

INDEPENDENT AUDITORS' REPORT

To the Members of Zenotech Laboratories Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zenotech Laboratories Limited ("the Company"), which comprise the balance sheet as at 31 March 2024, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

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

Key audit matters	Auditor's Response
	Revenue
The Company solely depends on its holding company for its Revenue as stated below: 1. All the manufacturing job work is done as per their requirements at the agreed conversion charges.	Our Audit Procedures included: <ul style="list-style-type: none">▪ Validating appropriate approval process for the agreements with related party and verifying that the job work charges invoiced are aligned with the agreements.

<p>2. Revenue is earned by leasing out its biotech facility & equipment.</p> <p>In view of the significance of the dependence on holding company for revenue, it represented a key audit matter in the audit</p>	<ul style="list-style-type: none"> ▪ Validating comprehensiveness of revenue recognition through testing of transactions and production records ▪ Cut off procedures performed. ▪ Carrying out analytical procedures and identifying reasons for significant variance. ▪ Confirming with the balance confirmation received from external party. ▪ Evaluating the disclosures made with requirements under the Accounting Standards and the Companies Act, 2013
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Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the 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. When we read the Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit, and other comprehensive income, changes in equity and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 the 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company in electronic mode on servers physically located in India and full back up is available as on the date of Balance Sheet.
 - (c) Relying on representations/explanations from the Company and based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and is operational as on the date of balance sheet as explained in note 37 to the financial statements. The software is such that it has no data base for the matter stated in the paragraph h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (d) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - (e) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph h(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (h) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements – Refer Note 31 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in note no 36(g) in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide 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 note no 36(h) in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the 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 (a) and (b) contain any material misstatement.
 - v. The Company has not paid/declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.
 - vi. The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Viswanadh Kuchi
Partner
Membership No. 210789
UDIN: 24210789BKGFFD4273

Place of Signature: Hyderabad
Date: 1st May 2024

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Zenotech Laboratories Limited ("the Company") on the financial statements as of and for the year ended 31 March 2024.

- (i) (a) In respect of the company's fixed assets:
 - (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company does not have any intangible assets in the books and hence this sub-clause is not applicable.
 - (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified once in three years which, In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties disclosed in the financial statements are held in the name of the Company as at Balance Sheet date,
 - (d) The Company has not revalued its Property, Plant and Equipment during the year and hence this clause is not applicable to the Company.
 - (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and rules made thereunder.
- (ii) a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on verification between the physical stocks and the book records are not 10% or more in the aggregate for each class of inventory.
 - b) Based on our audit procedures & according to the information and explanation given to us, the Company has not been sanctioned any working capital limits from banks or financial institution on the basis of security of current assets and hence the question of filing quarterly returns or statements by the company with such banks or financial institutions does not arise. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

- (iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees and security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore paragraph 3(iv) of the Order is not applicable to the Company.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The central government has specified the maintenance of cost records under sub section (1) of section 148 of the act in respect of products or services of the company. We have broadly reviewed the books of account maintained by the Company as specified under sub section (1) of section 148 of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- (vii)
 - (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31 March 2024 for a period of more than six months from the date they became payable
 - (b) According to the information and explanations given to us and based on our examination of the records of the company, there are no statutory dues referred to in sub-clause (a) as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the Dues	Amount demanded (Rs. In '000)	Amount paid (Rs. In '000)	Net (Rs. In '000)	Period to which amount relates	Forum where dispute is pending	Remarks , if any
The Customs Act, 1962	Customs Duty	5160	-	5160	Prior to the financial year 2011-12 (Customs Act)	Principal Commissioner of customs	
Income Tax Act, 1961	Income Tax Dues	20479	-	20479	A.Y 2020-21	Commissioner of Income-tax (Appeals)	

* AY – Assessment year, FY – Financial year

(viii) As per the information and explanations given by the management and on the basis of our examination of the records of the company, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.

(ix)

(a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and the records of the Company examined by us, there were no term loans taken by the Company and hence the question of the amount of loan so diverted and the purpose for which it is used does not arise. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and the records of the Company examined by us, there were no funds raised on short term basis by the Company. Accordingly, paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company.

- (f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans during the year on pledge of securities held in its subsidiaries. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.
- (x)
- (a) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year and hence the question of whether money raised were applied for the purposes for which those are raised does not arise. Accordingly, paragraph 3(x) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi)
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section (12) of section 143 of the Companies Act has been filed by secretarial auditor or by cost auditor or by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government for the period covered by our audit.
- (c) As represented to us by the management there are no whistle blower complaints were received during the year by the Company.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations give to us, the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details of the related parties have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors issued till date for the period under audit.

- (xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)
- (a) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).
 - (b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
 - (c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
 - (d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions nothing has come to our attention which causes us to believe that any material uncertainty exist as on the date of balance sheet as and when they fall due with in 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) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under Clause 3(xx) of the Order is not applicable to the company.
- (b) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to transfer unspent amount under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project to special account in compliance with provision of sub section (6) of section 135. Accordingly, paragraph 3(xx)(b) of the Order is not applicable to the Company.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Signature
Viswanadh Kuchi
Partner
Membership No. 210789
UDIN: 24210789BKGFFD4273

Place of Signature: Hyderabad
Date: 1st May 2024

Annexure B

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

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

We have audited the internal financial controls with reference to financial statements of Zenotech laboratories Limited as of 31 March 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 control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 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, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control 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 control 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control 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 with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

Signature
Viswanadh Kuchi
Partner
Membership No. 210789
UDIN: 24210789BKGFFD4273

Place of Signature: Hyderabad
Date: 1st May 2024

Zenotech Laboratories Limited
CIN: L27100TG1989PLC010122
Standalone Balance Sheet as at March 31, 2024
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3	655,813	653,848
(b) Capital Work-In-Progress	3	19,562	49,787
(c) Financial Assets			
(i) Investments	4(a)	-	-
(ii) Others	4(b)	13,819	13,493
Deferred Tax Assets (net)	5	65,261	93,576
Income Tax Assets (net)		44,598	33,872
(d) Other Non-current Assets	6	1,383	1,506
Total Non - Current Assets		800,436	846,082
Current Assets			
(a) Inventories	7	8,402	-
(b) Financial Assets			
(i) Trade Receivables	8(a)	32,494	33,235
(ii) Cash and Cash Equivalents	8(b)	18,157	111,424
(iii) Bank balances other than (ii) above	8(c)	178,700	-
(iv) Other Financial Assets	8(d)	16,001	6,755
(c) Other Current Assets	9	7,874	11,234
Total Current Assets		261,628	162,648
TOTAL ASSETS		1,062,064	1,008,730
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	610,306	610,306
(b) Other Equity	11	295,110	212,395
Total Equity		905,416	822,701
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12 (d)	-	-
(ii) Other financial liabilities	12 (c)	8,001	7,324
(b) Other Non Current Liabilities	13 (b)	1,700	2,458
(c) Provisions	14 (a)	11,716	10,177
Total Non - Current Liabilities		21,417	19,959
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	12 (a)	650	1,672
(b) Total outstanding dues other than Micro and Small Enterprises	12 (a)	27,406	33,096
(ii) Other financial liabilities	12 (b)	32,983	37,410
(b) Other Current Liabilities	13 (a)	10,533	11,153
(c) Provisions	14 (b)	63,659	82,739
Total Current Liabilities		135,231	166,070
TOTAL EQUITY AND LIABILITIES		1,062,064	1,008,730

The accompanying notes are an integral part of the standalone financial statements

Summary of Material accounting policies 1 & 2

As per our Report of even date attached
for **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration Number: 003990S/S200018

for and on behalf of the Board of Directors of
Zenotech Laboratories Limited
CIN: L27100TG1989PLC010122

Viswanadh VNSS Kuchi
Partner
Membership No.: 210789
UDIN:

