes management fees from related party amounting to ₹ 110.39 (refer note 41)

29. Cost of Material Consumed

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock of raw material	-	-
Add: Acquired on business combination	144.60	-
Add: Purchases	150.05	-
Less: Closing stock of raw material	114.23	-
TOTAL	**180.42**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

30. Changes In Inventories of Finished Goods, Work In Progress and Stock in Trade

		For the year ended March 31, 2024	For the year ended March 31, 2023
Closing balance			
Finished Goods		1.73	-
Work in Progress		18.19	-
	A	19.92	-
Opening balance			
Finished Goods		-	-
Work in Progress		-	-
	B	-	-
Acquired on business combination	C	-	-
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	**TOTAL (B+C-A)**	**(19.92)**	**-**

31. Employee Benefit Expense

		For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus		206.78	58.26
Contribution to provident and other funds (refer note 38)		12.88	3.30
Gratuity and long term compensated absences		12.35	1.27
Employees welfare expenses		7.44	0.04
	TOTAL	**239.45**	**62.87**

32. Finance Cost

		For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on loan		270.35	15.62
Interest on OFCD		95.30	-
Other finance costs		6.48	0.85
	TOTAL	**372.13**	**16.47**

33. Depreciation & Amortisation

		For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note - 4)		62.91	3.05
Amortization of intangible assets (refer note - 8)		68.98	-
Amortisation- right of use (refer note - 5)		20.82	3.36
	TOTAL	**152.71**	**6.41**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

34. Other Expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Power, fuel & water	8.42	-
Consumption of stores & spares	2.98	-
Repairs & maintenance		
- Buildings	1.36	-
- Plant and machinery	11.45	-
- Others	8.35	-
Environment & pollution control expenses	0.49	-
Laboratory & testing charges	17.74	-
Freight & cartage	0.11	-
Travelling and conveyance	26.24	6.20
Rental charges	3.49	0.33
Rates and taxes	5.98	27.82
Insurance	5.21	0.11
Advertisement & sales promotion	13.20	5.07
Payment to auditors	3.64	0.10
Telephone and communication charges	10.47	0.47
Foreign exchange loss (net of gain)	11.63	(0.01)
Provision for bad and doubtful debts & advances	1.61	0.30
Director sitting fees and commission	0.45	0.12
Legal & professional fees	171.94	0.83
Bank charges	0.93	0.08
Corporate social responsibility expenditure	3.49	-
Miscellaneous expenses	35.46	0.65
TOTAL	**344.64**	**42.07**

a. Audit remuneration

	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor:		
- Audit fee	2.11	0.07
- Limited review	1.10	0.03
In other capacity:		
- Certificates & Other matters	0.19	-
- Reimbursement of expenses	0.25	
	3.65	**0.10**

35. Income Tax Expense

a) Income tax expense recognized in statement of profit and loss

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expense		
Current tax on profits for the year	-	-
Adjustment of current tax for prior year	-	-
Total current tax expense	**-**	**-**
Deferred tax expense		
(Decrease) / increase in deferred tax liability	70.38	(1.75)
Decrease / (increase) in deferred tax assets	(65.59)	26.68
Impact of business combination	(593.84)	-
Net deferred tax expense	**(589.05)**	**24.93**
Total Income tax expense	**(589.05)**	**24.93**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Remeasurement of defined benefit plans	(0.15)	-
Income tax charged to Other comprehensive income	**(0.15)**	-

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax	(747.43)	(126.88)
Tax at India's statutory income tax rate @ 25.168% (previous year @25.168%)	**(188.11)**	**(31.93)**
Adjustments:		
- Utilisation/credit of unrecognised tax losses, unabsorbed depreciation	(14.89)	-
- Effect of Ind AS adjustments in financial statements	149.31	-
- Effect of non-deductible expenses	(2.55)	-
- Effect of differeent tax treatment on upfront payment of premises	60.87	-
- Impact of business combination	(593.84)	-
- Effect of amounts which are not deductible in calculating taxable income	-	7.00
- Transfer to OCI	0.15	-
Income Tax Expense	**(589.05)**	**(24.93)**

The Company has chosen to exercise the option of lower tax rate of 25.168% (inclusive of surcharge and tax) under section 115BAA of the Income Tax Act, 1961 effective April 01, 2019. Accordingly Company has taken the Impact on current tax liability and deferred tax.

36. Corporate Social Responsibility Expenditure

	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the Company during the year*	3.49	-
Amount of expenditure incurred	-	-
Amount of shortfall for the year	3.49	-
Amount of cumulative shortfall at the end of the year	3.49	-

* Although the Company is in losses and this is it's first year of operation, total CSR liability pertains to the acquisition of "Therachem Research Medilab (India) Private Limited".

Details of ongoing CSR projects under Section 135(6) of the Act

	Amount
Balance as on April 01, 2023	
- With the Company	-
- In separate CSR unspent account (refer note below)	9.32
Amount required to be spent during the year	3.49
Amount spent during the year	
- From the company's bank account (refer note below)	-
- From separate CSR unspent account	5.21
Balance as on March 31, 2024	
- With the Company	3.49
- In separate CSR unspent account	4.11

Note: During the year, the Company acquired M/s Therachem Research Medilab (India) Private Limited and took over unspent CSR liability of ₹ 9.32. The Company transferred the entire amount to PI Foundation out of which ₹ 4.11 was unspent as on March 31, 2024. It has been refunded back to the Company in April, 2024 as amount was not spent by PI Foundation and deposited in separate account.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Details of CSR expenditure U/S 135(5) of the act in respect of other than ongoing projects

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance unspent as at the start of the year	-	-
Amount deposited in Specified fund of Schedule VII of the act within 6 month	-	-
Amount required to be spent during the year	3.49	-
Amount spent during the year	-	-
Balance unspent as at the end of the year	3.49	-

Details of excess CSR expenditure under section 135(5) of the act

	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance excess spent as at the start of the year	-	-
Amount required to be spent during the year	-	-
Amount spent during the year	-	-
Balance excess spent as at the end of the year	-	-

37. Capital Management

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

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, less cash and cash equivalents.

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	4,937.69	690.00
Less: Cash and bank balance	388.30	34.15
Net Debt	4,549.39	655.85
Total Equity Capital	4,410.00	245.00
Equity Capital and Net Debt	8,959.39	900.85
Gearing Ratio	51%	73%

No changes were made in the objectives, policies or processes for managing capital of the Company during the current or previous year.

38. Employee Benefits

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

Provident Fund

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

Gratuity Plan

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Long-term compensated absences

The liabilities for compensated absence namely earned and sick leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

a) Defined Contribution Plans:

The Company has recognised an expense of ₹ 12.88 (previous year ₹ 3.30) towards the defined contribution plan.

b) Defined benefits plans - as per actuarial valuation

I Change in present value of obligation during the year	Gratuity unfunded	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of obligation at the beginning of the year	**1.18**	**-**
Total amount included in profit and loss:		
- Current Service Cost	4.39	1.18
- Interest Cost	0.09	-
- Past Service Cost	-	-
Total amount recognised in profit or loss (refer note below)	**4.48**	**1.18**
Total amount included in OCI:		
Actuarial losses/(gains) arising from:		
- Demographic Assumption	(0.68)	-
- Financial Assumption	0.70	-
- Experience Judgement	0.58	-
Total amount recognised in OCI	**0.60**	**-**
Benefits Paid	-	-
Present Value of obligation as at year-end	**6.25**	**1.18**

Note: Net amount recognised in statement of profit and loss on account of defined benefit obligations

Particulars	For the year ended March 31, 2024
Amount as per actuarial valuation	4.47
Reversal of gratuity liability acquired on business combination	(9.17)
Total	**(4.70)**

II Change in Fair Value of Plan Assets during the year	For the year ended March 31, 2024	For the year ended March 31, 2023
Plan assets at the beginning of the year	-	-
Included in profit and loss:		
Expected return on plan assets	-	-
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	-	-
Others:		
Employer's contribution	-	-
Benefits paid	-	-
Claim received during the year from fund manager	-	-
Pending claim with fund manager	-	-
Plan assets at the end of the year	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

III Reconciliation of present value of defined benefit obligation and fair value of plan assets	For the year ended March 31, 2024	For the year ended March 31, 2023
Present Value of obligation as at year-end	6.25	1.18
Fair value of plan assets at yearend	-	-
Net Asset/(Liability)	(6.25)	(1.18)

IV Bifurcation of present value of obligation at the end of the year	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Liability	0.05	0.01
Non-Current Liability	6.20	1.17

V Actuarial Assumptions	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount Rate	7.22%	7.36%
Expected rate of return on plan assets	N.A.	N.A.
Mortality Table	100% of IALM (2012-14)	100% of IALM (2012-14)
Salary Escalation	10%	7%

VI Sensitivity Analysis @ 0.5% change	Year ended March 31, 2024		Year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate	(0.17)	0.18	0.02	-
Future salary growth	0.18	0.17	0.02	-

VII Maturity profile of defined benefit obligation	For the year ended March 31, 2024	For the year ended March 31, 2023
Within the next 12 months	0.05	-
Between 1-5 years	2.68	-
Beyond 5 years	3.53	-

39. Capital & Other Commitment

a. Estimated Amount of Contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 17.93 (March 31, 2023: ₹ 102.00)}	155.63	73.00

40. Contingent Liabilities

As per information available with the Management and as certified by them, there is no contingent liability as at March 31, 2024 (March 31, 2023 : Nil)

41. RELATED PARTY DISCLOSURES

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

List of Related Parties:-

I. Enterprises which control the entity

(a) PI Industries Limited

II. ENTERPRISES WHERE CONTROL EXISTS

Subsidiaries and their subsidiaries

(a) PI Health Sciences Netherlands B.V

(b) PI Health Sciences USA LLC

(c) Archimica S.P.A

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ million, unless otherwise stated)

III. Fellow Subsidiaries

(a) PILL Finance and Investment Limited

(b) PI Life Science Research Limited

(c) PI Japan Co. Limited

(d) Jivagro Limited

(e) PI Fermachem Private Limited

(f) PI Bioferma Private Limited

IV. Key Managerial Personnel :-

a)	Mr. Mayank Singhal	Director
b)	Mr. Rajnish Sarna	Chairperson (Director)
c)	Mr. Narayan Keelveedhi Seshadri	Director
d)	Dr. Tanjore Soundararajan Balganesh	Director
e)	Mr. Anil Kumar Jain	Managing Director w.e.f. August 22, 2022
f)	Mr. Ankit Nayyar	Chief financial officer w.e.f. November 07, 2023
g)	Mrs. Ruchi Sheth	Company Secretary w.e.f. January 15, 2024

IV. Entities controlled by KMP with whom transactions have taken place:

a) PI Foundation

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

Nature of Transaction	2023-24 Transaction during the period	2023-24 Balance outstanding Dr / (Cr)	2022-23 Transaction during the period	2022-23 Balance outstanding Dr / (Cr)
Compensation to KMP				
- Short term employee benefits	61.76	-	38.19	-
- Post employment benefits*	7.98	-	3.84	-
- Director sitting fees	0.45	-	0.12	-
- Reimbursement on account of expenses incurred	9.27	1.36	0.00	-
- Salary and other perquisites	6.28	-	0.00	-
Transactions with PI Industries Limited				
- Issue of share capital	4,165.00	-	235.00	-
- Issue of OFCD	5,500.00	(4,938.75)	-	-
- Loans received	3,910.00	-	690.00	(690.00)
- Loans repaid	4,600.00	-	-	-
- Interest paid on OFCD	5.05	(4.54)	-	-
- Interest paid on loan	281.02	-	-	-
- Rent	0.68	(0.06)	0.28	(0.25)
- Consumable purchase	0.08	-	-	-
- Cross charge	2.40	(2.59)	-	-
- Reimbursement on account of expenses incurred	-	-	1.94	-
- Purchase of Capital Asset	-	-	34.55	(40.74)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Nature of Transaction	2023-24 Transaction during the period	2023-24 Balance outstanding Dr / (Cr)	2022-23 Transaction during the period	2022-23 Balance outstanding Dr / (Cr)
Transactions with PI Health Sciences Netherlands B.V				
- Investments	2,063.53	-	0.00	-
- Loan given	2,185.00	2,188.89	0.00	-
- Interest received on loan	104.49	21.27	0.00	-
- Management fees charged	110.39	107.90	0.00	-
Transactions with Archimica S.P.A				
- Sale of goods	15.85	15.85	0.00	-

Terms and conditions of transactions with related parties

The sales and purchases / services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

During the year, Company acquired M/s Therachem Research Medilab (India) Private Limited and took over unspent CSR liability of ₹ 9.23. The Company transferred the entire amount to PI Foundation.

