

THIRTIETH
ANNUAL REPORT
2023-2024

MARTIN AND HARRIS LABORATORIES LIMITED

MARTIN AND HARRIS LABORATORIES LIMITED

BOARD OF DIRECTORS

Mr. Shanker Laad Laxman
Mr. Harnam Thakur Singh
Mr. Nasim Uddin
Mr. Vivek Manohar Padgaonkar
Mr. Ashok Chandra Sen

STATUTORY AUDITORS

M/S Krishna K. Gupta & Co.
"Vardan", A-1/247,
Safdarjung Enclave,
New Delhi-110029

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.
B-25/1, 1st Floor Okhla Industrial Area
Phase - 2, New Delhi - 110 020
Tel No. 011-35020465, 66, Mobile: 8527695125
E-mail: investor.services@rcmcdelhi.com
website :www.rcmcdelhi.com

BANKERS

HDFC BANK LIMITED

REGISTERED OFFICE

Martin and Harris Laboratories Limited
NH-8, Delhi Jaipur Highway,
Village - Pachgaon (Fazalwas),
Distt. Gurgaon, Haryana, India

MARTIN AND HARRIS LABORATORIES LIMITED

CIN: U24239HR1993PLC033630

Regd. Office: NH-8, Delhi Jaipur highway, Village Pachgaon (Fazalwas), Distt. Gurgaon,
Haryana.

Email ID: am-audit@martinandharris.com || Phone No: 011-260122111

NOTICE

Notice is hereby given that the 30th Annual General Meeting ("AGM") of the Members of Martin and Harris Laboratories Limited ("the Company") will be held on Friday, 27th day of September, 2024 at NH-8, Delhi Jaipur Highway, Village, Pachgaon (Fazalwas), Distt. Gurgaon, Haryana at 09:00 A.M. (IST) to transact the following businesses:

ORDINARY BUSINESS(ES):

1. To receive, consider and adopt:

- (a) The Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2024, together with the Reports of Board of Directors and Auditors thereon.
and
- (b) The Audited Consolidated Financial Statements of the company for the financial year ended March 31, 2024, together with the Report of the Auditors thereon.

2. To declare Dividend on Equity Shares.

3. To appoint a Director in place of Mr. Nasim Uddin (DIN: 09670604) who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint M/s. Krishan K. Gupta & Co., Chartered Accountants. (Firm Registration No. 000009N) as Statutory Auditors of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to section 139 and 142 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions of the Act, including any Statutory modification(s) or re-enactment therefore for the time being in force), M/s. Krishan K. Gupta & Co., Chartered Accountants, (Firm Registration No. 000009N) be and is hereby appointed as the Statutory Auditors of the Company from the conclusion of this Annual general meeting until the conclusion of the 31st Annual general meeting of the Company, on such remuneration as may be mutually agreed between the Board and the Auditors, plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit."

SPECIAL BUSINESS

5. To ratify the remuneration of Cost Auditors of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 ("the Act") and Rules thereunder (including any statutory modification or re-enactment thereof for the time being in force) and all other applicable provisions, if any, approval of the members of the Company be and is hereby accorded to the remuneration payable to M/s Sourabh Jain & Associates, Cost Accountants, appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the Cost Records of the Company for the financial year ending on March 31, 2025, amounting to INR 50,000/- (Rupees Fifty Thousand only) per annum plus reimbursement of out of pocket expenses at actuals."

"RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this Resolution."

6. To consider any other resolution on the approval of the Chairman.

**By Order of the Board
For Martin and Harris Laboratories Limited**

**Nasim Uddin
(Director)
DIN: 09670604**

**Place: New Delhi
Date: 30th August, 2024**

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING BLANK PROXY FORM IS ANNEXED.**

A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Appointing a proxy does not prevent a member from attending the meeting in person if he so desire.

2. Route map of the venue of the meeting (including prominent land mark) is annexed.
3. Keeping in view the convenience of the Members, documents relating to shares will - continue to be accepted at the Registered Office of the Company.
4. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 20th September, 2024 to Wednesday, 26th September, 2024 (both days inclusive) for determining eligibility for payment of Dividend, if declared at the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and the Registers of Contracts or Arrangements in which the directors are interested maintained under section 189 of the Companies, 2013 on all working days, between 14:00-16:00 hours upto the date of the meeting and shall also be available for inspection at the Annual General Meeting.
7. Members holding shares in physical form are requested to intimate all changes pertaining to their bank mandates, nominations, power of attorney, change in address and e-mail address etc., to the Company under the signatures of first/joint holder(s).
8. The dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, by the members in the AGM to those members whose name appear on the Register of Members as on Friday, 20th September, 2024.
9. Reserve Bank of India has initiated National Electronic Clearing services (NECS) for credit of Dividend directly to the Bank Account of the Members. Members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS Code).

10. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Act, be transferred to the Investor Education and Protection fund (IEPF).
11. **Members are requested:**
 - a. To bring Attendance Slip duly completed and signed at the meeting and not to carry briefcase or bag inside the meeting venue for security reasons;
 - b. To quote their Folio No./DP ID - Client ID and e-mail ID in all correspondence; and
 - c. To please note that **no gift/gift coupon/refreshment coupon** will be distributed at the meeting.
12. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special business item to be transacted at the AGM is annexed as Annexure-I. Necessary information of the Director seeking Re-appointment at the ensuing AGM, as required under Secretarial Standard -2 issued by the Institute of Company Secretaries of India is also appended to this Notice as **Annexure-I**.

**By Order of the Board
For Martin and Harris Laboratories Limited**

**Nasim Uddin
(Director)
DIN: 09670604**

**Place: New Delhi
Date: 30th August, 2024**

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 5:

TO RATIFY THE REMUNERATION OF COST AUDITORS OF THE COMPANY

The Board has approved the appointment and remuneration of M/s Sourabh Jain & Associates, Cost Accountants, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2025 at remuneration as specified in the resolution and reimbursement of out-of-pocket expenses at actuals.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Your Board recommends the passing of Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders in the interest of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested financially or otherwise in the resolution set out at Item No. 5 of the Notice.

ANNEXURE-I TO THE NOTICE

INFORMATION RELATION TO THE DIRECTOR SEEKING RE-APPOINTMENT AT THE 30TH AGM

As per the requirement of Clause 1.2.5 of the Secretarial Standard -2 (Revised) as issued by the Institute of Company Secretaries of India, a statement containing the details of concerned Director is given below:

| | |
|---|--|
| Name | Mr. Nasim Uddin |
| Category / Designation of Director | Non-Executive Director |
| DIN | 09670604 |
| Date of Birth / Age | 03-September-1973 |
| Profile / Background, Details | Enriched experience in the field of accounts with 20+ years' experience in finance |
| Qualifications | Graduate in B.Com from Delhi university |
| Experience and Expertise | 20 year experience |
| Terms and condition of Re-appointment | Retire by Rotation |
| Remuneration Last Drawn, if applicable | N.A. |

| | |
|--|---------------------------------|
| Date of First appointment on the Board | June 18 th , 2022 |
| Directorships in other Companies | One |
| Membership / Chairmanship of Committee of the Board | Corporate Social Responsibility |
| No. of Shares held in the Company | None |
| Relationship with other Directors, KMP and Manager of the Company | None |
| No. of Meetings attended during the year | 08 |

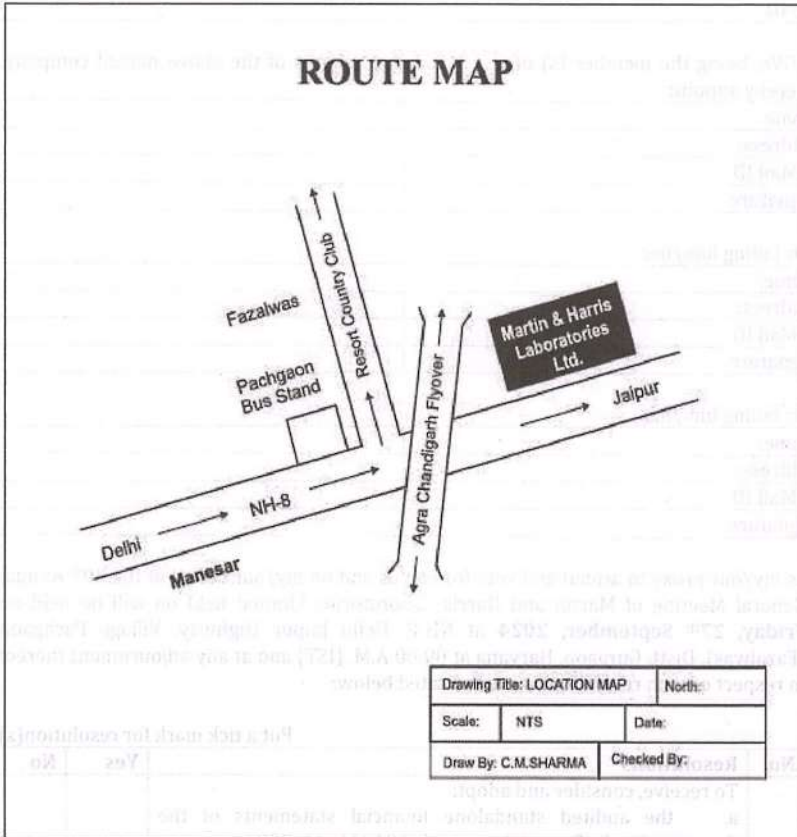
Notes:

- The above information is as on the date of this Notice.
- The above Director is not disqualified and / or debarred by virtue of any order passed by the Ministry of Corporate Affairs, any Court or any such other Statutory Authority, to be re-appointed / continue as a Director of the Company.

Martin and Harris Laboratories Limited

NH-8, DELHI JAIPUR HIGHWAY, VILLAGE, PACHGAON
(FAZALWAS), DISTT. GURGAON, HARYANA

CIN:U24239HR1993PLC033630



PROXY FORM

Form No. MGT -11

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

| | |
|-------------------------|--|
| Name of the Shareholder | |
| Registered address | |
| E-mail ID | |
| Folio No./Client ID | |
| DP ID | |

I/We, being the member (s) of shares of the above named company, hereby appoint

| | |
|-----------|--|
| Name: | |
| Address: | |
| E-Mail ID | |
| Signature | |

Or failing him/her

| | |
|-----------|--|
| Name: | |
| Address: | |
| E-Mail ID | |
| Signature | |

Or failing him/her

| | |
|-----------|--|
| Name: | |
| Address: | |
| E-Mail ID | |
| Signature | |

as my/our proxy to attend and vote for me/us and on my/our behalf at the 30th Annual General Meeting of Martin and Harris Laboratories Limited held on will be held on **Friday, 27th September, 2024** at NH-8, Delhi Jaipur Highway, Village Pachgaon (Fazalwas), Distt. Gurgaon, Haryana at 09:00 A.M. (IST) and at any adjournment thereof in respect of such resolution as are indicated below:

Put a tick mark for resolution(s)

| S.No. | Resolutions | Yes | No |
|-------|--|-----|----|
| 1. | To receive, consider and adopt: a. the audited standalone financial statements of the Company for the financial year ended 31 st March, 2024, together with the reports of the Auditors and Board of Directors thereon; and b. the audited consolidated financial statements of the Company for the financial year ended 31 st March, 2024 and the report of the Auditors thereon. | | |

| | | | |
|----|---|--|--|
| 2. | Declaration of Dividend | | |
| 3. | To appoint a Director in place of Mr. Nasim Uddin (DIN: 09670604) | | |
| 4. | To appoint M/s. Krishan K. Gupta & Co., Chartered Accountants, (Firm Registration No. 000009N) as Statutory Auditors of the Company | | |
| 5. | Ratification of the remuneration of Cost Auditors of the Company | | |
| 6. | To consider any other resolution on the approval of the Chairman. | | |

Signed this _____, 2024

Signature of the Shareholder:

Signature of Proxy holder(s):

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. The proxy form should be signed across the revenue stamp as per specimen signature(s) registered with the Company/Depository Participant.

ATTENDANCE SLIP

30th Annual General Meeting - Friday, 27th day of September, 2024

| | | |
|-----------------------------|--|---|
| DP- ID* | | Name and Address of the Registered Shareholder/proxy |
| Client ID*/Folio No. | | |
| No. of shares held | | |

I/We certify that I/We am/are *registered shareholder*/proxy of the Company.

I/We hereby record my/our presence at **30th Annual General Meeting - Friday, 27th day of September, 2024 at 09:00 A.M. (IST) at NH-8, Delhi Jaipur Highway, Village, Pachgaon (Fazalwas), Distt.Gurgaon, Haryana.**

.....

Signature

NOTE: Please complete this and hand it over at the entrance of the hall.

*Applicable for shares held in electronic form.

No Gift/Gift Coupon/Refreshment Coupon will be distributed at the meeting.