Azadar Hussain Khan
Chairman
DIN:01219312

Kavita R. Shah
Director
DIN:02566732

Devendra Chandrakant S.Kenkre
Chief Executive Officer

Poly K.V.
Chief Financial Officer

Abdul Gafoor Mohammad
Company Secretary

Place: Hyderabad
Date: May 1, 2024

Place: Delhi
Date: May 1, 2024

Place: Mumbai
Date: May 1, 2024

Place: Hyderabad
Date: May 1, 2024

Zenotech Laboratories Limited
CIN: L27100TG1989PLC010122
Statement of Profit and Loss for the Year ended March 31, 2024
 (All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Particulars	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Income			
I Revenue from Operations	15 (a)	367,615	383,529
II Other Operating income	15 (b)	40,716	40,714
III Other income	16	10,041	10,837
IV Total Income (I+II+III)		418,372	435,080
V Expenses			
Cost of materials consumed	17	-	608
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	17	-	-
Employee benefits expense	18	94,640	78,761
Finance costs	19	-	1,122
Depreciation and amortisation expense	3	70,852	71,727
Other expenses	20	141,466	137,839
Total Expenses (V)		306,958	290,057
VI Profit / (Loss) before exceptional items and tax (IV-V)		111,414	145,023
VII Exceptional item		-	-
VIII Profit / (Loss) before tax (VI+VII)		111,414	145,023
IX Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	22	28,427	29,170
X Profit / (Loss) for the year (VIII-IX)		82,987	115,853
XI Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Gain/(loss) on Remeasurement of employee benefits obligations	14(c)	(384)	447
Income Tax on above		111.90	(112.41)
XII Total Comprehensive Income for the year (X+XI)		82,715	116,188
XIII Earning per equity share	23		
(face value per equity share Rs 10 each)			
(1) Basic (Rs.)		1.36	1.90
(2) Diluted (Rs.)		1.36	1.90

See accompanying notes referred to above form an integral part of Financial Statements
 Summary of Material accounting policies 1 & 2

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Zenotech Laboratories Limited
CIN: L27100TG1989PLC010122
Statement of changes in equity for the year ended 31 March, 2024
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Particulars	Equity Share Capital	Reserves and Surplus		Total equity
		Securities premium	Retained earnings	
Balance as at 1st April 2022	610,306	2,095,431	(1,999,336)	706,401
Changes in accounting policy or prior period errors	-	-	-	-
Restated Balance as at April 1st,2022	610,306	2,095,431	(1,999,336)	706,401
Additions during the year	-	-	-	-
Profit/(Loss) for the year	-	-	115,853	115,853
Other comprehensive income- Remeasurement of defined benefit obligations	-	-	447	447
Total comprehensive income for the year	-	-	116,300	116,300
Balance as at 31st March 2023	610,306	2,095,431	(1,883,036)	822,701
Balance as at 1 April 2023	610,306	2,095,431	(1,883,036)	822,701
Changes in accounting policy or prior period errors	-	-	-	-
Restated Balance as at April 1st,2023	610,306	2,095,431	(1,883,036)	822,701
Profit/(Loss) for the year	-	-	82,987	82,987
Other comprehensive income- Remeasurement of defined benefit obligations	-	-	(272)	(272)
Total comprehensive income for the year	-	-	82,715	82,715
Balance as at 31st March 2024	610,306	2,095,431	(1,800,322)	905,415

Nature and purpose of reserves:

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013

As per our Report of even date attached
for **PKF Sridhar & Santhanam LLP**
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Firm Registration Number: 003990S/S200018

for and on behalf of the Board of Directors of
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Zenotech Laboratories Limited

CIN: L27100TG1989PLC010122

Standalone Cash flow statement for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

	For the Year ended 31 March 2024	For the Year ended 31 March 2023
A. Cash flows from operating activities		
Profit/(Loss) before taxation	111,414	145,023
Adjustments for:		
Depreciation and amortisation	70,852	71,727
Amounts written back	(116)	(200)
Unrealised foreign exchange loss, net	(54)	6
(Profit) / Loss on sale of Property , Plant and Equipment	437	(388)
Interest expenses		1,122
Interest income	(9,451)	(3,685)
Operating cash flows before working capital changes	173,082	213,605
Changes in Working Capital:		
(Increase)/decrease in trade receivables	741	6,047
(Increase)/decrease in inventories	(8,402)	608
(Decrease)/ increase in trade payables	(6,596)	14,306
(Increase)/decrease in other financial assets	(8,758)	(5,180)
(Increase)/decrease in current non financial assets	-	-
(Increase)/decrease in non-current financial assets	-	(5,672)
(Increase)/decrease in non-current assets	-	-
(Increase)/decrease in other current assets	1,936	(3,100)
(Decrease)/increase in provisions	(17,955)	1,587
(Decrease)/increase in other financial liabilities	(4,476)	(2,987)
(Decrease)/increase in other current liabilities	(620)	(670)
Cash generated/(used) in operations	128,952	218,544
Income taxes paid/ TDS (net)	(10,726)	(11,902)
Net cash generated/(used) in operating activities (A)	118,226	206,642
B. Cash flows from investing activities		
Payment for Purchase of property plant equipment (Including Capital advance & Work in Progress)	(42,335)	(62,317)
Proceeds from sale of Property , Plant and Equipment	37	388
Deposits towards margin money	-	-
(Increase)/Decrease in other bank balances	(178,700)	-
Interest income received	9,451	3,685
Net cash provided by/ (used in) investing activities (B)	(211,547)	(58,244)
C. Cash flows from financing activities		
Repayment of long-term borrowings	-	(60,000)
Interest paid	-	(1,122)
Net cash provided by/(used in) financing activities (C)	-	(61,122)
Net increase/ (decrease) in cash and cash equivalents during the year (A+B+C)	(93,321)	87,276
Cash and cash equivalents at the beginning of the year	111,424	24,148
Add/(less): exchange (loss)/gain on cash and cash equivalents	54	-
Cash and cash equivalents at the end of the year (refer Note 8(b))	18,157	111,424

Note 1: Cash and cash equivalents does not include restricted cash balance (Margin money) of Rs 1,000 (previous year: Rs 1,000).

Note 2: Cash flow statements has been prepared under " Indirect Method" on Statement of Cash flows in accordance with the Ind AS standard.

Note 3: Please refer Net Debt Reco annexed

for **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration Number: 003990S/S200018

for and on behalf of the Board of Directors of
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Company Secretary

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Zenotech Laboratories Limited
Standalone Cash flow statement for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	31 March 2024	31 March 2023
Cash and cash equivalents	18,157	111,424
Liquid Investments	-	-
Current borrowings (Including interest accrued)	-	-
Non-current borrowings	-	-
Net debt	18,157	111,424

	Other assets		Liabilities from financing activities			
	Cash and bank	Liquid Investments	Finance lease obligations	Non-current borrowings	Current borrowings	Total
Net debt as at 1 April 2022	24,148	-	-	(60,000)	-	(35,852)
Cash flows	87,276	-	-	60,000	-	147,276
Acquisitions-finance leases	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Interest expenses	-	-	-	-	(12,152)	(12,152)
Interest paid	-	-	-	-	12,152	12,152
Other non-cash movements	-	-	-	-	-	-
Acquisitions/disposals	-	-	-	-	-	-
Fair value adjustments	-	-	-	-	-	-
Net debt as at 31 March 2023	111,424	-	-	0.00	-	111,424
Cash flows	(93,321)	-	-	0.42	-	(93,321)
Acquisitions-finance leases	-	-	-	-	-	-
Foreign exchange adjustments	54	-	-	-	-	54
Conversion of Current to Non-Current	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Other non-cash movements	-	-	-	-	-	-
Acquisitions/disposals	-	-	-	-	-	-
Fair value adjustments	-	-	-	-	-	-
Net debt as at 31 March 2024	18,157	-	-	0.42	-	18,157

Zenotech Laboratories Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

1.1 Corporate information

Zenotech Laboratories Limited (the "Company") is a public limited company listed on BSE. The Company is a pharmaceutical specialty generic injectables company engaged in the area of manufacturing biotechnology products. The Company's injectables product portfolio primarily serves niche therapy areas like oncology and anaesthesiology.

1.2 Consolidated Financial Statements

The Books of accounts and other related records/documents of the overseas subsidiaries of the Company were missing and due to non-availability of those records/information, complaint before the Hon'ble Economic Offences Court, Nampally, Hyderabad, under the provisions of Section 630 of erstwhile Companies Act, 1956 was filed against the former Managing Director, Late Dr. Jayaram Chigurupati, who was in complete "control over the Company's affairs during the period of those events", which is abated by the court due to demise of the accused. The Company has evaluated and concluded that it is not controlling the US Subsidiary as per Ind AS 110 Consolidated Financial Statements basis, its inability to exercise power over the investee. Further, during the previous year, the Company received the winding up order for its defunct subsidiary in Nigeria. The Company engaged consultant in Brazil to file the winding-up applications in adherence to the laws of the country. Accordingly, the Company is of the view that it does not have subsidiaries within the definition of Ind AS 110 and hence is not required to prepare and present a Consolidated Financial Statement.