42. Financial Instruments

Financial instruments – Fair values and risk management

A. Financial instruments by category

Nature of Transaction	March 31, 2024 FVTPL	March 31, 2024 FVTOCI	March 31, 2024 Amortised Cost	March 31, 2023 FVTPL	March 31, 2023 FVTOCI	March 31, 2023 Amortised Cost
Financial assets						
Non-Current assets*						
Loan	-	-	2,188.89			
Other financial assets	-	-	9.06	-	-	-
Current assets						
Trade receivables			106.55			
Contracts assets			316.21			
Cash and cash equivalents	-	-	376.74	-	-	33.12
Bank balance other than cash and cash equivalents	-	-	11.56	-	-	1.03
Other financial assets	-	-	144.57	-	-	-
TOTAL	**-**	**-**	**3,260.13**	**-**	**-**	**34.15**
Financial liabilities						
Non-Current liabilities**						
Borrowings	-	-	4,937.69	-	-	-
Other financial liabilities	-	-	2.20	-	-	-
Current liabilities**						
Trade payables	-	-	49.29	-	-	-
Other financial liabilities	-	-	383.48	-	-	59.56
TOTAL	**-**	**-**	**5,372.66**	**-**	**-**	**59.56**

* Excluding Investment in subsidiaries measured at cost in accordance with Ind AS 27

** Excluding lease liabilities measured in accordance with Ind AS 116

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

Nature of Transaction	As at March 31, 2024			As at March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Security deposits	-	-	9.09	-	-	-
Financial liabilities						
Deferred purchase consideration	**-**	**-**	**254.97**	**-**	**-**	**-**
TOTAL	**-**	**-**	**264.06**	**-**	**-**	**-**

The fair value of cash and cash equivalents, bank balances other than Cash and cash equivalents, trade receivables, contract assets, current financial assets, trade payables and current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments. Optionally fully convertible debentures has been recently floated to parent which resonates to its fair value as on reporting date. Fair value for security deposits (other than perpetual security deposits) and lease liabilities has been presented in the above table.

Fair value hierarchy

The table shown above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

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

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

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

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments includes:

- the use of quoted market prices

- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The fair values for security deposits and deferred purchase consideration were calculated based on present values of cash flows and the discount rates used were adjusted for counterparty or own credit risk. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

43. Financial Risk Management

Risk management framework

The Company's activities expose it to a variety of financial risks - credit risk, market risk and liquidity risk. The Company's board of directors has the overall responsibility for the management of these risks

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

Board Report
Standalone Auditor's Report
Standalone Financial Statements
Consolidated Auditor's Report
Consolidated Financial Statements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

As at the reporting date, the Management is of the opinion that the Company is not exposed to any substantial credit risk, liquidity risk and market risk.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises from the operating activities primarily (trade receivables) and from its financing activities including cash and cash equivalents, deposits with banks and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure and is as follows

(i) Trade receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the concentration of risk from the top few customers. Exposure to customers is undiversified and all customers contribute more than 10% of outstanding trade receivables and contract assets. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate including the past trends on recoverability.

The Company has established a credit policy under which each customer is analysed individually for creditworthiness before the Company's credit terms are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Credit limits are established for each customer and reviewed periodically.

Credit risk exposure

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics and the days past due. The contract assets relates to unbilled work in progress and have substantially the same risk characterisitcs as trade receivables for the same type of contracts.

The allowance for lifetime expected credit loss on customer balances recognized for the years ended March 31, 2024 and March 31, 2023 is ₹ 0.61 and nil, respectively.

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	-	-
Change in loss allowance	0.61	-
Amounts written off	-	-
Balance at the end	**0.61**	**-**

The exposure to credit risk and expected credit loss on contract assets as at 31 March 2024 is insignificant and hence no loss allowance has been made.

Cash and cash equivalents, deposits with banks:

Credit risk from balances with banks and other financial instruments is managed by Company in accordance with its policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management and may be updated throughout the year.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. For financial assets which are long term in nature, the expected credit loss is insignificant.

Accordingly, based on the assessment there is no material allowance in the above financial assets.

Exposure to credit risk:

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

Particulars	March 31, 2024	March 31, 2023
Loans	2,188.89	-
Trade receivables	106.55	-
Contract assets	316.21	-
Cash and cash equivalents	376.74	33.12
Other bank balances	11.56	1.03
Other financial assets	144.57	-
Total	**3,144.52**	**34.15**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

ii. Liquidity risk

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

Management monitors rolling forecast of Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these and monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

Maturities of financial liabilities

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

As at March 31, 2024	Contractual Cash Flows					
	Total	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowing	7,604.00	-	27.50	27.50	7,549.00	-
Lease liabilites	197.33	3.43	13.07	17.21	38.74	124.88
Trade payables	49.29	49.29	-	-	-	-
Other financial liabilities	399.86	131.66	266.00	2.20	-	-
Total	**8,250.48**	**184.39**	**306.57**	**46.91**	**7,587.74**	**124.88**

As at March 31, 2023	Contractual Cash Flows					
	Total	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowings	690.00	-	-	-	-	690.00
Lease liabilities	140.01	-	2.50	2.51	7.58	127.42
Trade payables	-	-	-	-	-	-
Other financial liabilities	59.56	59.56	-	-	-	-
Total	**889.57**	**59.56**	**2.50**	**2.51**	**7.58**	**817.42**

iii. Market risk

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

The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk) and interest rate risk. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign Currency risk

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

Foreign currency risk exposure -

The currency profile of financial assets and financial liabilities as at March 31, 2024 and March 31, 2023 expressed in Indian Rupees (₹) are as below:

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(All amounts in ₹ million, unless otherwise stated)

	As at March 31, 2024				As at March 31, 2023	
	USD	EURO	GBP	CHF	USD	EURO
Financial assets						
Trade receivables	106.55	-	-	-	-	-
Contract assets	316.21	-	-	-	-	-
Loans	417.03	1,771.86	-	-	-	-
Cash and cash equivalent (EEFC account)	16.27	-	-	-	-	-
Interest receivable on loan to subsidiaries	-	21.27	-	-	-	-
Management fees from related party	107.90	-	-	-	-	-
	963.96	**1,793.13**	-	-	-	-

	March 31, 2024				March 31, 2023	
	USD	EURO	GBP	CHF	USD	EURO
Financial liabilities						
Trade payables	20.21	-	3.66	0.13	-	-
Creditors for capital purchases	17.71	0.07	3.66	0.13	-	-
	37.92	**0.07**	**7.32**	**0.26**	**-**	**-**
Spot exchange rate on reporting date	83.41	89.88	105.03	92.04	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currency at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, interest rates, remain constant and ignores any impact of forecast sales and purchases. 1% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rate.

Effect in ₹	Profit or loss, net of tax		Impact on other components of equity, net	
	Strengthening	Weakening	Strengthening	Weakening
As at March 31, 2024				
1% movement				
USD	9.26	(9.26)	-	-
EURO	17.94	(17.94)	-	-
Others	(0.07)	0.07	-	-
As at March 31, 2023				
1% movement				
USD	-	-	-	-
EURO	-	-	-	-
Others	-	-	-	-

Interest rate risk

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

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

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FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particular	As at March 31, 2024	As at March 31, 2023
Fixed-rate instruments		
Financial laibilities	4,937.69	690.00
Total	**4,937.69**	**690.00**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Price risk

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

44. Ratio Analysis

S.No.	Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Variance	Reason
1	Current ratio	Current asset	Current liabilites	3.11	2.13	46.0%	Due to recognition of contract asset and cash balance for future capex requirement, there is increase in current ratio.
2	Debt-Equity ratio	Borrowing	Total equity	1.07	4.85	(77.9%)	Relative increase in funding through equity than debt in the current year leading to better debt equity ratio.
3	Debt Service Coverage ratio	Earnings before interest, taxes, depreciation & amortization	Debt Service = Interest and Principal payments including lease payments	(0.05)	(6.66)	(99.2%)	Due to change in borrowing structure, long-term loan has been repaid in current year as compared to net proceeds from borrowings in previous year.
4	Return on Equity ratio	Profit after tax (PAT)	Average equity	(6.6%)	(71.7%)	-90.8%	Ratio has improved as compared to previous year on account of increased sales and margin on start of operations in current year
5	Inventory Turnover ratio	Cost of goods sold	Average inventory	2.39	-	100.0%	The Company has started its operations in current financial year
6	Receivables Turnover ratio	Sales	Average receivable	1.31	-	100.0%	The Company has started its operations in current financial year
7	Payables Turnover ratio	Cost of goods sold	Average payable	6.51	-	100.0%	The Company has started its operations in current financial year
8	Net Capital Turnover ratio	Sales	Working Capital	0.27	-	100.0%	The Company has started its operations in current financial year
9	Net Profit ratio	Profit after tax	Sales	(57.2%)	-	100.0%	The Company has started its operations in current financial year
10	Return on Capital Employed	Earnings before interest and taxes	Total Equity + Borrowings	(6.4%)	(13.8%)	(53.6%)	Ratio has improved as compared to previous year on account of increased sales and margin on account of operations started in current year
11	Return on Investment	Earnings before interest and taxes	Total Assets	(0.06)	(0.12)	(50.0%)	Ratio has improved as compared to previous year on account of increased sales and margin on account of operations started in current year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

45. Business combination

(a) Acquisition of Therachem Research Medilab (India) Private Limited ("TRM India")

PI Health Sciences Ltd has entered into a share purchase agreement dated 27th April 2023 for the acquisition of 100% shareholding of "Therachem Research Medilab (India) Private Limited" which is now merged with the Company.

On 2nd June 2023, PI Health Sciences Ltd acquired 53,800 equity shares of face value ₹ 100 each for total purchase consideration ₹ 3,595.11.

The acquisition will enable the Company's plans of growth and expansion in pharmaceutical sector.

TRM India was engaged in the business of research, development and manufacturing of chemical compounds which are ultimately used for manufacturing of API (active pharmaceutical ingredients) and other pharmaceutical products.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of TRM India as at the date of acquisition were:

Assets	Balances recognised on acquisition
Property, plant and equipment	288.50
Capital work in progress	0.20
Trade receivables	6.13
Contract Asset	825.79
Cash and cash equivalents	566.95
Other bank balances	19.65
Other financial assets	13.66
Inventories	144.34
Current tax assets	97.29
Deferred tax assets	9.57
Other assets	54.11
Total Assets (I)	**2,026.19**
Liabilties	
Trade payables	30.77
Lease liabilties	3.72
Provisions	9.84
Other current liabilities	334.53
Total Liabilities (II)	**378.86**
Identifiable net assets at fair value (I-II)	1,647.33
Fair value of intangible asset identified on acqusition	
Customer contracts	1,661.00
Total net assets assumed	**3,308.33**
Purchase consideration	
Cash paid on business combination	2,732.80
Deferred purchase consideration on account of working capital acquired as per share purchase agreement	624.53
Additional deferred purchase consideration*	237.78
Total purchase consideration	**3,595.11**

* Additional deferred purchase consideration shall be paid after a period of 18 months from the date of acquisition, thereby, has been measured at fair value.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Calculation of goodwill	
Purchase consideration	3,595.11
Less: Net assets assumed	3,308.33
Add: Deferred tax liability created on	
Fair value surplus on property, plant and equipment	39.00
Intangible asset identified on acqusition	418.04
Contract assets created on business combination	142.25
Total goodwill**	**886.06**

** Goodwill is not tax deductible

Goodwill majorly includes the value expected from increase in revenues from various new streams of business and estimated synergies which does not qualify as an intangible asset.

Acquired receivables	
Fair value of trade receivables	6.13
Fair value of contract assets	825.79
Total fair value of acquired receivable	831.92
Gross contractual amount of receivable	831.92
Contractual cash flows not expected to be collected	-

If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been ₹ 326.83 and the loss before tax from continuing operations for the Company from TRM India would have been ₹ 126.64.

From the date of acquisition, TRM India has contributed ₹ 276.00 of revenue and ₹ 123.62 of loss to the loss before tax from operations of the Company.

(b) Acquisition of Solis Pharmachem Private Limited ("Solis India")

PI Health Sciences Ltd has entered into a share purchase agreement dated 27th April 2023 for the acquisition of 100% shareholding of "Solis Pharmachem Private Limited" which is now merged with the Company.

On 2nd June 2023, PI Health Sciences Ltd acquired 24,757,900 equity shares of face value ₹ 10 each for total purchase consideration ₹ 248.

The acquisition will enable the Company's plans of growth and expansion in pharmaceutical sector.

Solis Pharmachem is engaged in the business of research, development and manufacturing of chemical compounds which are ultimately used for manufacturing of API (active pharmaceutical ingredients) and other pharmaceutical products.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Assets Acquired and Liabilities Assumed

The fair values of the identifiable assets and liabilities of Solis India as at the date of acquisition were:

Assets	Balances recognised on acquisition
Property, plant and equipment	236.75
Trade receivables	22.95
Cash and cash equivalents	2.23
Other financial assets	4.58
Inventories	0.26
Other assets	12.38
Total Assets (I)	**279.15**
Liabilties	
Trade payables	8.57
Provisions	0.23
Other current liabilities	4.18
Deferred tax liabilities	1.22
Total Liabilities (II)	**14.20**
Total net assets assumed (I-II)	**264.95**
Purchase consideration	
Cash paid on business combination	248.00
Total	**248.00**

Calculation of capital reserve	
Net assets assumed	264.95
Less: Purchase consideration	248.00
Less: Deferred tax liability created on	
Fair value surplus on property, plant and equipment	2.49
Total capital reserve^	**14.46**

^ TRM India and Solis India has been acquired as a part of single share purchase agreement having same parent and promoters, hence, capital reserve created on acquisition of Solis India has been netted off against the goodwill generated on acqusition of TRM India.