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MARTIN AND HARRIS LABORATORIES LIMITED**DIRECTOR'S REPORT**

To The Members,

MARTIN AND HARRIS LABORATORIES LIMITED

Your Directors have pleasure in presenting their 30th Annual Report on the business and operations of the Company along with the Audited Standalone & Consolidated Financial Statements for the year ended 31st March, 2024. The consolidated performance of the Company and its Subsidiaries have been referred to wherever required.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

Amount in Lakhs

| Particulars | Standalone | | Consolidated | |
|-------------------------------------|------------------------------|----------------|------------------------------|----------------|
| | For the financial year ended | | For the financial year ended | |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Revenue from Operations | 14,614.70 | 20,516.48 | 14,614.70 | 20,516.48 |
| Other Income | 396.68 | 253.08 | 3,429.00 | 2,408.43 |
| Total Income | 15,011.38 | 20,769.56 | 18,043.70 | 22,924.91 |
| Less: Expenditure and Depreciation | (12,267.57) | (13514.46) | (12,521.46) | (13,716.22) |
| Net Profit / (Loss) before Taxation | 2,743.81 | 7,255.10 | 5,522.24 | 9,208.69 |
| Less: Provision of Taxation | (726.33) | (1875.85) | (1,479.40) | (2,401.81) |
| Net Profit / (Loss) | 2,017.48 | 5379.25 | 4,042.84 | 6,806.88 |
| Total Comprehensive Income | 2,060.68 | 5,376.30 | 4,086.04 | 6,803.93 |

2. STATE OF THE COMPANY'S AFFAIRS / BUSINESS OUTLOOK

The Company's turnover and performance temporarily declined due to necessary upgrades to the manufacturing unit, driven by recent regulatory changes. The notification of the Ministry of Health & Family Welfare, dated 28th December 2023, made compliance with new WHO-GMP standards mandatory. Consequently, the Company's manufacturing plant had to be shutdown multiple times during FY 2023-24 for upgradation which significantly impacted revenue, and further modifications in FY 2024-25 may also be needed. The Board believes these expenses will be offset by future diversified operations.

The regulatory framework for branded generic drugs in India is changing, as the Drugs Technical Advisory Board considers mandating generic names for single-ingredient formulations. This shift in regulatory regime will make it commercially unviable for the company to bear the increasing cost of acquiring & maintaining trademark licenses for promotion of generic drugs. Consequently, the Company has principally decided to move away from selling generic drugs under third-party brands and instead focus on manufacturing.

The Company will be further upgrading its manufacturing facilities and exploring contract manufacturing opportunities. The Board also supports, on its own and through its subsidiaries, diversification into new business areas as per the objectives of the Company. The Company remains committed to regulatory compliance, quality assurance, and strategic agility.

3. SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2024 stood at Rs 399.60 Lakhs (Rupees Three Crore Ninety Nine Lakh Sixty Thousand and Four Hundred Only).

There has been no increase / decrease in the Authorised and Paid up Share Capital of your Company during the year under review.

(a) BUY BACK OF SECURITIES

The Company has not bought back any of its Securities during the year under review.

(b) SWEAT EQUITY

The company has not issued any sweat equity shares during the year under review.

(c) BONUS SHARES

No Bonus shares were issued during the year under review.

(d) EMPLOYEE STOCK OPTION PLAN

The Company has not provided any stock scheme to the employee.

4. DIVIDEND

Your directors are happy to recommend dividend of Rs. 1.80/- per Equity Share, and pay, pursuant to shareholder's approval at the ensuing Annual General Meeting.

5. RESERVES

Out of the total profit after tax of Rs. 2,017.48 Lakhs for the financial year under review and unlike previous financial year, nothing is proposed to be transferred this year to the General Reserve.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, your Company has not transferred any funds to Investor Education and Protection Funds (IEPF).

7. CHANGE IN THE NATURE OF BUSINESS

There is no change in nature of business as compared to last financial year.

8. CHANGE IN THE NAME AND REGISTERED OFFICE OF THE COMPANY

There is no change in the name of the Company and registered office address of the Company.

9. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

Your Company has Non-Cumulative Optionally Convertible Preference Shares of ASG Biochem Private Limited, which after the end of the Financial Year has been converted into the Equity shares of the ASG Biochem Private Limited.

10. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there has been no such Significant and Material Orders passed by the Regulators or courts or tribunals impacting the going concern status and your Company's operations in future.

Also, there had been no application filed for Corporate insolvency resolution process under "The Insolvency and Bankruptcy Code, 2016", by a Financial or operational creditor or by your Company itself during the period under review.

There was no instance of onetime settlement with any Bank or Financial Institution.

11. SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

As at March 31, 2024, the Company has one (01) subsidiary company in terms of the provisions of Companies Act, 2013 ("Act"). There are no associate companies or joint venture companies within the meaning of section 2(6) of the Act.

The consolidated financial statements of the Company and its subsidiary prepared in accordance with the applicable accounting standards, specified under Section 133 of the Act as applicable, forms part of this Annual Report. The audited annual accounts of the Company will also be kept open for inspection at the registered office of the company and respective subsidiary of the companies.