2. Material accounting policies

2.1 Statement of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act.

Basis of preparation and presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in INR and all values are rounded to the nearest thousands (INR 000), except when otherwise indicated.

Functional and Presentation currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional and presentation currency of the Company.

IND AS 27 Separate financial statements

An entity is required to account for its investments in subsidiaries, joint ventures and associates either:

- (a) at cost; or
- (b) in accordance with IND AS 109. Such cost shall be cost as per IND AS 27 or deemed cost.

The investments in subsidiaries is recognised at deemed cost

2.2 Summary of Material accounting policies

a. Use of estimates and judgement

The preparation of financial statements in conformity with IND AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities 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 on-going basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

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

i) Useful life of PPE

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management based on technical assessment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives of property, plant and equipment.

ii) Measurement of defined benefit plan obligation

The cost of the defined benefit gratuity plan and other post-employment leave absences benefits and the present value of the gratuity obligation and leave absence obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India. Further details about gratuity obligations are given in Note 14 (c).

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2024
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

iii) Impairment of non-financial assets

Property Plant & Equipment are tested for impairment when there are indicators of impairment, using the model to compare the higher of value in use and fair value less costs to sell with the carrying value of the said assets. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate the projected cash flows, risk adjusted discount rate, future economic and market conditions.

v) Estimation for litigations

The Company has been advised by its legal counsel, the probability of outflow of resources and based on this, the contingent liability has been recognised. Any change in the estimated probability will impact upon the contingent liability.

d. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that, the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- > Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- > Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- > Quantitative disclosures of fair value measurement hierarchy (Refer Note 24(a) & (b))

e. Revenue recognition

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' which introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer. The Company has elected to use the practical expedient that there is no financing component involved when the credit period offered to customers is less than 12 months (also refer Credit Risk).

Rendering of Services:

Revenue from sale of services is recognised in accordance with the terms of the relevant agreements as accepted and agreed with the customers. Upfront non-refundable payments received are deferred and recognised as revenue over which the related services are performed.

Price variance is accounted as and when the amounts are confirmed as recoverable.

Income from leasing of assets:

Rental income from leasing of buildings, plant and machineries are recognised as revenue over the lease period at contracted lease amount, in accordance with IND AS 116.

Interest income

Interest on deposits is recognized on the time proportion method using the underlying interest rates.

f. Taxes

Current income tax

Income tax expense comprises of current and deferred tax. Income tax expenses is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year using tax rates enacted or substantively enacted by the end of the reporting period and any adjustments to the tax payable in respect of previous years.

The tax currently payable is based on taxable profit for the year, if any. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Zenotech Laboratories Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off deferred tax assets against deferred tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h. Property, plant and equipment

Freehold land is carried at historical cost.

Fixed assets (Tangible/ Intangible) are stated at cost less accumulated depreciation/amortization and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Expenditure directly relating to construction activity is capitalized to the extent those relate to the construction activity or is incidental thereto.

Gains and losses on disposal of a property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property plant and equipment and are recognised in other income/other expenses in the statement of profit and loss.

Depreciation is fully provided using the Straight Line Method ('SLM') over the useful lives of the assets considered by the management's technical assessment, as given below:

1) Factory Building	30 years
2) Plant & Machinery	10 to 20 years
3) Furniture & Fittings	10 years
4) Motor Vehicles	8 years
5) Office Equipment	5 years
6) EDP Equipment	3 years

Depreciation and amortization methods and useful lives are reviewed periodically, including at each financial year end. Depreciation is charged on a proportionate basis for all assets purchased and sold during the year.

Assets costing below Rs.5,000/- are depreciated in full in the same year.

The cost of fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress and are carried at cost.

For transition to the Ind AS, the Company has decided to continue with the carrying value of all of its Property, Plant and Equipment as at April 01, 2015 (transition date) measured as per the previous GAAP as its deemed cost as of transition date.

j. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The method of determining cost of various categories of inventories is as below:

- i) Raw materials, Packing materials, Stores and spares, consumables - First - in - First Out method.
- ii) Finished goods and Work-in-process - Weighted average method, which comprises direct material costs and appropriate overheads.

Consumables received are booked as consumption on quality clearance for convenience purpose, as needed.

Inventories are stated net of write downs or allowances on account of obsolete, damaged or slow moving inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and costs necessary to affect the sale.

k. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When 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 discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit (CGU). 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, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately to reach the Company's CGU to which individual assets are allocated.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior period years. Such reversal is recognised in the statement of profit or loss.

Zenotech Laboratories Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

I. Provisions, contingent Liabilities & contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts only in case of inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts for possible obligations which will be confirmed only by future events not wholly within the controls of the Company or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amounts of the obligation cannot be made.

m. Retirement and other employee benefits

i) Gratuity: Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year under the projected unit credit method. Actuarial gains/losses comprise experience adjustments and the effect of changes in actuarial assumptions and are recognized immediately in the other comprehensive Income as Income on the basis of valuation by an independent Actuary. The liability is unfunded.

ii) Provident Fund: A retirement benefit in the form of provident fund scheme is a defined contribution and the contribution is charged to the statement of profit and loss of the year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.

iii) Compensated Absences: Liability in respect of compensated absence is determined and charged to the statement of profit and loss on the basis of valuation by an independent actuary.

2.3 New and amended standards adopted by the Company:

i. Ind AS 1 – Presentation of Financial Statements – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

For purposes of subsequent measurements, 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Equity investments

All equity investments in subsidiaries are measured at cost less diminution other than temporary. All equity investments in scope of Ind AS 109 are measured at fair value.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

- > the Company has transferred its rights to receive cash flows from the asset ; and either
- > the Company has transferred substantially all the risks and rewards of the asset, or
- > the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss will be recognised as profit or loss on disposal.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- > Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- > Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- > Trade receivables or contract revenue receivables; and
- > The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets that are debt instruments, and are measured at amortised cost.

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2024
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

> All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

> Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix based on the assumptions which are derived based on the expected outcomes.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

> ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

> For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction cost

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

> Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

> Financial liabilities at amortised cost

After initial recognition financial liabilities if any are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

> Derecognition

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

> Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

p. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year is classified by operating, investing and financing activities.

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 3: Property, Plant and Equipment.

	Freehold Land	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	EDP Equipment	Total
Gross Block at Cost/ Deemed Cost								
As at 31st March 2022	10,831	211,963	796,873	6,542	3,619	3,251	18,201	1,051,279
Adjustments:	-	-	-	-	-	-	-	-
Additions	-	-	14,691	56	38	-	1,701	16,485
As at 31st March 2023	10,831	211,963	811,563	6,598	3,657	3,251	19,901	1,067,764
Adjustments:	-	-	-	-	-	-	-	-
Additions	-	-	70,291	327	37	1,644	995	73,293
Disposals	-	-	586	-	-	-	-	586
As at 31st March 2024	10,831	211,963	881,268	6,925	3,694	4,894	20,897	1,140,472
Accumulated Depreciation and Impairment								
As at 31st March 2022	-	55,460	264,369	5,336	2,126	2,401	12,500	342,192
Adjustments:	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	9,786	55,816	232	619	186	5,088	71,727
As at 31st March 2023	-	65,247	320,185	5,568	2,745	2,586	17,590	413,919
Adjustments:	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	9,813	58,844	190	473	239	1,293	70,852
Disposals	-	-	113	-	-	-	-	113
As at 31st March 2024	-	75,060	378,916	5,758	3,218	2,826	18,881	484,658
Net Book Value								
As at 31st March 2024	10,831	136,903	502,352	1,167	476	2,068	2,016	655,813
As at 31st March 2023	10,831	146,717	491,379	1,030	913	664	2,314	653,848

Note

- Plant & Equipment as at the year end includes assets given on operating lease: Cost Rs. 187,083 (PY: Rs. 187,083); Accumulated depreciation Rs 46,297 (PY: Rs. 36,822) and carrying value as at the reporting date of Rs. 140,786 (Previous year Rs 150,262).
- For details of the assets pledged for TDB loan, refer Note 32 of the financial statements.