Acquired receivables	
Fair value of trade receivables	22.95
Total fair value of acquired receivable	22.95
Gross contractual amount of receivable	22.95
Contractual cash flows not expected to be collected	-

If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been ₹ 34.63 and the loss before tax from continuing operations for the Company from Solis India would have been ₹ 16.12.

From the date of acquisition, Solis India has contributed ₹ 0.45 of revenue and ₹ 24.80 of loss to the loss before tax from operations of the Company.

(c) Merger of TRM India and Solis India with PI Health Sciences Limited

PI Health Sciences Limited had filed a Scheme of Amalgamation for the purpose of amalgamation of TRM India and Solis India businesses together with all the related assets, liabilities, and employees with PI Health Sciences.

The said Scheme of Amalgamation has been approved by Hon'ble Regional Director, Ahmedabad, Ministry of Corporate Affairs vide its order dated 27th September 2023 under Section 233 read with rule 25 (5) of Companies Act, 2013 from effective date June 02, 2023. Accounting has been done in accordance with Indian Accounting Standard (Ind AS) 103 - Business Combinations.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

46. Operating Segment

An operating segment is a defined as component of the entity that represents business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating segments are based on the group's internal reporting structure and manner in which operating results are reviewed by Chief Operating Decision Maker (CODM).

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

Geographical Areas

The group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	-	-
Europe	15.85	-
USA	221.37	-
Rest of the World	7.56	-
Total	244.78	-

All the customers of the Company has more than 10% revenue during the year.

47. Earning Per Share (EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Net Profit for Basic EPS	(158.38)	(101.95)
Add: Finance cost on OFCD	95.30	-
Net Profit for Diluted EPS	(63.08)	(101.95)
(ii) Number of Equity Shares at the beginning of the year	2,44,99,997	10,00,000
Add: Number of shares issued during the year	41,64,99,949	2,34,99,997
Total number of Shares outstanding during the year	44,09,99,946	2,44,99,997
Weighted average number of equity shares outstanding during the year - basic	43,07,58,194	1,06,05,478
Add: Weighted average number of equity shares to be issued on conversion of OFCD	5,75,33,177	-
Weighted average number of equity shares outstanding during the year - diluted	48,82,91,371	1,06,05,478
Earning per share - Basic (₹)	(0.37)	(9.61)
Earning per share - Diluted (₹)	(0.37)	(9.61)
Face value per share (₹)	10.00	10.00

Note: OFCD are anti-dilutive in nature during the period ended March 31, 2024

48. Leases - Company as lessor

Operating lease

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease rentals recognized as income during the year		
- Variable lease rentals	-	-
- Others	11.15	-

These assets relate to building subleased on account of idle space utilisation by subleasing it to respective customers.
Kindly refer note 5 right of use asset for asset wise details.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Less than 1 year	12.27	-
1-2 years	10.68	-
2-5 years	-	-
More than 5 years	-	-

49. Other Statutory Information

(i) The Company does not have any transactions and balances with companies struck off.

(ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

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

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year except for assets acquired from business combination.

(vi) The Company has advanced or loaned or invested funds to following entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The details are as follows:

Name of the intermediary to which the funds are loaned or invested	Type	Date of transaction	Amount	Ultimate beneficiaries
PI Health Sciences Netherland B.V.	Investment	April 21, 2023	2,063.53	Archimica S.p.A and PI Health Sciences USA, LLC
	Loan	April 21, 2023	1,175.39	
	Loan	May 18, 2023	134.38	
	Loan	May 31, 2023	413.69	
	Loan	October 18, 2023	61.64	
	Loan	February 26, 2024	129.92	
	Loan	March 05, 2024	179.99	
	Loan	March 26, 2024	90.00	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Name of the ultimate beneficiary to which the funds are further loaned or invested by intermediary disclosed above	Type	Date of transaction	Amount
Archimica S.p.A	Investment	April 26, 2023	€ 3,42,00,000
	Loan	May 10, 2023	€ 10,00,000
	Loan	June 05, 2023	€ 10,00,000
	Loan	October 11, 2023	€ 4,40,000
	Loan	October 11, 2023	€ 3,75,000
	Loan	October 19, 2023	€ 7,00,000
	Loan	February 06, 2024	€ 14,50,000
	Loan	March 05, 2024	€ 20,00,000
	Loan	March 26, 2024	€ 10,00,000
PI Health Sciences USA, LLC	Investment	April 26, 2023	$15,00,000
	Loan	June 02, 2023	$35,00,000
	Loan	June 02, 2023	$10,000
	Loan	August 23, 2023	$4,00,000
	Loan repaid	October 10, 2023	$(4,00,000)
	Loan repaid	March 21, 2024	$(8,41,985)

(vii) The Company has received fund from following entity (funding party) with the understanding (whether recorded in writing or other wise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

The details are as follows:

Name of the funding party	Type	Date of transaction	Amount	Investment in other entities
PI Industries Limited	Equity	April 10, 2023	4,165.00	PI Health Sciences Netherland B.V., Therachem Research Medilab (India) Private Limited & Solis Pharmachem Private Limited
	Loan	May 31, 2023	2,986.00	

(viii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(ix) The Company has no loan and advance from any bank or financial institution.

(x) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(xi) The Company is maintaining its books of account in electronic mode and these books of account are accessible in India at all times and the back-up of books of account has been kept in servers physically located in India on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

50. Events Occurring After The Balance Sheet Date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

As per our report of even date

For S.S. KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm Registration No.: 000756N/N500441

Sd/-
Amit Goel
Partner
Membership No.500607

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

Sd/-
Anil Kumar Jain
Managing Director
DIN: 09707763

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Sd/-
Ankit Nayyar
Chief Financial Officer

Sd/-
Ruchi Sheth
Company Secretary

Place: Mumbai
Date: May 15, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of **PI Health Sciences Limited**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PI Health Sciences Limited (hereinafter referred to as the "Company" or "Holding Company") and its subsidiaries including step down subsidiaries (Holding Company and its subsidiaries/step down subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements/ other financial information of the subsidiaries including step down subsidiaries, referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, its consolidated loss including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Consolidated Financial Statements and Auditors' Report thereon

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the Holding 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 in the consolidated financial statements made by the Management.

- Conclude on the appropriateness of the 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

We communicate with those charged with governance of the Company and such other entity 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.

Other Matters

i. We did not audit the financial statements of 1 step-down subsidiary, whose Financial Statements reflect total assets of ₹ 4,339.12 Million as at March 31, 2024, total revenue of ₹ 2,743.41 Million and total net loss after tax of ₹ 349.78 Million, total comprehensive loss of ₹349.78 Million for the year ended March 31, 2024, and net cash outflow of ₹ 42.17 Million for the year ended March 31, 2024 as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this Step down subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid step down subsidiary, is based solely on the report of the other auditor.

ii. Above step-down subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Group's management has converted the financial statements/financial information of such step-down subsidiary, located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Group's management. Our opinion in so far as it relates to the balances and affairs of such step-down subsidiary, located outside India is based on the reports of other auditor and the conversion adjustments prepared by the management of the Group and audited by us. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

iii. The Consolidated Financial Statement include the unaudited Financial statement of 2 step-down subsidiaries whose financial information reflect total assets of ₹ 5,919.27 Million as at March 31, 2024, total revenue of ₹ 144.09 Million and total net loss after tax of ₹ 129.72 Million, total comprehensive loss of ₹ 162.02 Million for the year ended March 31, 2024, and net cash inflow of ₹ 28.32 lakhs for the year ended March 31, 2024 as considered in consolidated financial statements have not been audited either by us or by other auditors. These unaudited financial statements/ financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (including step-down subsidiaries) and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries (including step-down subsidiaries), is based solely on such unaudited financial statements / financial information certified by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section

143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company included in the consolidated financial statements of the Group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account and records maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with relevant rules, as amended.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Holding Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.

   g) In our opinion and based on the consideration of reports of other auditors, the managerial remuneration for the year ended March 31, 2024, has been paid/provided by the Holding Company, to their directors in accordance with the provision of section 197 read with Schedule V to the Act; and

   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 and based on the considerations of the reports of the other auditors on separate financial statements;

      i. The Group does not have any pending litigation as at March 31, 2024 which would impact its financial position.

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

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

      iv. a) The management of Holding Company has represented that, to the best of its knowledge and belief, except as disclosed in the note 48 to the consolidated financial statements, 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 Group incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management of the Holding Company has represented that, to the best of its knowledge and belief, except as disclosed in the note 48 to the consolidated financial statements, no funds have been received by the Group incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. No dividend has been declared or paid during the year by the Group.

      vi. Based on our examination, which included test checks, the Holding incorporated in India has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software except that the audit log was not enabled to capture any direct changes at the database level. Further, during the course of our audit, we did not notice any instance of audit trail feature being tampered with.

      In case of the financial statements of one subsidiary and two step-down subsidiaries incorporated outside India, the reporting requirement under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable. Hence, we have not commented on the same.

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

For S.S. KOTHARI METHA & CO. LLP
Chartered Accountants
Firm registration number: 000756N/N500441

Sd/-
Amit Goel
Partner
Membership No.: 500607

Place: Mumbai
Dated: May 15, 2024
UDIN: 24500607BKEIVJ2538

Annexure A to the Independent Auditor's Report to the members of PI Health Sciences Limited dated May 15, 2024 on its consolidated financial statements

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

Our reporting on the internal financial control with reference to consolidated financial statement is not applicable in respect of one subsidiary/two step down subsidiaries incorporated outside India.

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to financial statements of the **PI Health Sciences Limited** (the 'Company') as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that :-

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For S.S. KOTHARI METHA & CO. LLP
Chartered Accountants
Firm registration number: 000756N/N500441

Amit Goel
Partner
Membership No.: 500607

Place: Mumbai
Dated: May 15, 2024
UDIN: 24500607BKEIVJ2538

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(All amounts in ₹million, unless otherwise stated)

Particulars	Notes	As at March 31, 2024
ASSETS		
Non-Current assets		
Property, plant and equipment	4	3,488.98
Right of use assets	5	546.76
Capital work-in-progress	6	561.13
Goodwill	7	2,783.17
Other Intangible assets	7	1,840.05
Financial assets		
(i) Investments	8	5.52
(ii) Other financial assets	9	31.18
Other Non-Current assets	10	19.78
Total Non-Current assets		**9,276.57**
Current assets		
Inventories	11	862.20
Financial assets		
(i) Trade receivables	12	1,285.39
(ii) Cash and cash equivalents	13	475.31
(iii) Bank balances other than (ii) above	14	11.56
(iv) Other financial assets	15	15.07
(v) Contracts assets	16	723.26
Current tax assets	17	137.85
Other current assets	10	500.07
Total current assets		**4,010.71**
Total assets		**13,287.28**
EQUITY & LIABILITIES		
Equity		
Equity share capital	18	4,410.00
Other equity	19	(538.54)
Total equity		**3,871.46**
Liabilities		
Non current liabilities		
Financial liabilities		
(i) Borrowings	20	5,554.25
(ii) Lease liabilities	21	71.45
(ii) Other financial liabilities	22	1,347.85
Deferred tax liabilities (net)	23	365.12
Provisions	25	180.38
Total non current liabilities		**7,519.05**
Current Liabilities		
Financial liabilities		
(i) Borrowings	20	662.39
(ii) Lease liabilities	21	12.44
(iii) Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	24	7.62
b) total outstanding dues of creditors other than micro enterprises and small enterprises	24	612.58
(iv) Other financial liabilities	22	551.96
Provisions	25	11.14
Other current liabilities	26	38.64
Total current liabilities		**1,896.77**
Total liabilities		**9,415.82**
Total equity and liabilities		**13,287.28**

Notes to accounts **1 to 50**

The accompanying notes referred to above formed the integral part of financial statement

As per our report of even date

For S.S. KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm Registration No.: 000756N/N500441

Sd/-
Amit Goel
Partner
Membership No.500607

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

Sd/-
Anil Kumar Jain
Managing Director
DIN: 09707763

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Sd/-
Ankit Nayyar
Chief Financial Officer