A separate statement as required in terms of Rule 8(1) of the Companies (Accounts) Rules, 2014 is annexed to this report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the Statement containing salient features of the financial statements of the Company's Subsidiary in Form AOC-1 is attached to the consolidated financial statements.

12. PARTICULARS OF EMPLOYEES

A statement comprising the names of top 10 employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014 is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write email to the Company on am-audit@martinandharris.com

13. DEPOSITS

The Company has neither accepted nor renewed any deposits during the financial year under review.

14. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OF DISCLAIMERS MADE BY THE AUDITORS AND PRACTICING COMPANY SECRETARY IN THEIR REPORT

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation. The Auditors' Report does not contain any qualification, reservation, disclaimer or adverse remark.

The provisions relating to submission of Secretarial Audit Report are not applicable to the Company.

15. STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Act to be read with the Companies (Audit and Auditors) Rules, 2014 (as amended), M/s. Krishan K. Gupta & Co., Chartered Accountants (FRN.: 000009N) was appointed/re-appointed as the Statutory Auditor of the Company at the 30th AGM of the Company for a period of one year i.e. from the conclusion of 30th AGM till the conclusion of 31st AGM of the Company and being eligible offer themselves for reappointment.

Your Company received a certificate from the Auditors confirming their eligibility to continue as Statutory Auditors of the Company in terms of provisions of Section 141 of the Act.

16. FRAUD REPORTING

There was no fraud reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 to the Board of Directors during the year under review.

17. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 during the year under review.

Conservation of Energy (Amount in lakhs)
Current Year Previous Year

A. Power & fuel consumption:

1. Electricity

(a) Purchased unit 5,84,200 2,66,531

| | | |
|--|---------------------|----------------------|
| Total Amount (In Lakh) | 46.08 | 25.13 |
| Rate / unit | 7.89 | 9.41 |
| (b) Own Generator | | |
| (i) Through Diesel Generator | | |
| Unit (K. litre) | 89.50 | 89.51 |
| Units per lit of Diesel Oil | 5.85 | 5.85 |
| Cost / Unit | 15.28 | 15.30 |
| (ii) Through Steam Turbine/Generator Unit | | |
| Units per lit of Fuel Oil / Gas | NIL | NIL |
| Cost / Unit | | |
| 2. Coal (Specify quality and where used) | | |
| Quantity (Tones) | | |
| Total Cost | NIL | NIL |
| 3. Furnace Oil | | |
| Quantity (Kilos) | NIL | NIL |
| 4. Other/Internal Generator (please give details) | | |
| Quantity | | |
| Total Cost | NIL | NIL |
| Rate / Units | | |
| B. Consumption per unit productions: | | |
| Standard | Current Year | Previous Year |
| (If any) | | |
| Particulars (With details Unit) | | |
| Production (Tabs & Caps Strip in 000's pack) | 16,330 | 16,880 |
| Electricity (000's pack) | 0.68 | 0.67 |
| Diesel Oil (000's pack) | 0.11 | 0.12 |
| Furnace Oil | NIL | NIL |
| Coal | NIL | NIL |

TECHNOLOGY ABSORPTION

Research and Development (R & D)

1. Specific areas in which R & D carried out by the company:

- Value-added new dosage formulations, and
- Applying new technology for better processes

2. Benefits derived as a result of the above R & D

- Improved Formulations
- Cost optimization

3. Future plan of action:

- Continue Development work on the above.

| 4. Expenditure on R & D (Rs. in lakh): | 31.03.2024 | 31.03.2023 |
|---|-------------------|-------------------|
| a. Quantity (Tones) | Nil | Nil |
| b. Recurring | 27.26 | 69.66 |
| c. Total | 27.26 | 69.66 |
| d. Total R & D Expenditure as a Percentage of total turnover | 0.18% | 0.34% |

Technology absorption, adaptation and innovation:

- a) Efforts, in brief, made towards technology absorption, adaptation and innovation
 - Efforts have been made for development of formulation of indigenous material
- b) Benefits derived as a result of the above efforts e.g. product improvement cost reduction, product development, import substitution etc.
 - Production improvement
- c) Imported technology (imported during the last six years reckoned from the beginning of the financial year):
 - Does not apply.

Foreign Exchange Earnings and outgo : Current year Previous year

| | | |
|---------------------------|----------------|-----------------|
| Foreign Exchange Earned : | Nil | Nil |
| Foreign Exchange Outgo : | Rs 767.81 Lakh | Rs. 758.49 Lakh |

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company has a professional Board with right mix of knowledge, skills and expertise with an optimum combination of Non-Executive and Independent Directors. The Board provides strategic guidance and direction to your Company in achieving its business objectives and protecting the interest of the stakeholders.