Gross block as at 1st April, 2015	10,831	209,970	576,164	13,659	963	7,735	6,826	826,149
Accumulated depreciation as at 1st April, 2015	-	(60,867)	(221,940)	(9,068)	(726)	(5,967)	(6,313)	(304,881)
Net block as at 1st April, 2015 treated as deemed cost	10,831	149,103	354,224	4,591	237	1,768	513	521,267

Zenotech Laboratories Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

B. Capital Work in Progress

As at 1st April 2022	2,790
Provision for Impairment	103,156
Additions during the year	63,483
Gross Capital Work In Progress	169,428
Less: Transferred to Property, Plant and Equipment during the year	16,485
Provision for Impairment	(103,156)
Net CWIP as at 31 March, 2023	49,787
As at 1st April 2023	49,787
Provision for Impairment	103,156
Additions during the year	42,975
Gross Capital Work In Progress	195,918
Less: Transferred to Property, Plant and Equipment during the year	73,199
Provision for Impairment	(103,156)
Net CWIP as at 31 March, 2024	19,562

Capital work in progress ageing

Particulars	Amount in CWIP as at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	18,308	1,254	-	-	19,562
Projects temporarily suspended					-
Total	18,308	1,254	-	-	19,562

Capital work in progress ageing

Particulars	Amount in CWIP as at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	49,787	-	-	-	49,787
Projects temporarily suspended					-
Total	49,787	-	-	-	49,787

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 4: Financial Assets**4(a). Non-current investments**

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in equity shares of Subsidiaries# at Deemed cost Unquoted		
Zenotech Farmaceutica Do Brasil Ltda*	-	-
39,600 (previous year: 39,600) shares of Reais 10 each		
Zenotech Laboratories Limited, Nigeria*	-	-
9,99,000 (previous year: 9,99,000) Ordinary shares of Naira 1 each		
Zenotech Inc., USA	-	-
10,00,000 (previous year: 10,00,000) shares of USD 0.10 each		

Considered as Subsidiaries only for the limited purpose of Companies Act basis voting rights and not as per Ind AS 110 on Consolidated Financial Statements

The Company's overseas subsidiaries namely Zenotech Farmaceutica Do Brasil Ltda (Zenotech-Brazil) and Zenotech Inc (Zenotech-USA) were defunct and reported as cancelled/revoked respectively based on the Registration Cancellation certificate dated 8th June, 2022 and Long Form Standing certificate dated 15th June, 2022 respectively, received from concerned authorities. The Company received winding up order for Zenotech Laboratories Nigeria Limited during FY: 2019-20. However, related filings with RBI is pending.

4(b). Other Non-current Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with Government, public bodies		
-Considered good	12,493	12,493
-Credit Impaired	211	211
Margin Money deposits	1,000	1,000
Others	326	-
Total	14,030	13,704
Less: Provision for doubtful assets	211	211
Total Other Non-current Financial Assets	13,819	13,493

Note 5: Deferred tax assets /(liabilities)

The balances comprises temporary differences attributable to :

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Asset on account of:		
Provision for Gratuity	2,009	1,458
Provision for Leave Encashment	1,188	786
Carry Forward Business Losses and Unabsorbed Depreciation	151,729	168,723
Other Comprehensive Income for defined benefit obligation	112	-
Total Deferred tax assets(A)	155,038	170,968
Deferred Tax Liability on account of:		
- Depreciation	89,777	77,391
Total Deferred tax Liability (B)	89,777	77,391
Total deferred tax assets/(Liabilities) (net) (A-B)	65,261	93,576

Note 6: Other Non Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good except stated other wise)		
Capital Advances	0.00	1,059
Advances other than Capital Advances		
(i) Deposits with Government, public bodies	447	447
(ii) Others- Prepaid expenses	936	-
Total Other Non Current Assets	1,383	1,506

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 7: Inventories (at lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials and Packing materials		-
Consumables	8,402	
Work-in-progress	-	-
Stores & Spares		-
Total Inventories	8,402	-

Note 8(a): Trade receivables- Current

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good-Secured	-	-
Trade receivables considered good-Unsecured*	32,494	33,235
Trade receivables which have significant increase in credit risk	-	-
Trade receivables-credit impaired	-	-
Total	32,494	33,235
Less : Allowance for credit impaired	-	-
Total Trade Receivables	32,494	33,235

*Total trade receivables are from related party. Refer note 29 for related party disclosures

Note 8(b): Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts	18,152	11,393
Cash on hand	5	31
Other Bank Balances		
- Deposits with original maturity of less than 3 months	0.00	100,000
Cash and Bank Balances	18,157	111,424

Note 8(c): Bank Balances other than cash and cash equivalents

Bank Balances other than cash and cash equivalents		
- Margin Money deposits	1,000	1,000
Less : Margin Money Deposit with Bank maturing after 12 months from the balance sheet date classified as Non-Current (Note 4(b))	1,000	1,000
Deposits with banks having original maturity more than 3 months but less than 12 months	178,700	
Bank Balances other than cash and cash equivalents	178,700	-

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 8(d) : Other Financial Assets (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Interest accrued but not due	4,522	2,530
Biotech Facility Expenses Receivable	10,645	4,225
Salaries Recoverable from employees	158	-
Salary Advance to employees	488	-
Others	168	-
Deposits	20	-
Total Other Financial Assets (Current)	16,001	6,755

Note 9: Other Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered doubtful		
Unsecured, considered good		
Balance with Statutory authorities	6,286	7,705
Advance for supply of goods and services	195	239
Prepaid expenses (including prepaid expenses towards CSR- Rs.63,065 in the current year)	1,393	2,981
Advance to employees	-	309
Total Other Current Assets	7,874	11,234

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2024
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 10: Equity

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Value	No. of shares	Value
Authorised Equity shares of Rs.10/- each	100,000,000	1,000,000	100,000,000	1,000,000
	100,000,000	1,000,000	100,000,000	1,000,000
Issued, Subscribed and Fully Paid-up Equity shares of Rs.10/- each	61,030,568	610,306	61,030,568	610,306
TOTAL	61,030,568	610,306	61,030,568	610,306

(a) Reconciliation of the equity shares capital amount outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Value	No. of shares	Value
Equity shares At the beginning of the year	61,030,568	610,306	61,030,568	610,306
Issued during the year	-	-	-	-
Outstanding at the end of the year	61,030,568	610,306	61,030,568	610,306

(b) Terms/rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company - Promoters

Particulars	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of shares	Value	No. of shares	Value	
Equity shares of Rs. 10/- each (Held by Sun Pharmaceutical Industries Limited)	42,014,578	420,145,780	42,014,578	420,145,780	0.00%
	42,014,578	420,145,780	42,014,578	420,145,780	

d. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class	
Sun Pharmaceutical Industries Limited*	42,014,578	68.84%	42,014,578	68.84%	0.00%
Padmasree Chigurupati	3,209,982	5.26%	3,209,982	5.26%	0.00%

Note:

Aggregate number of shares allotted as fully paid pursuant to contracts without payment being received in cash, bonus shares and shares bought back for period of 5 years immediately preceding balance sheet date Nil (Previous year: NIL)

During the year ended March 31, 2024, the amount of per share dividend recognised as distribution to equity shareholders was NIL (Previous year: NIL)

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2024
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 11: Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Reserves & Surplus		
Securities premium	2,095,431	2,095,431
Retained Earnings	(1,800,322)	(1,883,036)
Total Reserves & Surplus	295,110	212,395
Securities Premium		
Opening Balance	2,095,431	2,095,431
Rights issue	-	-
Closing Balance	2,095,431	2,095,431
Retained Earnings		
Opening balance	(1,883,036)	(1,999,336)
Net profit / (loss) for the period	82,987	115,853
Remeasurements of post-employment benefit obligation, net of tax (OCI)	(272)	447
Closing Balance	(1,800,322)	(1,883,036)
Total Reserves & Surplus	295,110	212,395

Nature and purpose of each reserve

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013

Retained Earnings - This reserve represents undistributed accumulated earnings of the company as on balance sheet date.