Sd/-
Ruchi Sheth
Company Secretary

Place: Mumbai
Date: May 15, 2024

STATEMENT OF CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024
Revenue from operations	27	3,148.63
Other income	28	75.97
Total income		**3,224.60**
Expenses:		
Cost of materials consumed	29	1,069.48
Changes in inventories of finished goods, work in progress and stock in trade	30	218.51
Employee benefit expense	31	952.90
Finance cost	32	571.58
Depreciation and amortisation expense	33	578.41
Other expense	34	1,314.58
Total expenses		**4,705.46**
Loss before tax for the year		**(1,480.86)**
Income tax expense	**35**	
Current tax		-
Deferred tax		(588.91)
Total tax expense		**(588.91)**
Loss after tax for the year		**(891.95)**
Other comprehensive income / (loss)		
(i) Items that will not be reclassified to profit or loss		
Remeasurements gains/(losses) on defined benefit plans		(0.60)
Income tax relating to the above item		0.15
(ii) Items that will be reclassified to profit or loss		
Exchange difference on translation of foreign operations		(13.45)
Net gain on cash flow hedges		(21.68)
Income tax relating to the above item		4.40
Total comprehensive income / (loss)		**(923.13)**
Earnings per equity share	**37**	
1) Basic (in ₹)		(2.07)
2) Diluted (in ₹)		(2.07)
Face value per share (in ₹)		**10.00**

Notes to accounts **1 to 50**

The accompanying notes referred to above formed the integral part of financial statement

As per our report of even date

For S.S. KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm Registration No.: 000756N/N500441

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

Sd/-
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Partner
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Director
DIN: 06429468

Sd/-
Ankit Nayyar
Chief Financial Officer

Sd/-
Ruchi Sheth
Company Secretary

Place: Mumbai
Date: May 15, 2024

STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particulars	For the year ended March 31, 2024
A Cash flows from operating activities	
Loss before tax	**(1,480.86)**
Adjustments for :-	
Depreciation and amortisation expense	578.41
Interest income on loan and bank deposits	(25.41)
Interest income on unwinding of security deposits	(0.14)
Loss on sale of property, plant and equipment	2.57
Provision for bad and doubtful debt	1.61
Finance cost	571.58
Unrealised exchange loss on foreign currency transactions (net)	38.41
Change in foreign currency translation reserve	(31.18)
Operating loss before working capital changes	**(345.01)**
Increase/decrease in inventories	218.91
Increase/decrease in other assets	(58.97)
Increase/decrease in other financial assets	(40.18)
Increase/decrease in trade receivables	51.76
Increase/decrease in provisions	(6.86)
Increase/decrease in other financial liabilities	283.19
Increase/decrease in trade payables	(255.89)
Increase/decrease in other liabilities	(453.26)
Cash used in operations before tax	**(606.31)**
Taxes paid (includes TDS)	(76.55)
Net cash used in operating activities	**(682.86)**
B Cash flows from investing activities	
Payments for purchase of property, plant & equipment including capital work in progress, capital advances and capital creditors	(1,408.25)
Acquisition of businesses net of cash and bank balances of ₹ 710.63	(6,336.93)
Investment in bank deposits	(11.56)
Interest received	21.90
Net Cash used in investing activities	**(7,734.84)**
C Cash flows from financing activities	
Issue of equity shares	4,165.00
Principal elements of deferred lease payments	-
Proceeds from long term borrowings	9,410.00
Loan repayment to parent company	(4,600.00)
Loans issued by others	247.63
Payment of lease liabilities (including finance cost)	(14.81)
Interest paid	(348.96)
Net cash inflow from financing activities	**8,858.86**
D Net cash inflow from operating, investing & financing activities (A+B+C)	441.16
Cash & cash equivalents as on April 01, 2023	34.15
Closing balance of cash & cash equivalents	**475.31**

Note: Cash and cash equivalents included in the cash flow statement comprise of the following :-

	As at March31, 2024
i) Cash on hand	**0.08**
ii) Balance with banks :	
-In current accounts	240.23
-In fixed deposits with original maturity less than 3 months	235.00
Total	**475.31**

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

Figures in brackets indicate cash outflows.

As per our report of even date

For S.S. KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm Registration No.: 000756N/N500441

Sd/-
Amit Goel
Partner
Membership No.500607

For and on behalf of the Board of Directors of
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Managing Director
DIN: 09707763

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Sd/-
Ankit Nayyar
Chief Financial Officer

Sd/-
Ruchi Sheth
Company Secretary

Place: Mumbai
Date: May 15, 2024

Health Sciences

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

a. Equity share capital

Particulars	Note No.	As at March 31, 2024	
		No. of Shares	Amount
Balance at the beginning of the year	18	2,44,99,997	245.00
Changes in equity share capital during the year		41,64,99,949	4,165.00
Balance at the end of the year		**44,09,99,946**	**4,410.00**

b. Other equity

Particulars	Reserves & Surplus	Other Reserves		Equity component of compound financial instruments	Total other equity
	Statement of profit and loss	Foreign Currency Translation Reserve	Cash Flow Hedge Reserve		
Opening Balance as at April 1, 2023	**(102.80)**	-	-	-	**(102.80)**
Loss for the year	(891.95)	-	-	-	**(891.95)**
Other comprehensive income	(0.45)	(13.45)	(17.28)	-	**(31.18)**
Total comprehensive loss for the year	**(892.40)**	**(13.45)**	**(17.28)**	-	**(923.13)**
Transaction with owners in their capacity as owners:					
Issue of optionally fully convertible debentures (OFCD)	-	-	-	651.50	**651.50**
Deferred tax created	-	-	-	(163.97)	**(163.97)**
Transaction cost	-	-	-	(0.14)	**(0.14)**
	-	-	-	**487.39**	**487.39**
Balance at March 31, 2024	**(995.20)**	**(13.45)**	**(17.28)**	**487.39**	**(538.54)**

As per our report of even date

For S.S. KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm Registration No.: 000756N/N500441

Sd/-
Amit Goel
Partner
Membership No.500607

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

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DIN: 09707763

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Sd/-
Ankit Nayyar
Chief Financial Officer

Sd/-
Ruchi Sheth
Company Secretary

Place: Mumbai
Date: May 15, 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

1. Corporate Information

The consolidated financial statements comprise financial statements of PI Health Sciences Limited ('the Company') and its subsidiaries (collectively, 'the Group') for the year ended 31 March, 2024. PI Health Sciences Limited is a public limited company and has its registered office at Udaipur. The principal activities of the Group are research, preparation, manufacture, distribution and sale of active pharmaceutical ingredients ("APIs") and intermediates.

2. Basis of preparation

The Group has consistently applied the following accounting policies to all periods presented in the financial statements unless otherwise stated.

a) Statement of compliance

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

These financial statements were approved and adopted by the board of directors in their meeting dated May 15, 2024, and are subject to shareholder approval at the forthcoming Annual General Meeting of shareholders.

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities and contingent considerations are measured at fair value;
- Defined benefit plan assets measured at fair value

c) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognized in the financial statements are:

(i) Provision for expected credit losses (ECL) on trade receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The ECL provision matrix is based on the Group's historical observed default rates. The Group adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECL is sensitive to changes in circumstances and accordingly Group's actual default in the future may be different.

(ii) Recognition of deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realisable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

(iii) Impairment test of non-financial assets (goodwill and intangible assets)

The Group assesses at each reporting date whether there is an indication that goodwill and intangible assets recognized on business combination may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are estimated based on past trend and discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

3. Material Accounting Policies

a) Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

ii) Depreciation

Depreciation on property, plant and equipment is provided on the Straight-Line Method based on the useful life of assets estimated by the Management which coincide with the life specified under Schedule II of the Companies Act, 2013

The Group has estimated the useful lives as prescribed in schedule II of Companies Act, 2013, as follows:

-Plant and machinery	4 - 15 years
-Computer	3 - 6 years
- Electrical installations and equipment	4 - 10 years
- Furniture and fixtures	10 years
- Office equipment	4 - 5 years
- Vehicles	8 - 10 years

Leasehold land is being amortised over the lease period and Cost of improvement on leasehold building is being amortised over the lease period or useful life whichever is lower, unless the entity expects to use the assets beyond the lease term.

Based on assessment made by technical experts, the Management believes that the useful lives as given above best represent the period over which it expects to use these assets.

b) Intangible assets

i) Recognition and measurement

Goodwill

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Intangible assets acquired separately

Intangible assets that are acquired by the Group are measured at cost, less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets - Research and development

Research costs are expensed as incurred. Development costs are capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized in profit or loss as incurred.

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

ii) Amortisation

Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful life of customer contract is 20 years.

c) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

d) Financial instruments

i) Subsequent measurement

i) Financial assets carried at amortized cost

A financial asset (which includes loans and advances, security deposits, deposits with banks and financial institutions, cash and cash equivalents, bank balance other than cash and cash equivalents, and trade receivables) is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

ii) Financial liabilities

Financial liabilities (which includes borrowings, trade payables and other financial liabilities (other than derivative financial instruments)) are subsequently carried at amortized cost using the effective interest method.

e) Inventories

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on weighted average basis and are net of Goods and service tax credit.

Cost of Work in progress and Finished Goods is determined on first-in-first out basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

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

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

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

g) Revenue Recognition

i) Sale of goods

The Group manufactures and sells a range of products to various customers. Revenue is recognised over the period of time for contracts wherein the Group's performance does not create an asset with alternative use to the Group and the entity has an enforceable right to payment for performance completed till date. Management has determined that it is highly probable that there will be no rescission of the contract and a significant reversal in the amount of revenue recognised will not occur. Accordingly, revenue is recognised for these contracts based on Input method wherein amount of revenue to be recognised is determined based on the actual cost incurred till date and the estimated margin on the contract because there is a direct relationship between the Group's effort (i.e., based on the material consumed and labour hours incurred) and the enforceable right to pament for performance completed till date. For remaining contracts, Revenue is recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue recognised in relation to these contracts in excess of billing is recognised as a Contract Asset. Accumulated experience is used to estimate and provide for the discounts and returns using the expected value method and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. A refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned. Liability (included in other financial liabilities) is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period

Amounts disclosed as revenue are net of returns, discounts, volume rebates and net of goods and service tax.

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

ii) Sale of services

Revenue from sale of services is recognised over the period of time as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

iii) Export Incentives

Incentives on exports are recognised in books after due consideration of certainty of utilisation/ receipt of such incentives.

iv) Interest Income

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

h) Employee Benefits

i) Defined contribution plans

Employees benefits in the form of the Group's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. The Group recognizes contribution payable to these schemes as an expense, when they are due.

ii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Group's net obligation in respect of defined benefit plans is calculated by present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

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

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

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in the period in which they occur, directly in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss under employee benefit expense.

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

i) Income tax

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

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes.

j) Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

k) Lease

The Group leases various offices, warehouses, IT equipment and vehicles. Rental contracts are typically made for fixed periods but may have extension and termination options.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group use that rate as a starting point to determine the incremental borrowing rate.

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

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

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

Other Accounting Policies

l) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the Group's functional currency at the exchange rates at the dates of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange difference

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI

- equity investments at fair value through OCI (FVOCI);

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective

In accordance with Ind-AS 101 'First Time Adoption of Indian Accounting Standards', the Group has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on translation of long-term foreign currency monetary items relating to acquisition of depreciable property, plant and equipment taken before the transition date are capitalized and depreciated over the remaining useful life of the asset.

m) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

o) Earnings per share:

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

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

p) Dividends

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

q) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. the Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The subsidiary companies considered in the consolidated financial statements are:

Name of the group	Country of Incorporation	% of voting power held as at March 31st, 2024
PI Health Sciences Netherlands B.V	Netherlands	100% (100%)
PI Health Sciences USA LLC	USA	100% (100%)
Archimica S.P.A	Italy	100% (100%)

r) Business Combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the capital reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

4. Property, Plant and Equipment

	Leasehold land	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Office equipment	Vehicles	Computer	Total
Gross carrying amount									
As at beginning of April 01, 2023	-	5.45	-	119.44	1.21	0.72	11.62	0.16	138.60
Addition	-	-	12.37	882.16	42.91	9.51	0.01	22.39	969.35
Additions through business combination	191.80	72.88	445.90	2,369.83	9.73	2.83	6.48	5.22	3,104.67
Disposals	-	-	-	(1.01)	-	-	(0.45)	-	(1.46)
Changes due to fair valuation	-	-	-	(268.05)	-	-	-	-	(268.05)
Effect of foreign currency translation from functional currency to reporting currency	-	0.73	3.13	22.15	0.06	0.01	0.06	0.04	26.18
As at March 31, 2024	**191.80**	**79.06**	**461.40**	**3,124.52**	**53.91**	**13.07**	**17.72**	**27.81**	**3,969.29**
Accumulated Depreciation									
As at beginning of April 01, 2023	-	-	-	2.39	0.09	0.04	0.51	0.03	3.06
Depreciation charged during the year	1.61	-	24.63	437.49	2.31	1.74	3.41	4.37	475.55
Disposals / Adjustments	-	-	-	-	-	-	(0.11)	-	(0.11)
Effect of foreign currency translation from functional currency to reporting currency	-	-	0.07	1.71	0.00	0.00	0.01	0.01	1.81
As at March 31, 2024	**1.61**	**-**	**24.70**	**441.59**	**2.40**	**1.78**	**3.82**	**4.41**	**480.31**
Net carrying amount									
As at March 31, 2024	**190.19**	**79.06**	**436.70**	**2,682.93**	**51.51**	**11.29**	**13.90**	**23.40**	**3,488.98**

Notes:

a. Addition in leasehold land in the current year represents land which has been acquired on acquisition of “Therachem Research Medilab (India) Private Limited” and “Solis Pharmachem Private Limited” amounting to ₹ 160.80 and ₹ 31.00 respectively. These assets are pending for registration in the name of the Company as on March 31, 2024.