As on March 31st, 2024, the Board of the Company is duly constituted with Mr. Ashok Chandra Sen, Mr. Vivek Manohar Padgaonkar, Mr. Nasim Uddin, Mr. Shanker Laxman Laad and Mr. Harnam Singh Thakur.

During the year under review, Mr. Nasim Uddin (DIN: 09670604), Director retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment.

Details of the Director seeking re-appointment at the ensuing Annual general Meeting is given in the Notice of AGM and your Board recommends the same.

During the year under review, your Company Doesn't required to appoint Key Managerial personnel as per the provisions of Companies Act, 2013.

19. COMMITTEES OF THE BOARD

Pursuant to various requirements under the Act, the Board of Directors has constituted various committees, such as, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, and Corporate Social Responsibility Committee. The details of composition, terms of reference, etc., pertaining to these committees are mentioned herein below:

In terms of the provisions of the Companies Act, 2013 read with rules made thereunder, the Board constituted and formed various Committees, as follows:

(i) Audit Committee:-

The primary objective of the Audit Committee is to act as a catalyst in helping your Company to achieve its objectives by overseeing the Integrity of your Company's Financial Statements; Adequacy & Reliability of the Internal Control Systems of your Company; Compliance with legal & regulatory requirements.

The powers, role and terms of reference and Composition of the Audit Committee are in line with the provisions of Section 177 of the Act.

During the year under review, the Committee comprises the following Members

| S. No. | Name of the Committee(s) | Members |
|--------|--------------------------|--|
| 1 | Audit Committee* | Mr. Vivek Padgaonkar Mr. Ashok Chandra Sen Mr. Harnam Singh Thakur |

*Committee reconstituted on 17th April, 2023

(ii) Stakeholders Relationship Committee:-

The Board has constituted Stakeholder's Relationship Committee pursuant to Section 178 of the Act to look into the redressal of grievances of shareholders and other security holders, if any.

During the year under review, the Committee comprises the following Members:

| S. No. | Name of the Committee(s) | Members |
|--------|-------------------------------------|--|
| 1 | Stakeholders Relationship Committee | Mr. Vivek Padgaonkar Mr. Ashok Chandra Sen Mr. Shanker Laxman Laad |

(iii) **Nomination and Remuneration Committee:-**

The Nomination and Remuneration Committee ("NRC") has been vested with the authority to, inter alia, recommend nominations for Board membership, develop and recommend policies with respect to formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

The role and the terms of reference of the NRC are in compliance with the provisions of Section 178 of the Act.

During the year under review, the Committee comprises the following Members:

| S. No. | Name of the Committee(s) | Members |
|--------|---------------------------------------|---|
| 1 | Nomination and Remuneration Committee | Mr. Vivek Padgaonkar Mr. Ashok Chandra Sen Mr. Harnam Singh Thakur Mr. Shanker Laxman Laad |

(iv) **Corporate Social Responsibility Committee:-**

The Corporate Social Responsibility Committee has been constituted in accordance with the requirements of the Act. The Committee recommends the Corporate Social Responsibility projects to be undertaken by the Company and also monitors its implementation status.

During the year under review, the Committee comprises the following Members:

| S. No. | Name of the Committee(s) | Members |
|--------|---|--|
| 1 | Corporate Social Responsibility Committee | Mr. Vivek Padgaonkar Mr. Nasim Uddin Mr. Shanker Laxman Laad |

20. NUMBER OF MEETINGS OF THE BOARD, ITS COMMITTEES & DETAILS OF ATTENDANCE

Your Company holds 14 (Fourteen) Board meetings during the year under review and the gap is not more than one hundred and twenty days between any two consecutive Meetings. In respect of such meetings proper notices were given and the proceedings were properly recorded and got signed as required by the Articles of Association of the Company and the provisions of the Companies Act, 2013. The requisite quorum was present in all the meetings.