Zenotech Laboratories Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 12: Financial liabilities

(a) Trade payables

Table 1 (Balances which have specified due date)

Below table will capture ageing for balances from due date of payment

External trade Payable	As at March 31, 2024					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
MSME	650	-	-	-	-	650
Others	26,064	1,211	-	-	131	27,406
Disputed dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total Trade payables	26,714	1,211	-	-	131	28,056

External trade Payable	As at March 31, 2023					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
MSME	1,672	-	-	-	-	1,672
Others	31,099	1,312	192	362	131	33,096
Disputed dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total Trade payables	32,771	1,312	192	362	131	34,768

Note 2: Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	650	1,672
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) Interest remaining due and payable to supplier disallowable as deductible expenditure under Income tax Act, 1961 for the current year	-	-
(vii) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

(b) Other financial liabilities- Current

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued and due	27,645	27,645
Payable to employees	425	3,513
Security Deposit - Others	50	
Expenses payables	4,863	6,252
Total other current financial liabilities	32,983	37,410

The Company had repaid the principal loan amount of Rs.29,648 to Technology Development Board (TDB) during the year 2017-18. However, Rs. 27,645 towards Interest due is payable to TDB subject to realisation of 6,00,000 shares of Late.Dr. Jayaram Chigurupati held by TDB as security against the secured loan, as per the settlement agreement dated 22nd February, 2018 signed between the Company and TDB

(c) Other financial liabilities - Non Current

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Rental Deposit - Biotech Facility	8,001	7,274
Security Deposit - Others	-	50
Total other non current financial liabilities	8,001	7,324

(d) Non Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand		
Secured	-	-
Unsecured - amortised cost		
Loan from holding Company	-	-
Total non current borrowings	-	-
Less: Interest accrued	-	-
Non current borrowings	-	-

Note 13 (a): Other Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory liabilities	5,420	6,040
Advance Rent Received SPIL	4,357	4,357
Advance Rent Biotech Facility	756	756
Total Other current liabilities	10,533	11,153

Note 13(b): Other Non Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Rent Biotech Facility	1,700	2,458
Total other non current liabilities	1,700	2,458

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 14 (a): Provisions - Long Term

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Non-Current	Non-Current
Provision for Compensated Leave absences (Refer Note 14(c))	5,552	4,921
Provision for Gratuity (Refer Note 14(c))	6,164	5,256
Total	11,716	10,177

Note 14 (b): Provisions - Short Term

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Current	Current
Provision for indirect taxation (Refer footnotes below)	61,314	80,901
Provision for Compensated Leave absences (Refer Note 14(c))	1,611	1,286
Provision for Gratuity (Refer Note 14(c))	734	536
Provision for Corporate Social Responsibility (Refer Note 20(ii))	-	16
Total	63,659	82,739

Provision for indirect taxation

Provision for indirect taxation comprises of dues towards Custom duty (EPCG).

Directorate General of Foreign Trade (DGFT) had issued 18 EPCG licenses during the period 2003 to 2009 for which fulfilment of Export Obligation was pending. On 06.05.2016, Directorate of Revenue Intelligence (DRI) issued a show cause notice to the Company for non-fulfilment of export obligation for the said licenses. The case was adjudicated by the Principal Commissioner of Customs vide OR.No. 48/2016-Adjn.Cus.(Commr.) dated 27.03.2017 directing the Company to pay the duty foregone along with applicable interest and redemption fines on 14 licenses. The Company filed export redemption requests for 3 EPCG licenses to RA-Hyderabad on 28.03.2018 and remitted Customs duties amounting to Rs. 2.97 Crores in compliance to the order. Meanwhile, the Company filed an appeal before CESTAT on 06.07.2017 challenging the order on interest, penalties and fines, which is pending for hearing as on date.

On 01.04.2023, DGFT notified Amnesty Scheme for one time settlement of default in export obligation by advance and EPCG authorisations vide Public Notice No. 02/2023 dated 01.04.2023 applicable for all such authorisations whose export obligation period (original or extended) was valid beyond 12.08.2013. Though the Company registered to avail the scheme for all pending licenses, only 4 out of 15 licenses were approved by DGFT for consideration under the Scheme. The Company further appealed to the Policy Relaxation Committee (PRC) of DGFT on 20.12.2023 for consideration of 10 licenses under the scheme, which was granted by PRC on its meeting 33/AM24 held on 22.03.2024.

The Company remitted balance duties and interest of Rs. 1.96 Cr as per Amnesty Scheme during the quarter ended 31st March, 2024 and request filed for Export Obligation Discharge Certificate (EODC) with DGFT online, which are in process.

i) Information about individual provisions and significant estimates.

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Provision for Customs (EPCG Duty)	61,314	80,901
Total	61,314	80,901

ii) Movements in provisions**Towards Custom Duty**

Movements in each class of provisions during the financial year, are set below:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Opening Provision	80,901	80,901
Charged/(credited) to profit or loss	-	-
-additional provisions recognised	-	-
Amounts used during the year	(19,587)	-
Closing Provision	61,314	80,901

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 14 (c):**a) Employee Benefits**

Particulars	As at March 31, 2024	As at March 31, 2023
Amount recognised as expense in the statement of Profit and Loss - Provident Fund Contribution	4,312	3,563

b) Leave Obligation

The actuarial valuation has been carried out using the Projected Unit Credit Method. Under this method, the Defined Benefit Obligation is calculated taking into account pattern of avilment of leave whilst in service and qualifying salary on the date of avilment of leave. In respect of encashment of leave, the Defined Benefit Obligation is calculated taking into account all types of decrement and qualifying salary projected up to the assumed date of encashment.

Particulars	As at March 31, 2024	As at March 31, 2023
Current Liability	1,611	1,286
Non-Current Liability	5,552	4,921
Total	7,163	6,207

c) Gratuity (Unfunded)

The Company has a defined benefit gratuity plan governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to gratuity on departure at 15 days last drawn salary for each completed year of service or part thereof in excess of six months

Changes in defined benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023
Projected benefit obligation at the beginning of the year	5,792	5,016
Current Service Cost	1,313	1,198
Interest Cost	412	336
Actuarial (gain)/ loss on obligation	384	(447)
Benefits paid	(1,003)	(312)
Projected benefit obligation at the end of the year	6,898	5,791

Break up of the Provision for Gratuity into Current & Non- current

Particulars	As at March 31, 2024	As at March 31, 2023
Current Liability	734	536
Non-Current Liability	6,164	5,256
Total	6,898	5,792

Zenotech Laboratories Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Expense recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2024	As at March 31, 2023
Service Cost	1,313	1,198
Interest Cost	412	336
Net Gratuity Costs	1,725	1,535

Summary of Actuarial Assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.20%	7.45%
Salary escalation rate	7.00%	7.00%

Mortality

Age (Years)	Rates (p.a)
18	0.000874
23	0.000936
28	0.000942
33	0.001086
38	0.001453
43	0.002144
48	0.003536
53	0.006174
58	0.009651

Maturity profile of the defined benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023
Weighted average duration of defined benefit obligation (in years)	9.82	9.92
Expected benefit payments for the year ending		
Not later than 1 year	734	536
Later than 1 year and not later than 5 years	1,920	1,733
Later than 5 year and not later than 10 years	2,409	993
Above 10 years	11,169	10,369

Remeasurement of the net defined benefit liability recognised in other comprehensive income

Particulars	As at March 31, 2024	As at March 31, 2023
Remeasurement for the period - Obligation (gain)/loss arising from		
- change in demographic assumptions	-	-
- change in financial assumptions	166	(225)
- experience variance	218	(222)
Amount recognised in OCI	384	(447)

Sensitivity analysis of significant actuarial assumptions

Particulars	Gratuity Liability	
	Discount Rate	Salary Escalation rate
31st March 2024		
Increase/(decrease) on plus 50bps	6572.39	7249.41
Increase/(decrease) on minus 50bps	7250.43	6570.33
31st March 2023		
Increase/(decrease) on plus 50bps	5529.55	6075.25
Increase/(decrease) on minus 50bps	6075.39	5527.28

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 15 (a): Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of services	367,615	383,529
Total*	367,615	383,529

Refer note 21 for further details*Note 15(b): Other Operating Income**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Facility Lease Charges - Biotech	21,788	21,788
Machinery Lease Charges - Biotech	17,427	17,427
Machinery Lease Charges - Other than Biotech	743	743
Notional Income on Advance Rent Biotech	758	756
Total	40,716	40,714

Note 16: Other income and other gains/(losses)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income from bank deposits at amortised cost	9,451	3,685
Liabilities no longer required written back*	116	200
Profit on Sale of Asset	-	388
Miscellaneous income	474	6,564
Total	10,041	10,837

** includes unclaimed balances of creditors***Note 17: Cost of materials consumed**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Raw materials ,Packing materials,Consumables at the beginning of the year	-	608
Add: Purchases	8,402	-
Less: Raw materials and Packing materials at the end of the year	8,402	-
Total cost of materials consumed	-	608

The cost of materials consumed includes Rs. Nil (Previous year Rs. 608) written off inventories relating to Packing material of Oncology and biotech division.