Relevant line items in the Balance sheet	Description of item of property	Gross Carrying Value”	Title deeds held in name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter or director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Leasehold Land	191.80	Previous Owner	NA	02-06-2023	Registration of leasehold land in the name of Company is under process

b. Refer note 41 for disclosure of contractual comitmments for the acquisition of property, plant and equipment.

c. Refer note 46 for acquisition of property, plant and equipment through business combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

5. Right of Use Assets

Gross carrying amount	Land	Building	Total
As at beginning of April 01, 2023	**157.03**	**354.86**	**511.89**
Addition	-	55.69	55.69
Additions through business combination*	-	3.36	3.36
Disposal / Transfer	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	-	-	-
As at March 31, 2024	**157.03**	**413.91**	**570.94**

*Additions due to conversion of "Therachem Research Medilab (India) Private Limited" financials from Indian Generally Accepted Accounting Principles (IGAAP) to Indian Accounting Standard (Ind AS).

Accumulated Depreciation	Land	Building	Total
As at beginning of April 01, 2023	**2.22**	**1.14**	**3.36**
Depreciation charged during the year	3.09	17.73	20.82
Disposal / Transfer	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	-	-	-
As at March 31, 2024	**5.31**	**18.87**	**24.18**
Net carrying amount			
As at March 31, 2024	**151.72**	**395.04**	**546.76**

Note: Details of assets given on operating lease included in right of use assets:

	Building
As at March 31, 2024	
Gross block	17.54
Accumulated depreciation	0.34
Net carrying amount	**17.20**

6. Capital Work-In-Progress

(a) Cost	Amount
As at beginning of April 01, 2023	16.24
Additions through business combination	215.35
Addition	1,205.77
Disposal / Transfer	(876.56)
Effect of foreign currency translation from functional currency to reporting currency	0.33
As at March 31, 2024	**561.13**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

(b) Ageing of capital work-in progress

Particulars	Amount in capital work-in progress for a period of				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
As at March 31, A2024					
Projects in progress	475.52	85.61	-	-	**561.13**
Projects temporarily suspended	-	-	-	-	-

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

Particulars	To be completed in				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in progress					
- R&D lab Hyderabad (Phase -III)	95.21	-	-	-	95.21
Projects temporarily suspended	-	-	-	-	-

Note: There are no project as on March 31, 2024 where the project timeline is overdue.

7. Goodwill And Other Intagible Asset

	Software	Technical know-how	Customer contracts and relationships	Total other than goodwill	Goodwill	Total
Gross carrying amount						
As at beginning of April 01, 2023	-	-	-	-	-	-
Addition	9.43	-	-	9.43	-	9.43
Additions through business combination	-	251.76	1,661.00	1,912.76	2,768.43	4,681.19
Disposal / Transfer	-	-	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	(0.00)	(0.11)	-	(0.11)	14.74	14.63
As at March 31, 2024	**9.43**	**251.65**	**1,661.00**	**1,922.08**	**2,783.17**	**4,705.25**
Accumulated amortisation						
As at beginning of April 01, 2023	-	-	-	-	-	-
Amortisation charged during the year	3.67	9.39	68.98	82.04	-	82.04
Disposal / Transfer	-	-	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	0.00	(0.01)	-	(0.01)	-	(0.01)
As at March 31, 2024	**3.67**	**9.38**	**68.98**	**82.03**	**-**	**82.03**
Net carrying amount						
As at March 31, 2024	**5.76**	**242.27**	**1592.02**	**1840.05**	**2783.17**	**4623.22**

Note:

a. Goodwill of ₹ 2,783 generated on account of business combination and is tested for impairment annually in accordance with Ind AS 36 "Impairment of Assets", such investment is considered for the purpose of impairment review. Management has assessed whether there is an indication that such investment may be impaired. For investment, where impairment indicators exists, management compares the carrying amount of such investment with its recoverable amount. Recoverable amount is value in use of the investment computed based upon discounted cash flow projections. As on the reporting date, the recoverable amount is determined at ₹ 13,166, through an independent valuer, based on the value in use calculation which uses cash flow projections based on the projected profitability. As value in use are significantly higher than the carrying amount no impairment was recorded in books of accounts.

b. Other intangible assets pertains to customer contracts and relationship identified on business combination (Refer note 46).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

8. Non Current Investment

	As at March 31, 2024
Investment carried at cost	
Unquoted shares	
Investment in equity instruments	
Shares in Soc Industria e Università Srl (4250 shares of EUR 1 each)	0.38
Shares in Ecolombardia 4 SpA (2200 shares of EUR 25.99 each)	5.14
TOTAL	**5.52**
Aggregate amount of unquoted investment	**5.52**
Aggregate amount of imparment in value of investment	-

9. Other Non-Current Financial Assets

	As at March 31, 2024
Unsecured, considered good unless stated otherwise:	
Security deposits	12.45
Derivative financial instruments - forward rate contracts	18.73
TOTAL	**31.18**

10. Other Assets

	Non-Current As at March 31, 2024	Current As at March 31, 2024
Capital advances		
Considered good	17.93	-
Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Advances to Vendors		
Considered good	-	31.21
Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Prepayments	1.85	114.70
Balance with government authorities	-	349.88
Export incentive receivables	-	4.14
Other miscellaneous advances	-	0.14
TOTAL	**19.78**	**500.07**

11. Inventories

	As at March 31, 2024
Raw materials	239.63
Semi- Finished goods	187.58
Finished goods	434.99
Stores & spares	-
TOTAL	**862.20**

Note: Valuation of inventories is stated in note 3(e) of material accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

12. Trade Receivables

	As at March 31, 2024
Trade receivables	1,309.12
Less: Allowance for doubtful debts	(23.73)
TOTAL	**1,285.39**

Break up of security details

	As at March 31, 2024
Trade receivables considered good - secured	-
Trade receivables considered good - unsecured	1,309.12
Trade receivables which have significant increase in credit risk	-
Trade receivables - credit impaired	-
	1,309.12
Less: Allowance for doubtful debts	(23.73)
TOTAL	**1,285.39**

Trade Receivables ageing as at March 31, 2024

Particulars	Unbilled	Not Due	Outstanding for following periods from due date					Total
			Less than 6 months	6 months -1 years	1-2 year	2-3 year	More than 3 year	
Undisputed trade receivable								
Considered good*	16.69	825.77	463.42	2.12	-	0.95	0.17	1,309.12
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivable	-	-	-	-	-	-	-	
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Total	**16.69**	**825.77**	**463.42**	**2.12**	**-**	**0.95**	**0.17**	**1,309.12**
Less: Allowance for doubtful debts								(23.73)
Net Total	**16.69**	**825.77**	**463.42**	**2.12**	**-**	**0.95**	**0.17**	**1,285.39**

* Trade receivable outstanding for period more than 1 year are acquired through business combination during the year.

13. Cash And Cash Equivalents

	As at March 31, 2024
Cash & Cash Equivalents	
Balance with banks	
-Balances in current account	240.23
Cash in hand	0.08
Deposits with original maturity of less than 3 months	235.00
TOTAL	**475.31**

14. Bank Balances Other Than Cash and Cash Equivalents

	As at March 31, 2024
Fixed deposits with bank	11.56
	11.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

15. Other Financial Assets

	As at March 31, 2024
Unsecured, considered good unless stated otherwise:	
Interest accrued on fixed deposit	3.51
Other receivables	11.56
	15.07

16. Contract Assets

	As at March 31, 2024
Contract asset*	723.26
	723.26

* Recoverable from customer under contract for supply of goods manufactured exclusively for customers

17. Current Tax Assets

	As at March 31, 2024
TDS receivable / advance tax	137.85
TOTAL	**137.85**

18. Equity Share Capital

	As at March 31, 2024
Authorised Shares	
62,55,50,000 Equity Shares of ₹ 10 each (60,00,00,000 Equity Shares March 31, 2022 : ₹ 10 each)	6,256
	6,256
Issued Shares	
44,09,99,946 Equity Shares of ₹ 10 each (2,44,99,997 Equity Shares March 31, 2022 : ₹ 10 each)	4,410
	4,410
Subscribed & Fully Paid up Shares	
44,09,99,946 Equity Shares of ₹ 10 each (2,44,99,997 Equity Shares March 31, 2022 : ₹ 10 each)	4,410
Total subscribed and fully paid up share capital	**4,410**

a. Terms/ rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2024	
	Number	Amount
Opening balance at the beginning of the year	2,44,99,997	245.00
Shares issued during the year	41,64,99,949	4,165.00
Share outstanding at end of year	**44,09,99,946**	**4,410.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

c. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2024	
	Number	% holding
PI Industries Limited and its nominees	44,09,99,946	100.00%

d. Details of shareholding by promoters

Particulars	As at March 31, 2024		
	Shares held on March 31, 2024	% of Total Share	% change during the year
PI Industries Limited and its nominees	44,09,99,946	100.00%	1700.00%

19. Other Equity

	As at March 31, 2024
Retained earnings	(1,025.93)
Equity component of compound financial instrument	487.39
TOTAL	**(538.54)**

(a) Retained earnings

	Amount
As at April 1, 2023	**(102.80)**
Net loss for the year	(891.95)
-Items of other comprehensive income recognised directly in retained earnings	
Remeasurements gains/(losses) on defined benefit plans	(0.45)
Cash Flow Hedge Reserve	(17.28)
Loss on foreign currency translation	(13.45)
As at March 31, 2024	**(1,025.93)**

Nature and purpose of the reserve

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve if any, dividend or other distributions paid to shareholders. Further, it also includes the impact of remeasurements of the defined benefit obligations, net of tax.

(b) Equity component of compound financial instruments

The Company has issued 550 million unlisted unsecured Optionally Fully Convertible Debentures ("OFCD"), having a face value of ₹ 10 each, aggregating to ₹ 5,500 million, at an interest of 0.50% on a non-cumulative basis per annum to PI Industries Limited (PI), holding company through private placement on a preferential basis. OFCD shall be repaid for a maximum of 10 years, repayable on demand by PI with a moratorium of 5 years.

Conversion rights: PI shall have the right to convert, in whole or in part, the OFCD into fully paid-up equity shares of ₹ 10 each of the Company, at PI's sole discretion, at the fair value on the date of issue, which shall be determined by the valuation report obtained by a registered valuer acceptable to the parties.

Redemption: PI shall be entitled to exercise the option for redemption of the OFCD, during the term of the OFCD. At maturity, or earlier if PI exercises its redemption option, OFCD to be redeemed at a premium calculated as the average interest on Government Securities of an equivalent term for the period from the date of issuance of the OFCD until the date of redemption, subject to an overall cap of 9% per annum.

Premium payable on exerise of redemption option has been estimated at 7.15% p.a.

Until conversion, OFCD will rank higher than the Equity Shares for repayment of the principal amount and interest accrued there, and rank pari passu with other unsecured creditors.

OFCD issued by the Company are classified as compound financial instruments. These OFCD are separated into liability and equity components based on the terms of the contract. The liability component has been measured based on the present value of contractual obligation to pay cash as the Company doesn't have the discretionary right to avoid these obligation. The difference between the fair value of OFCD on the date of issue and liability component measured has been presented as equity component. Interest on liability component is recognised as finance cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	Amount
As at April 01, 2023	-
Add: Issue of optionally fully convertible debentures (OFCD)	651.50
Less: Deferred tax created	(163.97)
Less: Transaction cost	(0.14)
As at March 31, 2024	**487.39**

20. Borrowings

	Non-Current	Current
	As at March 31, 2024	As at March 31, 2024
Unsecured		
Term loan from bank	616.56	662.39
Liability component of OFCD	4,937.69	-
TOTAL	**5,554.25**	**662.39**

Changes in liabilities arising from financing activities - Borrowings

Particulars	As at March 31, 2024
Balance as on beginning of April 01, 2023	690.00
Add: New loan received during the year	10,276.42
Less: Transaction cost	(9.25)
Add: Borrowing acquired on account of business combination	1,043.88
Add: Impact of derivatives	35.67
Add: Interest cost	447.57
Less: Interest paid during the year	(352.22)
Less: Principal repayment during the year	(5,265.39)
Less: Equity component of OFCD transferred to reserves	(651.50)
Add: Effect of foreign currency translation from functional currency to reporting currency	8.93
Closing balance*	**6,224.11**

* Closing balance includes ₹ 7.47 interest accrued but not due (₹ 4.54 payable to parent company) which has been disclosed under current financial liability.