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 18: Employee benefits Expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	85,774	71,540
Contribution to provident fund and other funds	6,564	4,851
Staff welfare expenses	2,302	2,370
Total	94,640	78,761

Note 19: Finance Costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on Term Loan - SPIL	-	1,122
Others	-	-
Total	-	1,122

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 20: Other Expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power and fuel	26,897	37,941
Repairs and maintenance		
- Buildings	655	1,534
- Plant and machinery	25,300	23,102
- Others	4,936	4,100
Contract manpower expenses	13,687	12,489
Other manufacturing expenses		
- Analytical Charges	846	525
- Quality Control Cost	14,332	12,069
- Consumables	26,872	22,517
Advertisement	182	231
Communication	115	122
Rates and taxes	2,746	2,737
Insurance	7,556	6,588
Legal and professional fees	3,125	2,120
Remuneration to Auditors (Refer note(i) below)	921	864
Printing & Stationery	1,494	897
Office and general maintenance	409	396
Security charges	2,564	2,679
Net gain/(loss) on foreign currency transactions	(54)	6
Miscellaneous Balance Written off	-	0
Loss on Sale of Asset	437	-
Travelling and conveyance	4,568	3,803
Corporate Social Responsibility	1,546	1,301
Miscellaneous Expenses	2,333	1,818
Total	141,467	137,839

Note (i)**Details of payments to auditors**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Payment to auditors		
As Statutory auditor:	500	500
In other capacities:		
Certificates fees	100	100
Tax Audit fees	200	200
Other services	50	50
Out of pocket expenses	71	14
Total payment to auditors	921	864

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note (ii): Corporate Social Responsibility Expenditure:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i. Amount required to be spent by the company during the year	1,546	1,298
ii. Amount of expenditure incurred	1,609	1,298
iii. Shortfall/(Excess) at the end of the year	(63)	-
iv. Total of previous years shortfall	-	-
v. Reason for shortfall	NA	NA
vi. Nature of CSR activities	Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage	Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage
vii. Details of related party transactions, e.g. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
viii. where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA
b) Amount spent in cash during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1,609	1,298
	1,609	1,298

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 21: Customer contracts

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contract with customers Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
Revenue from operations		
Revenue from contract with customers		
a) Sale of Oncology Products	-	-
b) Sale of Services- Contract Manufacturing)	367,615	383,529
c) Lease rental income	40,716	40,714
Total Income	408,331	424,243
Disaggregate Revenue The Company derives its revenue from sale of goods and services related to manufacturing of pharmaceutical products to its only one customer i.e. Sun Pharmaceutical Industries Limited in India		
Contract balances Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards sales/Services. Revenue is recognised once the performance obligation is met.		
As at 31 March, 2023	-	-

Note 22:**Income Tax**

The major components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Statement of Profit and Loss:		
Income Tax	-	-
Deferred Tax	28,427	29,170
Income tax expense reported in the statement of profit & loss	28,427	29,170

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Reconciliation of tax expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit before tax (a)	111,414	145,023
Income Tax Rate (b)	29.12%	25.17%
Calculated taxes based on above without any adjustments for deductions [(a) x (b)]	32,444	36,502
Adjustments		
Tax Effect of amounts that are not deductible in calculating taxable income	-	303
On account of Corporate Social Responsibility	450.20	
On Account of Notional adjustments as per Ind AS	(9.05)	
On account of Lapsed Losses and PY adjusted unabsorbed losses	(10,304)	
Other Adjustments	5,846	(7,635)
Income tax expense reported in the statement of profit & loss	28,427	29,170

Reconciliation of deferred tax asset (net)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance as of April 1, 2023	(93,576)	(122,746)
Tax income / (expense) during the year recognised in profit or loss	(28,315)	(29,170)
Closing Balance as at 31 March, 2024	(65,261)	(93,576)

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 23: Earnings Per Share

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

	Year ended March 31, 2024	Year ended March 31, 2023
a) Basic Earnings Per Share		
From continuing operations attributable to the equity shareholders of the company	1.36	1.90
From Discontinued Operations	-	-
Total basic earnings per share attributable to the equity shareholders	1.36	1.90
b) Diluted Earnings Per Share		
From continuing operations attributable to the equity shareholders of the company	1.36	1.90
From Discontinued Operations	-	-
Total diluted earnings per share attributable to the equity shareholders	1.36	1.90

	Year ended March 31, 2024	Year ended March 31, 2023
c) Reconciliation of earnings used in calculating earnings per share		
Basic Earnings Per Share		
Profit attributable to the equity shareholders		
From continuing operations	82,987	115,853
From discontinued operations	-	-
Profit attributable to the equity shareholders of the company used in calculating basic earnings per share:	82,987	115,853
Diluted Earnings per share		
Profit attributable to the equity shareholders		
From continuing operations	82,987	115,853
From discontinued operations	-	-
Profit attributable to the equity shareholders of the company used in calculating diluted earnings per share	82,987	115,853
d) Weighted average number of shares used as denominator	No. of Shares	No. of Shares
Weighted average number of shares used as denominator in calculating basic earnings per share	61,030,568	61,030,568
Adjustments:	-	-
Weighted average number of shares and potential equity shares used as denominator in calculating diluted earnings per share	61,030,568	61,030,568

Note 24(a): Fair Value Measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the companies' financial instruments:

	31-Mar-24			31-Mar-23		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Trade Receivables			32,494			33,235
Cash and cash equivalents and Bank Balances			18,157			111,424
Bank balances other than Cash and cash equivalents			178,700			
Other Financial Assets - Non Current			13,819			13,493
Other Financial Assets - Current			16,001			6,755
Total Financial Assets			259,171			164,907
Financial Liabilities						
Borrowings	-		-	-		-
Trade payables			28,056			34,768
Other Financial liabilities- Curren			32,983			37,410
Other Financial liabilities- Non Curren			8,001			7,324
Total Financial Liabilities			69,040			79,502

The management assessed that cash and cash equivalents, bank balances, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2024
 (All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 24(b): Fair Value Hierarchy

As no financial instrument has been re-measured at fair value on recurring basis as at each financial period end, fair value hierarchy disclosure is not applicable

Note 25: Financial Risk Management

A) Credit Risk

As the Company currently deals only with the parent entity, it is not exposed to any credit risk as on the reporting date

B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the companies' liquidity position comprising the cash and cash equivalents on the basis of expected cash flows.

i) Financial Arrangements NIL

ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

There are no derivatives financial liabilities for the company.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual Maturities as at 31st March, 2024	Due in 1st year	Due in 2nd to 5th year	Due in 6th to 7th year	Total
Non derivatives				
Borrowings	-	-	-	-
Obligations under finance lease	-	-	-	-
Trade payables	28,056	-	-	28,056
Other financial liabilities	32,983	10,893	-	43,876
Total non-derivative liabilities	61,039	10,893	-	71,932

Contractual Maturities as at 31st March, 2023	Due in 1st year	Due in 2nd to 5th year	Due in 6th to 7th year	Total
Non derivatives				
Borrowings	-	-	-	-
Obligations under finance lease	-	-	-	-
Trade payables	34,768	-	-	34,768
Other financial liabilities	37,410	10,893	-	48,303
Total non-derivative liabilities	72,178	10,893	-	83,071

C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument may result from changes in the foreign currencies, exchange ratios, interest ratio, credit, liquidity and other market changes. However, currency risk and the interest risk are not significant to the Company since, the Company has only Indian rupee borrowings which is medium term in nature.

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 26 (a) Operating Lease

Operating leases, in which the Company is the lessor, relate to equipment owned by the Company with lease terms up to 7 years. The agreement can be terminated any time by Lessor/ Lessee by giving 60 days prior written notice. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

Year	As at March 31, 2024	As at March 31, 2023
Year 1	39,685	39,958
Year 2	39,215	39,685
Year 3	39,215	39,215
Year 4	9,804	39,215
Year 5	-	9,804
Total	127,919	167,877

The following table presents the amounts reported in profit or loss.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease income on operating leases (refer note 15 (b))	39,958	39,958
Therein lease income relating to variable lease payments that do not depend on an index or rate	-	-

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 26 (b): Capital Management

The company's objectives when managing capital are to:

- > Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- > Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As the company does not have any debt as on balance sheet date, the gearing ratio is not applicable

Note 27: Operating Segment Disclosure

As per Ind AS 108 segment information to be presented from management's perspective, which means it is presented in the way used in internal reporting. The basis for identifying reportable segments is internal reporting as it is reported to and followed up on by the chief operating decision maker (CODM). The Company has, in this context, identified the Chief Executive Officer of the company as the chief operating decision maker. The chief executive officer of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker. The Chief Executive Officer evaluates the operating segments' results on the basis of revenue and gross profit as the performance indicator for all of the operating segments, and does not review the total assets and liabilities of an operating segment as it is not provided regularly to CODM for review.

Zenotech Laboratories Limited is engaged in single business activity of Pharmaceuticals and the company does not have multiple operating segments. Other than revenue analysis that is disclosed in Note (21), no operating results and other discrete financial information is available for the assessment of performance of the respective business divisions and resources allocation purpose.

Major Customer Dependency

Entire portion of the operating revenue earned by the Company is from single customer i.e., Sun Pharma Group. In the current year, revenue earned from Sun Pharmaceutical Industries Limited is 100% (PY:100%) of the total revenue for the year.

Note 28: Interests in other entities**a) Subsidiaries**

The Company's subsidiaries as at 31 March 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the company. The country of incorporation or registration is also their principal place of business

Name of the Entity	Place of the business/country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31.03.2024	31.03.2023	31.03.2024	31.03.2023	
		%	%	%	%	
Zenotech Farmaceutica Do Brasil Ltda	Brazil	66.39	66.39	33.61	33.61	NA
Zenotech Laboratories Nigeria Limited	Nigeria	NA*	NA*	NA*	NA*	NA
Zenotech Inc	USA	100	100	0	0	NA

The Company's overseas subsidiaries namely Zenotech Farmaceutica Do Brasil Ltda (Zenotech-Brazil) and Zenotech Inc (Zenotech-USA) were defunct and reported as cancelled/revoked respectively based on the Registration Cancellation certificate dated 8th June, 2022 and Long Form Standing certificate dated 15th June, 2022 respectively, received from concerned authorities. The Company received winding up order for Zenotech Laboratories Nigeria Limited during FY: 2019-20

b) Interest in Associates and Joint Ventures- Nil

Zenotech Laboratories Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 29: Related party transactions

(A) Holding Company:

Name	Type	Place of incorporation	Ownership interests	
			31.03.2024	31.03.2023
Sun Pharmaceutical Industries Limited	Immediate and ultimate parent entity	India	68.84%	68.84%

(B) Key managerial personnel:

Name	Designation
Mr. Devendra Chandrakant S. Kenkre	Chief Executive Officer
Mr. Poly K V	Chief Financial Officer
Mr. Abdul Gafoor Mohammad	Company Secretary & Compliance Officer

(C) Transactions and balances with related parties:

Particulars	Name of Entity	For the year ended March 31, 2024	For the year ended March 31, 2023
i). Operating transactions/balances with holding Company/group Company			
Conversion Charges*		367,615	383,529
Repayment of long term loan		-	60,000
Interest on borrowing		-	1,122
Trade Receivables (Balances as at)**		32,494	33,235
Rental and Hire Charges Received*		743	743
Biotech Facility Lease Charges*	Sun Pharmaceutical Industries Limited	21,788	21,788
Biotech Facility Machinery Rental and Hire Charges*		17,427	13,070
Receipt towards reimbursement of expenses*		51,908	47,623
Payment towards reimbursement of expenses**		5,662	5,009
Biotech Facility Lease Security Deposit - (6 months rentals)		10,894	10,894
Biotech Equipment's Lease (3 months advance rentals)		4,357	4,357

*excluding taxes

** Including GST & net of TDS

(ii) Loans and advances from/to related parties:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a). Loans from Sun Pharmaceutical Industries Limited		
Beginning of the year	-	60,000
Loans advanced/ received	-	-
Loans repayment received/ made	-	(60,000)
Interest charged (net of TDS)	-	1,010
Interest paid (net of TDS)	-	(1,010)
End of the year	-	-
b). Trade Receivables from Sun Pharmaceutical Industries Limited		
Beginning of the year	(33,235)	(39,282)
Adjusted with sales/services	(524,267)	(527,687)
Receipts against bills	525,008	533,734
End of the year	(32,494)	(33,235)

(D) Key management personnel compensation:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term employee benefits	7,880	6,980

Notes:

The managerial personnel are covered by the Company's gratuity policy and Mediclaim insurance policy taken and are eligible for leave encashment along with other employees of the Company. The proportionate premium paid towards these policies and provision made for leave encashment/ gratuity pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are not determined on an individual basis.

Zenotech Laboratories Limited

Notes to the Standalone Financial Statements for the Year ended March 31, 2024

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 30:

a) Update on the events and circumstances relating to on-going differences with Late Dr. Jayaram Chigurupati, the erstwhile Promoter and Managing Director of the Company.

Post acquisition of stake in the Company by Ranbaxy Laboratories Limited and Daiichi Sankyo Company Limited (taken over Pharmaceutical Industries Limited effective from 24 March 2015 pursuant to a merger scheme herein after referred to as the promoters") there were disagreements on various accounts between Late Dr. Jayaram Chigurupati and Ranbaxy Laboratories Limited/Daiichi Sankyo Company Limited resulting in various legal cases being filed by both the parties before various forums. Management was denied access to the factory and other premises of the Company due to which a legal case was filed before Company Law Board (CLB), Chennai, for taking over the physical possession of the factory premises from Late Dr. Jayaram Chigurupati, the erstwhile Promoter and Managing Director of the Company. Owing to the protracted legal case, the physical possession of the factory premises could be taken over on November 13, 2011 in the presence of CLB appointed Advocate Commissioner, in pursuance to an Order passed by the CLB. Subsequent to the gaining of the possession of the factory premises further assessment by the Management revealed that, among others, certain books and records, supplementary documents and statutory registers till the period 12 November 2011 were missing and which are still not in the possession of the Company. The Honourable Company Law Board vide order dated 8 October 2012 further directed the erstwhile Promoter and Managing Director of the Company to return all the documents and provide written details of all missing documents/ assets/ statutory records / equipment of the Company. The Honourable High Court of Andhra Pradesh has also passed a similar order. The Company has not yet received any of these documents/ information.

The Management, therefore, based on the available limited records, statutory returns filed, supplementary documents, invoice and external corroborative evidence and after considering the various non compliances under the Companies Act, 1956, listing agreement and Foreign Exchange Management Act, etc. post 12 November 2011, reconstructed financial statements for the years ended 31 March 2011 and 2012. Management is also in the process of regularizing and compounding such non compliances with various authorities concerned.

Since matters relating to several financial and non-financial irregularities are sub-judice and various legal proceedings are on-going any further adjustments / disclosures to the financial statements, if required, would be made in the financial statements of the Company as and when the outcome of the above uncertainties is known and the consequential adjustments / disclosures are identifiable/ determinable.

b) Investment in subsidiaries:

Upon obtaining control of the Company, the Management observed that no books of account and records were available regarding its overseas subsidiaries. The management has not received any response from the erstwhile Managing Director on the queries raised regarding details pertaining to these subsidiaries and seeking documents / certificates related to Forex transactions with subsidiaries including certain loans and investment made in the same. Provision has not been made for potential and financial consequences arising out of such on-going evaluations, the outcome of which will depend on the nature and extent of non-compliances which is currently not determinable. Meanwhile, the Company received the winding up order for its defunct subsidiary in Nigeria in FY: 2019-20 and the Company is in the process of filing related reports with RBI. The Company's overseas subsidiaries namely Zenotech Farmaceutica Do Brasil Ltda (Zenotech-Brazil) and Zenotech Inc (Zenotech-USA) were defunct and reported cancelled/revoked respectively based on the Registration Cancellation certificate dated 8th June, 2022 and Long Form Standstill certificate dated 15th June, 2022 respectively, received from concerned authorities.