Terms and Conditions

a) The Company had taken loan from parent company carrying interest rate of 9.5% per annum which is repayable after five years in five equal instalment as mutually decided by both parties. This loan has been repaid by the Company as on March 31, 2024.

b) Kindly refer other equity note for terms of OFCD.

c) Term loan sanctioned to wholly owned subsidiary "Archimica S.p.A" in EURO bearing floating interest rate that are linked to EURIBOR 3 months spread ranging from 0.7% to 1.75%. Maturity ranging from July 2025 to September 2029.

d) As on the Balance sheet date there is no default in repayment of loans and interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

21. Lease Liabilities

	Non-Current As at March 31, 2024	Current As at March 31, 2024
Lease liabilities	71.45	12.44
TOTAL	**71.45**	**12.44**

Changes in liabilities arising from financing activities - Lease liabilities

	As at March 31, 2024
Balance as on beginning of April 01, 2023	32.83
Add: New leases entered during the year	55.68
Add: Leases acquired on account of business combination	3.72
Add: Interest cost on leases	6.48
Less: Payment during the year	(14.81)
Closing balance	**83.89**

The Company incurred ₹ 48.06 for the year ended March 31, 2024 towards expenses relating to short erm leases.

22. Other Financial Liabilities

	Non-Current As at March 31, 2024	Current As at March 31, 2023
Employee payables	-	176.60
Interest accrued and due on borrowings*	-	7.47
Creditors for capital purchases	-	33.46
Derivative financial instruments - forward rate contracts	-	4.56
Security Deposit	2.20	-
Other payable**	1345.65	329.87
TOTAL	**1,347.85**	**551.96**

* Includes due to related party amounting to ₹ 4.54.

“** It includes the following:

a) Contingent consideration is an additional amount payable by PIHS LLC to TRM US equivalent to fifteen percent (15%) of the sum of the material margin (revenue minus raw material cost) from the date of acquisition till 31 March 2029 on respective payment dates as per APA subject to maximum amount of $25.

b) Deferred purchase consideration on acquisition of ”Therachem Research Medilab (India) Private Limited” amounting to ₹ 254.36 which is payable after 18 months from completion date.

Board Report
Standalone Auditor’s Report
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

23. Deferred Tax Liability

	As at March 31, 2024
The balance comprises temporary differences attributable to:	
(a) Deferred tax liabilities	
Property, plant and equipment	411.20
Deferred purchase consideration	3.26
Sub- Total (a)	**414.46**
(b) Deferred tax assets	
Provision for employee benefits	5.99
Other provisions	0.49
Lease assets	(116.49)
Optionally Fully Convertible Debentures (OFCD's)	22.41
Unabsorbed depreciation and losses	303.13
Unabsorbed loss on account of acquisition	0.71
Other comprehensive items	
- Remeasurement of defined benefit plans	(4.55)
Others	(162.35)
Sub- Total (b)	**49.34**
Net deferred tax (assets)/liabilities (a)-(b)	**365.12**

Movement in deferred tax:

	As at April 01, 2023	Acquired on Business Combination	Recognised in P&L	Recognised in OCI	Other Adjustments*	As at March 31, 2024
(c) Deferred tax liabilities						
Property, plant and equipment	1.75	795.48	(386.03)	-	-	411.20
Deferred purchase consideration	-	-	3.26	-	-	3.26
Sub- Total (c)	**1.75**	**795.48**	**(382.77)**	**-**	**-**	**414.46**
(d) Deferred tax assets						
Provision for employee benefits	3.55	-	(2.44)	-	-	5.99
Other provisions	21.38	50.87	71.76	-	-	0.49
Lease assets	-	-	116.49	-	-	(116.49)
OFCD	-	-	(22.41)	-	-	22.41
Unabsorbed depreciation and losses	1.74	49.01	(252.38)	-	-	303.13
Unabsorbed loss on account of acquisition	-	-	(0.71)	-	-	0.71
Other comprehensive items						
- Remeasurement of defined benefit plans	-	-	-	(0.15)	-	(0.15)
- Net gain on cash flow hedge	-	-	-	(4.40)	-	(4.40)
Others	-	(100.71)	(116.45)	-	(178.09)	(162.35)
Sub- Total (d)	**26.67**	**(0.83)**	**(206.14)**	**(4.55)**	**(178.09)**	**49.34**
(e) Net deferred tax (assets)/liabilities (c)-(d)	**(24.92)**	**796.31**	**(588.91)**	**4.55**	**178.09**	**365.12**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

24. Trade Payables

	As at March 31, 2024
Trade payables	
-Due to micro and small enterprises	7.62
-Others	612.58
TOTAL	**620.20**

(a) Trade Payable ageing as at March 31, 2024

	Unbilled dues	Outstanding for following periods from the due date					
		Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
Undisputed trade payable							
Micro and small enterprises	-	7.62	-	-	-	-	**7.62**
Others*	312.98	186.44	93.64	13.66	5.50	0.36	**612.58**
Disputed trade payable							
Micro and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**312.98**	**194.06**	**93.64**	**13.66**	**5.50**	**0.36**	**620.20**

* Trade payable outstanding for period more than 1 year are acquired through business combination during the year.

(b) Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) :

Particular	As at March 31, 2024
Principal amount due to supplier registered under the MSMED Act and remaining unpaid at the year end*	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-
Principal amount paid to supplier registered under the MSMED Act, beyond the appointed day during the year	15.05
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.06
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-
Interest accrued and remaining unpaid at the end of the each accounting year	0.03
Amount of further interest remaining due and payable in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-

* Does not include ₹ 7.62 as the balance is not due as on the reporting date.

25. Provisions

	Non-Current	Current
	As at March 31, 2024	As at March 31, 2024
Provision for employee benefits		
- Gratuity	6.20	0.05
- Long term compensated absences	30.92	1.44
Provision for risk and charges*	143.26	9.65
TOTAL	**180.38**	**11.14**

* It relates to provision created for other contingencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

26. Other Current Liabilities

	As at March 31, 2024
Advance from customers	20.19
Statutory dues payable	14.96
Corporate Social Responsibility (CSR)*	3.49
TOTAL	**38.64**

* Although the Company is in losses and this is it's first year of operation, total CSR liability pertains to the acquisition of "Therachem Research Medilab (India) Private Limited".

27. Revenue From Operations

	For the year ended March 31, 2024
Revenue from operations includes	
a) Sale of products	3,096.03
b) Sale of services;	37.02
c) Other operating revenues:	
Scrap sales	2.21
Export incentives	13.37
TOTAL	**3,148.63**

(i) The Company has exclusive long-term contract manufacturing agreements with its customers which provides the Company an enforceable right to payment for performance completed to date and performance on these contracts does not create an asset with an alternative use to the Company. These contractual undersatnding with customers leads to satisfaction of performance obligations over a period of time and revenue is recognised based on percentage of completion of each performance obligation till date.

(ii) The Company disaggregates revenue from contract with customer by geography as follows:

	For the year ended March 31, 2024
America	1,400.29
Europe	1,246.96
Rest of the world	448.79
TOTAL	**3,096.04**

(iii) Reconciliation of revenue recognised with the contract price is as follows:

	For the year ended March 31, 2024
Contract Price	**3,096.04**
Adjustments for:	
Refund liabilities	-
Discount/Incentives	-
Revenue recognised	**3,096.04**

(iv) Changes in contract assets are as follows:

	For the year ended March 31, 2024
Opening balance as on April 01, 2023	-
Add: Effect of business combination	1,618.50
Less: Invoices raised that were included in the contract assets balance at the beginning of the year	(950.62)
Add: Increase due to revenue recognised during the year, excluding amounts billed during the year	51.99
Add: Exchange difference	3.39
Closing balance as on March 31, 2024	**723.26**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

28. Other Income

	For the year ended March 31, 2024
Interest income	
- Fixed Deposits	25.41
- Others	24.12
Interest income on unwinding of security deposits	0.14
Miscellaneous income	26.30
TOTAL	**75.97**

29. Cost Of Material Consumed

	For the year ended March 31, 2024
Stock of raw material as on April 01, 2023	-
Acquired on business combination	1,081.11
Add: Purchase	228.00
Less: Closing stock of raw material	239.63
TOTAL	**1,069.48**

30. Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade

		For the year ended March 31, 2024
Balance as on March 31, 2024		
Finished Goods		434.99
Work in Progress		187.58
	A	**622.57**
Balance as on April 01, 2023		
Finished Goods		-
Work in Progress		-
	B	**-**
Acquisition of inventory during business combination		
Finished Goods		643.40
Work in Progress		201.62
	C	**845.02**
Forex impact on above changes	**D**	**(3.94)**
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	**(B+C+D-A)**	**218.51**

31. Employee Benefit Expense

	For the year ended March 31, 2024
Salaries, wages and bonus	759.53
Contribution to provident and other funds	168.50
Gratuity and long term compensated absences	12.35
Employees welfare expenses	12.52
TOTAL	**952.90**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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32. Finance Cost

	For the year ended March 31, 2024
Interest on loan	330.18
Interest on OFCD	95.30
Interest on lease liability	6.48
Interest on deferred Liability	139.62
TOTAL	**571.58**

33. Depreciation and Amortisation Expense

	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note - 4)	475.55
Amortisation of Intangible Assets (Refer note - 7)	82.04
Amortisation- right of use (Refer note - 5)	20.82
TOTAL	**578.41**

34. Other Expenses

	For the year ended March 31, 2024
Power, fuel & water	92.70
Consumption of stores & spares	25.60
Repairs & maintenance	
- Buildings	1.88
- Plant and machinery	281.90
- Others	22.79
Environment & pollution control expenses	0.77
Laboratory & testing charges	85.05
Freight & cartage	45.69
Travelling and conveyance	37.90
Rental charges	48.06
Rates and taxes	40.37
Insurance	39.90
Advertisement & sales promotion	14.68
Loss on sale of property, plant and equipment (net)	2.57
Telephone and communication charges	53.07
Foreign exchange loss (net of gain)	19.62
Provision for bad and doubtful debts & advances	1.61
Director sitting fees and commission	0.45
Legal & professional fees	398.23
Bank charges	20.30
Miscellaneous expenses	81.44
TOTAL	**1,314.58**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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35. Income Tax Expense

a) Income tax expense recognized in statement of Profit and Loss

	For the year ended March 31, 2024
Current tax expense	
Current tax on profits for the year	-
Adjustment of current tax for prior year	-
Total Current tax expense	-
Deferred tax expense	
(Decrease) / Increase in Deferred tax liability	(382.77)
Decrease / (Increase) in Deferred tax assets	(206.14)
Net Deferred tax expense	**(588.91)**
Total Income tax expense	**(588.91)**

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

	For the year ended March 31, 2024
Remeasurement of defined benefit plans	(0.15)
Net gain on cash flow hedge	(4.40)
Income tax charged to Other comprehensive income	**(4.55)**

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

	For the year ended March 31, 2024
Accounting profit before tax	(1,480.86)
Tax at India's statutory income tax rate @ 25.17% (previous year @25.17%)	**(372.70)**
Adjustment in respect of current income tax of previous years	-
- Utilisation/credit of unrecognised tax losses, unabsorbed depreciation	(91.16)
- Effect of Ind AS adjustments in financial statements	149.31
- Effect of non-deductible expenses	(2.55)
- Effect of different tax treatment on upfront payment of premises	60.87
- Impact of business combination	(593.84)
- Others	256.61
- Transfer to OCI	4.55
Income Tax Expense	**(588.91)**

Note: The Company has chosen to exercise the option of lower tax rate of 25.168% (inclusive of surcharge and tax) under section 115BAA of the Income Tax Act, 1961 effective April 01, 2019. Accordingly Company has taken the Impact on current tax liability and deferred tax.

36. Capital Management

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

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	As at March 31, 2024
Borrowings (Non-Current) (Refer Note 20)	5,554.25
Borrowings (Current) (Refer Note 20)	662.39
Total Debt	6,216.64
Less: Cash and bank balance	(486.87)
Net Debt	**5,729.77**
Total Equity Capital	3,871.46
Equity Capital and Net Debt	9,601.23
Gearing Ratio	59.68%

No changes were made in the objectives, policies or processes for managing capital of the Group during the current or previous year.

37. Earning Per Share (EPS)

		Year ended March 31, 2024
a	Net Loss after tax for Basic EPS	(891.96)
	Add: Finance cost on OFCD's	95.30
	Net Loss after tax for Diluted EPS	(796.66)
b	Number of Equity Shares at the beginning of the year	2,44,99,997
	Add: Number of shares issued during the year	41,64,99,949
	Total number of Shares outstanding during the year	44,09,99,946
	Weighted average number of Equity shares outstanding during the year - Basic	43,07,58,194
	Add: Weighted average number of Equity shares to be issued on conversion of Optionally Fully Convertible Debenture	5,75,33,177
	Weighted average number of Equity shares outstanding during the year - Diluted	48,82,91,371
	Earning per share - Basic (₹)	(2.07)
	Earning per share - Diluted (₹)	(2.07)
	Face value per share (₹)	10.00

Note: OFCD are anti-dilutive in nature for year ended March 31, 2024.