Zenotech Laboratories Limited**Notes to the Standalone Financial Statements for the Year ended March 31, 2024**

(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 31: Contingent assets and liabilities**(i). Contingent liabilities**

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Claims against the Company not acknowledged as debt		
Employee claims towards Gratuity	1,860	1,860
Total (a)	1,860	1,860
(b) Guarantees		
Bank Guarantees issued on behalf of third parties	-	-
Total (b)	-	-
(c) Other matters for which the Company is contingently liable		
Income Tax	25,769	74,922
Customs & Central Excise	104,640	104,640
Total (c)	130,409	179,562

Legal cases filed by/against the Company

a). During the year ended 31 March 2011, Technology Development Board (TDB) had filed a claim petition under Arbitration and Conciliation Act, 1996 for recovery of dues payable by the Company as per loan agreement. The Arbitrator has issued an order with direction to the Company and erstwhile Co-Managing Director to pay individually or jointly the outstanding dues to TDB. During the earlier years, 600,000 equity shares of the Company held by erstwhile Co-Managing Director was transferred to TDB which were pledged as security. During the year ended March 31, 2018, Company has repaid all the amount due to TDB (excluding Interest) based on the settlement agreement by the DRC (Dispute Resolution Committee). The Interest liability will depend upon the liability payable less the shares sold in the open market by TDB (Pledged shares)

b). The Company has filed certain legal cases before the appropriate forum against the erstwhile promoter and managing director with regard to loss of vehicles, missing records including intellectual property, unauthorised use of the name & Logo of the Company and certain missing DNA clones.

c). Subsequent to Daiichi Sankyo Company Limited (DS) acquiring 63.92% stake in Ranbaxy Laboratories Limited (now Sun Pharmaceutical Industries Limited) in October 2008, DS announced an open offer to acquire 20% share of the Company at Rs. 113.62 per share. Aggrieved by the pricing of the share, erstwhile promoter and one or two other shareholders filed a petition in the Hon'ble High Court of Madras. The Company has been named as Respondent in the said case. An interim injunction in connection with the offer was given by the Hon'ble High Court of Madras and subsequently it was quashed by the Hon'ble Supreme Court based on a petition filed by DS against the said injunction. Meanwhile some of the shareholders (excluding Ranbaxy) including erstwhile promoter of the Company filed a petition with Securities Appellate Tribunal (SAT) with respect to the pricing of the share of the Company against the order of the SEBI turning down erstwhile promoters' complaint. SAT directed DS to price the open offer at Rs 160 per share. DS has filed an appeal against the SAT order in the Supreme Court. The Supreme Court vide its order dated July 8, 2010 has ruled in favour of DS and allowed the open offer to be made at the price of Rs 113.62 per share.

In June 2012, erstwhile promoter has filed a writ petition before Honourable Andhra Pradesh High Court against Foreign Investment Promotion Board and DS challenging acquisition of 20% shares of the Company by DS through an open offer.

d). In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before various tax authorities. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions. The Company has accrued appropriate provision wherever required.

e). Other than those disclosed, the Company has not received any significant claims post 31 March 2011.

f). During the A.Y 2020-21 service tax dispute was settled under sabka vishwas scheme which was claimed as an expense u/s.43B. However the settled amount has been disallowed u/s 143(1)(a) and demand intimation was issued for Rs 2,04,79,333. The company has filed an appeal with commissioner challenging the disallowance made

g). Other than those disclosed, the Company has not received any significant claims post 31 March 2011.

(ii) Contingent assets: Nil**Note 32: Assets pledged as security**

The carrying amount of assets pledged as security in case of loan taken from Technology Development Board (TDB)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Non-current		
Property, plant & equipment (First charge)	655,813	653,848
Total non-current assets pledged as security	655,813	653,848
Total assets pledged as security	655,813	653,848

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2024
 (All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 33: Unhedged foreign currency exposure

- a) There are no outstanding forward exchange contracts as at the year end.
 b) Foreign currency exposures as at 31 March 2024 and as at 31 March 2023 that have not been hedged by derivative instruments or otherwise:

Particulars	As at 31 March 2024		As at 31 March 2023	
	(IN USD)	Rs.	(IN USD)	Rs.
Loans and advances to subsidiaries *	584,223	26,086	584,223	26,086
Trade payables	91,786	7,656	-	-
Other payables	-	-	-	-

* Provided fully and hence not restated

Note 34: Capital Commitments

Particulars	As at 31 March 2024		As at 31 March 2023	
	Estimated value of contracts remaining to be executed on capital account and not provided for			
Tangible Assets		18,296		27,382
Intangible Assets		-		-
Total		18,296		27,382

Note 35: Financial Ratios

Ratio	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	% variance	Remarks
Current Ratio(times)	Current Assets	Current Liabilities	1.93	0.98	98%	Due to increase in cash and cash equivalents and other Bank balances
Debt -equity Ratio(times)	Total Debt	Shareholder's Equity	-	-	-	Not applicable - Since company is debt free.
Debt Service Coverage Ratio(times)	Earnings available for debt service	Debt service	-	-	-	Not applicable - Since company is debt free.
Return On Equity(%)	Net profit after taxes	Average Shareholder's Equity	0.03	0.05	-28%	Due to Deferred Tax asset recognised which resulted in increase of net profit after tax
Inventory Turnover Ratio(times)	Revenue from operations	Average Inventory	21.88	315.40	-93%	Due to increase in current year inventory values
Trade Receivables Turnover Ratio(times)	Revenue from operations	Average trade receivables	2.80	2.64	6%	NA
Trade payable Turnover Ratio(times)	Net credit Consumables purchase	Average trade payables	1.61	0.98	64%	Due to procurement of capital items for new project
Net Capital Turnover Ratio	Revenue from operation	Working Capital	2.91	(112.07)	-103%	Due to decrease in other current financial liabilities
Net Profit Ratio(%)	Net profit after taxes	Revenue from operations	22.57%	30.21%	-25%	Due to decrease in turnover
Return On Capital Employed	Profit before tax and finance costs	Capital employed	0.12	0.17	-30%	Due to decrease in turnover

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2024
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 36: Other Statutory Information

- a). No proceeding have been initiated or pending against the Company under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.
- b). The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- c). The Company has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person.
- d). The Company does not have any 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).
- e). The Company has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets.
- f). The Company has not been declared wilful defaulter by any bank or financial institution or government or any other government authorities.
- g). The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - i) 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
 - ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- h). The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
 - i) 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
 - ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- i). The Company does not have any transactions with struck off companies.
- j). The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- k). The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies.
- l). No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- m). 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.
- n). The Company has not declared or paid dividend during the year 2023-24.
- o). The Company does not hold any investment property and hence the disclosure on fair valuation of investment property is not applicable to the Company.

Note 37

The company uses Tally with audit trail (edit log) version as its books of accounts at the application layer and is operational as on the date of balance sheet. The software is such that it has no database but only objects and collections, hence, no changes are possible at that level.
The company has maintained tally back up electronically and have full backup as on the date of balance sheet.

Note 38:

Previous year's figures have been regrouped, wherever necessary, to conform to current year's grouping.

Note 39:

The financial statements were approved by the board of directors on May 1, 2024.

As per our Report of even date attached
for **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Registration Number: 003990S/S200018

for and on behalf of the Board of Directors of
Zenotech Laboratories Limited
CIN: L27100TG1989PLC010122

Viswanadh VNSS Kuchi
Partner
Membership No.: 210789
UDIN: 23210789BGGYBT2185

Azadar Hussain Khan
Chairman
DIN:01219312

Kavita R. Shah
Director
DIN:02566732

Devendra Chandrakant S. Kenkre
Chief Executive Officer

Poly K.V.
Chief Financial Officer

Abdul Gafoor Mohammad
Company Secretary

Place: Hyderabad
Date: May 1, 2024

Place: Delhi
Date: May 1, 2024

Place: Mumbai
Date: May 1, 2024

Place: Hyderabad
Date: May 1, 2024