38. Employee Benefits

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

Provident Fund

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

Gratuity Plan

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

a) Defined Contribution Plans: -

The Company has recognised an expense of ₹ 12.88 Mns towards the defined contribution plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

b) Defined benefits plans - as per actuarial valuation

I Change in present value of obligation during the year

	Year ended March 31, 2024 Gratuity Unfunded
Present value of obligation at the beginning of the year	1.18
Total amount included in profit and loss:	
- Current Service Cost	4.39
- Interest Cost	0.09
- Past Service Cost	-
Total amount recognised in profit or loss	**4.48**
Total amount included in OCI:	
Remeasurement related to gratuity:	
Actuarial losses/(gains) arising from:	0.60
- Demographic Assumption	(0.68)
- Financial Assumption	0.70
- Experience Judgement	0.58
Others	
Benefits Paid	-
Present Value of obligation as at year-end	**6.25**

Note: Net amount recognised in statement of profit and loss account of defined benefit obligations

Particulars	Year ended March 31, 2024
Amount as per actuarial valuation	4.47
Reversal of gratuity liability acquired on business combination	(9.17)
	(4.70)

II Change in Fair Value of Plan Assets during the year

Particulars	Year ended March 31, 2024
Plan assets at the beginning of the year	-
Included in profit and loss:	
Expected return on plan assets	-
Included in OCI:	
Actuarial Gain/(Loss) on plan assets	-
Others:	
Employer's contribution	-
Benefits paid	-
Claim received during the year from fund manager	-
Pending claim with fund manager	-
Plan assets at the end of the year	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets

	Year ended March 31, 2024 Gratuity Unfunded
Present Value of obligation as at year-end	6.25
Fair value of plan assets at year end	-
Net Asset / (Liability)	6.25

IV Bifurcation of Present value of obligation at the end of the year

	Year ended March 31, 2024
Current liability	0.05
Non-Current liability	6.20

V Actuarial Assumptions

	Year ended March 31, 2024
Discount rate	7.22%
Expected rate of return on plan assets	N.A.
Mortality table	100% of IALM (2012-14)
Salary escalation	10%

VI Sensitivity Analysis

	Year ended March 31, 2024	
	Increase	Decrease
Discount rate (0.50 % movement)	(0.17)	0.18
Future salary growth (0.50 % movement)	0.18	0.17

VII Maturity Profile of Defined Benefit Obligation

	Year ended March 31, 2024 Gratuity Unfunded
Within the next 12 months	0.05
Between 2-5 years	2.68
Beyond 5 years	3.53

39. Contingent Liabilities

As per information available with the Management and as certified by them, there is no contingent liability as at March 31, 2024.

40. Operating Segment

An operating segment is a defined as component of the entity that represents business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating segments are based on the group's internal reporting structure and manner in which operating results are reviewed by Chief Operating Decision Maker (CODM).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

I Revenue

a. Information about product revenues

The amount of its revenue from external customers broken down by products is shown in the table below:

Particulars	For the year ended March 31, 2024
Contract research organisation (CRO)	373.03
Contract manufacturing organisation (CMO)	2,723.01
Others	52.59
Total	**3,148.63**

Contract research organization (CRO) that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis and Contract manufacturing organisation (CMO) that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing.

b. Geographical Areas

The group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Carrying amount of Non-Current assets	For the year ended March 31, 2024
India	-
Europe	1,246.96
USA	1,400.29
Rest of the World	448.79
Total	**3,096.04**

The following is the carrying amount of non current assets by geographical area in which the assets are located:

Particulars	As at March 31, 2024
India	3,654.59
Europe	2,661.21
United States of America	140.90
Total	**6,456.70**

Note: Non-Current assets exclude investments, goodwill, financial assets.

The revenue from transactions with one external customer exceeds 10% of the total revenue of the group for the year ended March 31, 2024.

41. Capital & Other Commitment

	As at March 31, 2024
Estimated Amount of Contracts remaining to be executed on capital account and not provided for (net of advances)	606.21

42 LEASES - COMPANY AS A LESSOR

Operating lease

The lease rentals recognized as income in these statements as per the rentals stated in the respective agreements:

Particular	For the year ended March 31, 2024
Lease rentals recognized as income during the year	
- Variable lease rentals	
- Others	11.15

Board Report
Standalone Auditor's Report
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(All amounts in ₹ million, unless otherwise stated)

These assets relate to land and building subleased on account of idle space utilisation by subleasing it to respective customers. Kindly refer note no. 5 right of use asset for asset wise details.

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

Particular	As at March 31, 2024
Less than 1 year	12.27
1-2 years	10.68
2-5 years	-
More than 5 years	-

43. Related Party Disclosures

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

a) List of Related Parties:-

I. Enterprises Which Control The Entity

(a) PI Industries Limited

II. Enterprises Where Control Exists

Subsidiaries and their subsidiaries

(a) PI Health Sciences Netherlands B.V

(b) PI Health Sciences USA LLC

(c) Archimica S.P.A

Iii. Fellow Subsidiaries

(a) PILL Finance and Investment Limited

(b) PI Life Science Research Limited

(c) PI Japan Co. Limited

(d) Jivagro Limited

(e) PI Fermachem Private Limited

(f) PI Bioferma Private Limited

IV. Key Managerial Personnel

a)	Mr. Mayank Singhal	Director
b)	Mr. Rajnish Sarna	Director
c)	Mr. Narayan Keelveedhi Seshadri	Director
d)	Dr. Tanjore Soundararajan Balganesh	Director
e)	Mr. Anil Kumar Jain	Managing Director w.e.f. August 22, 2022
f)	Mr. Ankit Nayyar	Chief Financial Officer w.e.f. November 7, 2023
g)	Mrs. Ruchi Sheth	Company Secretary w.e.f. January 15, 2024

V. Entities controlled by KMP with whom transactions have taken place

(a) PI Foundation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in ₹ million, unless otherwise stated)

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

Nature of Transaction	2023-24	
	Transaction during the period	Balance outstanding Dr / (Cr)
Compensation to KMP		
Short term employee benefits	61.76	-
Post employment benefits	7.98	-
Director sitting fees	0.45	-
Reimbursement on account of expenses incurred	9.27	(1.36)
Salary and other perquisites	6.28	-
Transactions with PI Industries Limited		
Issue of share capital	4,165.00	-
Issue of OFCD	5,500.00	(4,937.69)
Loans received	3,910.00	-
Loans repaid	4,600.00	-
Interest paid on OFCD	5.05	(4.54)
Interest paid on loan	281.02	-
Rent	0.68	(0.06)
Consumable purchase	0.08	-
Cross charge	2.40	(2.59)

Terms and conditions of transactions with related parties

The sales and purchases / services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

During the year Group acquired M/s Therachem Research Medilab (India) Private Limited and took over unspent CSR liability of ₹ 9.32. The Group transferred the entire amount to PI Foundation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

44. Financial Instruments

Financial instruments – Fair values and risk management

A. Financial instruments by category

	As at March 31, 2024		
	FVTPL	FVTOCI	Amortised Cost
Financial assets			
Non-current assets			
Investment	-	-	5.52
Security deposits	-	-	12.45
Derivative financial instrument - forward rate agreement	-	-	18.73
Current assets			
Trade receivables	-	-	1,285.39
Cash and cash equivalents	-	-	475.31
Bank balances other than cash and cash equivalent	-	-	11.56
Other financial assets	-	-	15.07
Contracts assets	-	-	723.26
TOTAL	**-**	**-**	**2,547.29**
Financial liabilities			
Non-current liabilities			
Borrowings	-	-	5,554.25
Lease liabilities	-	-	71.45
Other financial liabilities	-	-	1,347.85
Current liabilities			
Borrowings	-	-	662.39
Lease liabilities	-	-	12.44
Trade payables	-	-	620.20
Derivative financial instrument - forward rate agreement	-	-	4.56
Other financial liabilities	-	-	547.40
TOTAL	**-**	**-**	**8,820.55**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

	As at March 31, 2024		
	Level 1	Level 2	Level 3
Financial assets			
Security deposits	-	-	21.53
Financial liabilities			
Deferred purchase consideration	-	-	1,719.85
TOTAL	**-**	**-**	**1,741.38**

(All amounts in ₹ million, unless otherwise stated)

The fair value of cash and cash equivalents, bank balances other than Cash and cash equivalents, trade receivables, contract assets, current financial assets, trade payables and current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments. Optionally fully convertible debentures has been recently floated to parent which resonates to its fair value as on reporting date. Fair value for security deposits (other than perpetual security deposits) and lease liabilities has been presented in the above table.

Fair value hierarchy

The table shown above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

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

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

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

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments includes:

- the use of quoted market prices

- the fair value of forward rate agreement is determined using forward interest rates at the balance sheet date

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The fair values for security deposits and deferred purchase consideration were calculated based on present values of cash flows and the discount rates used were adjusted for counterparty or own credit risk. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

45. Financial Risk Management

Risk management framework

The Group activities expose it to a variety of financial risks - credit risk, market risk and liquidity risk. The Group board of directors has the overall responsibility for the management of these risks.

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

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises from the operating activities primarily (trade receivables) and from its financing activities including cash and cash equivalents, deposits with banks and other financial instruments. The carrying amount of financial assets represents the maximum credit exposure and is as follows:

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the concentration of risk from the top few customers. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate including the past trends on recoverability.

The group has established a credit policy under which each customer is analysed individually for creditworthiness before the Group's credit terms are offered. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Credit limits are established for each customer and reviewed periodically.

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances recognized for the year ended March 31, 2024 is ₹ 23.73.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Particulars	As at March 31, 2024
Balance at the beginning	-
Change in loss allowance	23.73
Amounts written off	-
Balance at the end	**23.73**

The exposure to credit risk and expected credit loss on contract assets as at March 31, 2024 is insignificant and hence no allowance has been made.

Cash and cash equivalents, deposits with banks:

Credit risk from balances with banks and other financial instruments is managed by Group in accordance with its policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management and may be updated throughout the year.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. For financial assets which are long term in nature, the expected credit loss is insignificant.

Accordingly, based on the assessment there is no material allowance in the above financial assets.

Derivatives

The derivatives are entered with banks and financial institution counter parties which have low credit risk based on external credit ratings of counter parties.

Exposure to credit risk:

The gross carrying amount of financial assets, net of impairment losses (if any) recognized represent the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2024 was as follows:

Particulars	As at March 31, 2024
Trade receivables	1,285.39
Contract assets	723.26
Cash and cash equivalents	475.31
Other bank balances	11.56
Investment	5.52
Other financial assets	46.25
Total	**2,547.29**

ii. Liquidity risk

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

Management monitors rolling forecast of Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these and monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

Maturities of financial liabilities

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

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(All amounts in ₹ million, unless otherwise stated)

As at March 31, 2024	Total	Contractual cash flows				
		3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
Financial liabilities						
Borrowing	8,885.89	353.45	315.13	292.61	7,879.80	44.90
Lease liabilities	197.33	3.43	13.07	17.21	38.74	124.88
Trade payables	620.20	620.20	-	-	-	-
Other financial liabilities	3,003.88	268.33	340.16	701.07	811.16	883.16
Total	**12,707.30**	**1,245.41**	**668.36**	**1,010.88**	**8,729.70**	**1,052.93**

iii. **Market risk**

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

The Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk) and interest rate risk. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign Currency risk

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

Foreign currency risk exposure -

The currency profile of financial assets and financial liabilities as at March 31, 2024 expressed in Indian Rupees (₹) are as below:

Financial assets	As at March 31, 2024			
	USD	EURO	GBP	CHF
Trade receivables	781.15	116.22	-	-
Contract assets	316.21	-	-	-
Cash and cash equivalent (EEFC account)	16.39	-	-	-
	1,113.75	**116.22**	**-**	**-**

Financial liabilities	As at March 31, 2024			
	USD	EURO	GBP	CHF
Trade Payable	42.63	-	3.66	0.13
Creditors for capital purchase	17.71	0.07	3.66	0.13
	60.33	**0.07**	**7.32**	**0.26**
Spot exchange rate on reporting date	83.41	89.88	105.03	92.04

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currency at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, interest rates, remain constant and ignores any impact of forecast sales and purchases. 1% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Effect in ₹	Profit or loss, net of tax		Impact on other components of equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2024				
1% movement				
USD	10.53	(10.53)	-	-
EURO	1.16	(1.16)	-	-
Others	-0.00	0.00	-	-

Interest rate risk

The Group's main interest rate risk arises from term loan borrowings at variable rates for external borrowing. Group's investments are primarily in fixed deposits which are short term in nature and do not expose it to interest rate risk. The Group regularly evaluates the interest rate hedging requirement to align with interest rate views and defined risk appetite, in order to ensure most cost effective interest rate risk management. The Group has taken loan from parent Company carrying a fixed interest rate, hence there is no interest rate risk at the reporting date for loan taken from parent company.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	As at March 31, 2024
Fixed-rate instruments	
Financial liabilities	4,937.69
Variable-rate instruments	
Financial liabilities	1,278.95
Total	**6,216.64**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 bp in interest rates would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Effect in ₹	Profit or loss, net of tax		Impact on other components of equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at March 31, 2024				
Variable rate instruments	(6.39)	6.39	-	-
Cash flow sensitivity (net)	**(6.39)**	**6.39**	**-**	**-**

Price risk

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

Impact of Hedging activities

Disclosure of hedge accounting on financial position

	As at March 31, 2024				
	No. of outstanding contracts	Nominal Value	Carrying value of hedging instrument *	Maturity date	Hedge Ratio
Forward rate contracts	**4**	**914.88**	**14.17**	**April 2025 to September 2029**	**1:1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

46. Business Combination

During the financial year 2023-24, the Group has acquired the following businesses:-

(a) Acquisition of Therachem Research Medilab (India) Private Limited ("TRM India")

PI Health Sciences Limited has entered into a share purchase agreement dated 27th April 2023 for the acquisition of 100% shareholding of "Therachem Research Medilab (India) Private Limited" which is now merged with the Company.

On 2nd June 2023, PI Health Sciences Limited acquired 53,800 equity shares of face value ₹ 100 each for total purchase consideration ₹ 3,595.11.

The acquisition will enable the Company's plans of growth and expansion in pharmaceutical sector.

TRM India was engaged in the business of research, development and manufacturing of chemical compounds which are ultimately used for manufacturing of API (active pharmaceutical ingredients) and other pharmaceutical products.

(b) Acquisition of Solis Pharmachem Private Limited ("Solis India")

PI Health Sciences Limited has entered into a share purchase agreement dated 27th April 2023 for the acquisition of 100% shareholding of "Solis Pharmachem Private Limited" which is now merged with the Company.

On June 02, 2023, PI Health Sciences Limited acquired 24,757,900 equity shares of face value ₹ 10 each for total purchase consideration ₹ 248.

The acquisition will enable the Company's plans of growth and expansion in pharmaceutical sector.

Solis Pharmachem is engaged in the business of research, development and manufacturing of chemical compounds which are ultimately used for manufacturing of API (active pharmaceutical ingredients) and other pharmaceutical products.

(c) Acquisition of Archimica Spa ("Archimica")

PI Health Sciences Netherlands B.V. ("PIHS BV") a wholly owned subsidiary of the Company, has entered into the share purchase agreement dated April 26, 2023 with existing shareholder of Archimica S.p.A. ("Archimica"), Plahoma Twelve GmbH, a private limited company incorporated under German law and the acquisition of 100% shareholding of Archimica was completed on April 27, 2023.

PIHS BV has acquired 16,463,115 equity shares of face value € 0.62 each for total purchase consideration € 34.2.

The acquisition will enable the Company's plans of growth and expansion in pharmaceutical sector.

Archimica is engaged in the business of manufacturing of API (active pharmaceutical ingredients) and other pharmaceutical products. Archimica is also engaged in the business of Contract Development and Manufacturing Organisation (CDMO).

(d) Acquisition of business of Therachem Research Medilab, LLC ("TRM US")

PI Health Sciences USA, LLC ("PIHS LLC"), a wholly-owned subsidiary of PIHS BV has entered into an asset purchase agreement (APA) dated April 27, 2023 with TRM US, Dr. PooranChand and Ms. Namita Bansal for acquisition of certain identified assets of TRM US.

As per APA, PIHS LLC has acquired certain movable, non-movable assets and employees of TRM US. On concentration test of these assets as specified in Para B7A of Ind AS 103, Business Combination, these assets didn't meet the required criteria. Further, on assessment of elements of a business i.e., input, process and output, APA included an integrated set of activities and assets (i.e. input and a substantive process) which is significantly contributing to the ability to produce an output. Thus, it met the definition of business and therefore the substance of the APA is a business combination.

The assets acquisition will add new capabilities and will promote the Company's plans of growth and expansion in pharmaceutical sector.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Assets	TRM India	Solis India	Archimica	TRM US
Property, plant and equipment	288.50	236.75	2,169.24	142.16
Capital work in progress	0.20	-	215.35	-
Intangible assets	-	-	9.33	-
Trade receivables	6.13	22.95	879.62	-
Contract Asset	825.79	-	327.50	-
Cash and cash equivalents	566.95	2.23	111.30	-
Other bank balances	19.65	-	-	-
Other financial assets	13.66	4.58	-	-
Inventories	144.34	0.26	936.51	-
Current tax assets	97.29	-	-	-
Deferred tax assets	9.57	-	131.61	-
Other assets	54.11	12.38	98.53	-
Total Assets (I)	**2,026.19**	**279.15**	**4,878.99**	**142.16**
Liabilities				
Borrowings	-	-	1,034.25	-
Trade payables	30.77	8.57	771.25	-
Lease liabilities	3.72	-	3.72	-
Provisions	9.84	0.23	187.15	-
Deferred tax liabilities	-	1.22	-	-
Current tax liabilities	-	-	36.07	-
Other current liabilities	334.53	4.18	147.71	-
Total Liabilities (II)	**378.86**	**14.20**	**2,180.15**	**-**
Identifiable net assets at fair value (I-II)	1,647.33	264.95	2,698.86	142.16
Fair value of intangible asset identified on acquisition				
Customer contracts	1,661.00	-	-	-
Technical know-how	-	-	251.76	-
Total net assets assumed	**3,308.33**	**264.95**	**2,950.60**	**142.16**
Purchase consideration				
Cash paid on business combination	2,732.80	248.00	3,043.12	413.89
Deferred purchase consideration on account of working capital acquired as per share purchase agreement	624.53	-	-	-
Additional deferred purchase consideration*	237.78	-	-	-
Contingent consideration of 15% of material margin earned for the date of acquisition till March 31, 2029**	-	-	-	1,196.00
Total purchase consideration	**3,595.11**	**248.00**	**3,043.12**	**1,609.89**

* Additional deferred purchase consideration shall be paid after a period of 18 months from the date of acquisition, thereby, has been measured at fair value.

** Contingent consideration is an additional amount payable by PIHS LLC to TRM US equivalent to fifteen percent (15%) of the sum of the material margin (revenue minus raw material cost) from the date of acquisition till March 31, 2029 on respective payment dates as per APA subject to maximum amount of $25.

To determine the contingent consideration, PIHS LLC has estimated its obligation on respective payment dates and discounted it at 14% weighted average cost of capital with 100% probability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

	TRM India	Solis India	Archimica	TRM US
Calculation of goodwill				
Purchase consideration	3,595.11	248.00	3,043.12	1,609.89
Less: Net assets assumed	3,308.33	264.95	2,950.60	142.16
Add: Deferred tax liability created on				
Fair value surplus on property, plant and equipment	39.00	2.49	271.17	-
Intangible asset identified on acquisition	418.04	-	64.78	-
Contract assets created on business combination	142.25	-	-	-
Exchange gain/(loss)	-	-	(4.54)	5.18
Total goodwill	**886.07**	**(14.46)**	**423.93**	**1,472.91**

TRM India and Solis India has been acquired as a part of single share purchase agreement having same parent and promoters, hence, capital reserve created on acquisition of Solis India has been netted off against the goodwill generated on acquisition of TRM India.

	TRM India	Solis India	Archimica	TRM US
Acquired receivables				
Fair value of trade receivables	6.13	22.95	879.62	-
Fair value of contract assets	825.79	-	327.50	-
Total fair value of acquired receivable	**831.92**	**22.95**	**1,207.12**	**-**
Gross contractual amount of receivable	831.92	22.95	1,207.12	-
Contractual cash flows not expected to be collected	-	-	-	-

	TRM India	Solis India	Archimica	TRM US
Details of operational profit/loss				
Had acquisition occurred at the start of the year				
Revenue from operations	326.83	34.63	2,743.41	NA
Loss before tax	(126.64)	(16.12)	(460.14)	NA
From the actual date of acquisition				
Revenue from operations	276.00	0.45	2,743.41	NA
Loss before tax	(123.62)	(24.80)	(460.14)	NA

(e) Merger of TRM India and Solis India with PI Health Sciences Limited

PI Health Sciences Limited had filed a Scheme of Amalgamation for the purpose of amalgamation of TRM India and Solis India businesses together with all the related assets, liabilities, and employees with PI Health Sciences Limited.

The said Scheme of Amalgamation has been approved by Hon'ble Regional Director, Ahmedabad, Ministry of Corporate Affairs vide its order dated 27th September 2023 under Section 233 read with rule 25 (5) of Companies Act, 2013 from effective date June 02, 2023. Accounting has been done in accordance with Indian Accounting Standard (Ind AS) 103 - Business Combinations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

47. Additional Information Required Under Paragraph 2 of The General Instructions For Preparing of Consolidated Financials Statement to Schedule III To Companies Act 2013 As At And For The Year Ended March 31, 2024

Name of the entity	Net Assets i.e, total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ Mns)	As % of consolidated profit or loss	Amount (₹ Mns)	As % of consolidated other comprehensive income	Amount (₹ Mns)	As % of consolidated total comprehensive income	Amount (₹ Mns)
Parent								
PI Health Sciences Limited	119.74%	4,635.76	17.76%	(158.38)	1.44%	(0.45)	17.21%	(158.83)
Foreign Subsidiaries								
PI Health Sciences Netherlands B.V	50.26%	1,945.65	9.40%	(83.85)	109.12%	(34.03)	12.77%	(117.88)
PI Health Sciences USA LLC	2.04%	78.92	5.14%	(45.87)	(5.53%)	1.72	4.78%	(44.14)
Archimica S.P.A	78.54%	3,040.75	39.22%	(349.78)	90.78%	(28.31)	40.96%	(378.09)
Consolidation adjustment and elimination	(150.58%)	(5,829.62)	28.48%	(254.07)	(95.82%)	29.89	24.29%	(224.19)
Total	**100.00%**	**3,871.46**	**100.00%**	**(891.95)**	**100.00%**	**(31.18)**	**100.00%**	**(923.13)**

48. Other Statutory Information

i) The Group does not have any transactions and balances with companies struck off.

ii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Group has advanced or loaned or invested funds to following entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or

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

The details are as follows:

Name of the intermediary to which the funds are loaned or invested	Type	Date of transaction	Amount	Ultimate beneficiaries
PI Health Sciences Netherland B.V.	Investment	April 21, 2023	2,063.53	Archimica S.p.A and PI Health Sciences USA, LLC
	Loan	April 21, 2023	1,175.39	
	Loan	May 18, 2023	134.38	
	Loan	May 31, 2023	413.69	
	Loan	October 18, 2023	61.64	
	Loan	February 26, 2024	129.92	
	Loan	March 05, 2024	179.99	
	Loan	March 26, 2024	90.00	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

Name of the ultimate beneficiary to which the funds are further loaned or invested by intermediary disclosed above	Type	Date of transaction	Amount
Archimica S.p.A	Investment	April 26, 2023	€ 3,42,00,000
	Loan	May 10, 2023	€ 10,00,000
	Loan	June 05, 2023	€ 10,00,000
	Loan	October 11, 2023	€ 4,40,000
	Loan	October 11, 2023	€ 3,75,000
	Loan	October 19, 2023	€ 7,00,000
	Loan	February 06, 2024	€ 14,50,000
	Loan	March 05, 2024	€ 20,00,000
	Loan	March 26, 2024	€ 10,00,000
PI Health Sciences USA, LLC	Investment	April 26, 2023	$15,00,000
	Loan	June 02, 2023	$35,00,000
	Loan	June 02, 2023	$10,000
	Loan	August 23, 2023	$4,00,000
	Loan repaid	October 10, 2023	$(4,00,000)
	Loan repaid	March 21, 2024	$(8,41,985)

vi) The Group has received fund from following entity (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

The details are as follows:

Name of the funding party	Type	Date of transaction	Amount	Investment in other entities
PI Industries Limited	Equity	April 10, 2023	4,165.00	PI Health Sciences Netherland B.V., Therachem Research Medilab (India) Private Limited & Solis Pharmachem Private Limited
	Loan	May 31, 2023	2,986.00	

vii) The Group has not been declared wilful defaulter any bank or financial institution or any other lender

viii) The Group has not revalued its property, plant and equipment (including right-of -use assets) or intangible assets or both during the current year except for asset acquired from business combination.

ix) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

x) The Group is maintaining its books of account in electronic mode and these books of account are accessible in India at all times and the back-up of books of account has been kept in servers physically located in India on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014.

49. The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in ₹ million, unless otherwise stated)

50. Events Occurring After The Balance Sheet Date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

As per our report of even date

For S.S. KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm Registration No.: 000756N/N500441

Sd/-
Amit Goel
Partner
Membership No.500607

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

Sd/-
Anil Kumar Jain
Managing Director
DIN: 09707763

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Sd/-
Ankit Nayyar
Chief Financial Officer

Sd/-
Ruchi Sheth
Company Secretary

Place: Mumbai
Date: May 15, 2024