DATE OF BOARD MEETINGS

| S. No. | Date of Meeting |
|--------|--------------------|
| 1. | April 17, 2023 |
| 2. | May 22, 2023 |
| 3. | July 06, 2023 |
| 4. | July 25, 2023 |
| 5. | July 27, 2023 |
| 6. | August 03, 2023 |
| 7. | August 18, 2023 |
| 8. | September 01, 2023 |
| 9. | September 27, 2023 |
| 10. | December 29, 2023 |
| 11. | January 05, 2024 |
| 12. | February 12, 2024 |
| 13. | March 15, 2024 |
| 14. | March 30, 2024 |

| Name of Director | Category | Attendance Particulars | | |
|---|------------------------------------|------------------------|----------|--|
| | | Board Meetings | | Last AGM held on September 29 th , 2023 |
| | | Held | Attended | Attended |
| Mr. Nasim Uddin (DIN: 09670604) | Non Executive Director | 14 | 14 | Yes |
| Mr. Shanker Laxman Laad (DIN: 00105650) | Non Executive Director | 14 | 14 | Yes |
| Mr. Harnam Singh Thakur (DIN: 07665807) | Non Executive Director | 14 | 14 | Yes |
| Mr. Vivek Manohar Padgaonkar (DIN: 10000948) | Non Executive Independent Director | 14 | 14 | Yes |
| Mr. Ashok Chandra Sen (DIN: 09764909) | Non Executive Independent Director | 14 | 14 | Not Applicable |

Attendance of Directors of the Company at the Committee Meetings held during the Financial Year 2023-24 are given below:-

| Name of Director | Category | Attendance Particulars | | | | | | | |
|---|------------------------------------|--------------------------|----------|--|----------|--|----------|------------------------|----------|
| | | Audit Committee Meetings | | Nomination & Remuneration Committee Meetings | | Stakeholders Relationship Committee Meetings | | CSR Committee Meetings | |
| | | Held | Attended | Held | Attended | Held | Attended | Held | Attended |
| Mr. Nasim Uddin (DIN: 09670604) | Non Executive Director | NA | NA | 1 | 1 | 1 | 1 | 1 | 1 |
| Mr. Shanker Laxman Laad (DIN: 00105650) | Non Executive Director | NA | NA | 1 | 1 | 1 | 1 | 1 | 1 |
| Mr. Harnam Singh Thakur (DIN: 07665807) | Non Executive Director | 1 | 1 | NA | NA | NA | NA | NA | NA |
| Mr. Vivek Manohar Padgaonkar (DIN: 10000948) | Non Executive Independent Director | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Mr. Ashok Chandra Sen (DIN: 09764909) | Non Executive Independent Director | 1 | 1 | NA | NA | NA | NA | NA | NA |

DATE OF COMMITTEE MEETINGS

| S. No. | Date of Audit Committee Meeting | Date of Nomination & Remuneration Committee Meeting | Date of Stakeholders Relationship Committee Meeting | Date of CSR Committee Meeting |
|--------|---------------------------------|---|---|-------------------------------|
| 1 | September 01, 2023 | September 01, 2023 | September 01, 2023 | September 01, 2023 |

21. DECLARATION BY INDEPENDENT DIRECTORS AND STATEMENT ON COMPLIANCE OF CODE OF CONDUCT

The Independent Directors of your Company have submitted requisite declarations that they continue to meet the criteria of Independence as laid down in Section 149(6) of the Act and there is no change in the status of their Independence and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Independent Directors of your Company are in compliance with the requirements under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended) and they confirmed that their names are registered in the databank as mentioned by the Indian Institute of Corporate Affairs ("IICA").

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees given and investments made during the year in accordance with Section 186 of the Act forms part of the notes to the Financial Statements provided in this Annual

Report. All the loans, guarantees & securities are given and investments are made for the Business purpose.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any contracts/arrangements with the Related Parties other than its Subsidiary Company for the year under review which is disclosed in the financial statements of the Company.

24. RISK MANAGEMENT POLICY, INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

The Board of Directors of the Company has a framework to address the risk faced by the organization which provides a formal mechanism for all Directors and employees of the Company to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In the opinion of the Board there are no elements of risk which may threaten the existence of the Company.

25. INTERNAL FINANCIAL CONTROLS AND SYSTEMS

The Company has a proper and robust system of internal controls geared towards achieving efficiency of business operations, safeguarding the Company's assets and ensuring optimum utilization of resources. Such controls also ensure accuracy and promptness of financial reporting and compliance with statutory regulations. The Company has stringent internal audit procedures, with the audit being conducted internally by its own team.

26. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2024 and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. DISCLOSURE ABOUT COST RECORDS & AUDIT

The Board of Directors of your Company have appointed M/s Sourabh Jain & Associates, Cost Accountants, as Cost Auditors for the financial year 2024-25 to carry out an audit of cost records of the Company.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The activities are in accordance with Schedule VII of the Companies Act, 2013. In accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on Corporate Social Responsibility activities forming part of this report.

During the year 2023-24, the Company has made the contribution of Rs. 133.50 Lakhs.

29. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act, every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Internal Complaints Committee for implementation of said policy. No complaint pertaining to sexual harassment at work place has been reported to the Company during the year ended March 31, 2024.

30. INTERNAL AUDITOR

Pursuant to Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rule, 2014, the Board of Directors have appointed Mr. Prashant Kumar, Chartered Accountants, employee of the company as the Internal Auditor of the Company to conduct an Internal Audit of the functions and activities of the company for the financial year 2024-25.

31. AUDITOR'S REPORT

The detailed report has been annexed with the Director's Report.

32. COMPLIANCE OF SECRETARIAL STANDARDS

During the year under review, your Company has duly complied with the applicable provisions of the Revised Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS- 2) issued by the Institute of Company Secretaries of India (ICSI).

33. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

Your Company has not require to establish Vigil Mechanism under the section 177 of the Act during the year under review.

34. WEB ADDRESS OF THE COMPANY

The web address of the Company is <https://martinharrislabs.com>

35. ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere thanks to all for their continued support extended towards your company's activities during the year under review. Your Directors also acknowledge gratefully, the shareholders for their support and confidence reposed on your Company.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS
MARTIN AND HARRIS LABORATORIES LIMITED**

**NASIM UDDIN
DIRECTOR
DIN: 09670604**

**SHANKER LAAD LAXMAN
DIRECTOR
DIN: 00105650**

**DATE: 30TH AUGUST, 2024
PLACE: NEW DELHI**

ANNEXURE INDEX

| Annexure | Content |
|-----------------|---|
| I. | AOC-1 |
| II. | Annual Report On Corporate Social Responsibility (CSR) Activities |
| III. | Auditor's Report |

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Lakh)

| No. | Particulars | Details |
|-----|---|---------------------------------------|
| | Name of the subsidiary | Delite Infrastructure Private Limited |
| | The date since when subsidiary was acquired | 2007 |
| | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | - |
| | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR in Lakhs |
| | Share capital | 1.00 |
| | Reserves & surplus | 16,114.23 |
| | Total assets | 51467.16 |
| | Total Liabilities | 35,351.93 |
| | Investments | 20.02 |
| 0. | Turnover | - |
| 1. | Profit / (Loss) before taxation | 2,778.43 |
| 2. | Provision for taxation | 753.07 |
| 3. | Profit / (Loss) after taxation | 2025.36 |
| 4. | Proposed Dividend | - |
| 5. | Extent of shareholding(in percentage) | 100 |

Names of subsidiaries which are yet to commence operations - Not applicable

Names of subsidiaries which have been liquidated or sold during the year - Not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company does not have any Associate Company or Joint Venture.

FOR AND ON BEHALF OF BOARD OF DIRECTORS
MARTIN AND HARRIS LABORATORIES LIMITED

NASIM UDDIN
DIRECTOR
DIN: 09670604

SHANKER LAAD LAXMAN
DIRECTOR
DIN: 00105650

DATE: 30TH AUGUST, 2024

PLACE: NEW DELHI

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR

(Pursuant to Section 135 of the Companies Act, 2013)

1. Brief outline on CSR Policy of the Company:

Martin and Harris Laboratories Limited ("Your Company") has been at the forefront of helping people rise and ensuring the social wellbeing of the communities in the proximity of its business operations through its Corporate Social Responsibility initiatives (CSR). Your Company endeavours to enhance livelihoods and embraces social developments in the field of education and healthcare. Your Company's CSR initiatives show Company's commitment in creating empowered citizens enhancing the lives of those in need, leading to a more secure and sustainable future. Your Company has a CSR policy in place, to identify the activities relating to areas identified under Schedule VII of Companies Act, 2013.

2. Composition of CSR Committee:

Pursuant to the provisions of Section 135 of the Act, the Board of Directors constituted the Corporate Social Responsibility (CSR) Committee. The Members of CSR committee are as follows:

| Sl. No | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings CSR Committee attended during the year |
|--------|-------------------------|--------------------------------------|--|---|
| 1 | Mr. Vivek Padgaonkar | Chairman and Independent Director | 01 | 01 |
| 2 | Mr. Nasim Uddin | Member and Non-Executive Director | 01 | 01 |
| 3 | Mr. Shanker Laxman Laad | Member and Non-Executive Director | 01 | 01 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://martinharrislabs.com>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135 are as follows:
Amount in Rs.

| S.no | Financial Year | Net profit / Loss |
|--------------------|----------------|-------------------|
| 1 | 2020-21 | 59,63,27,687/- |
| 2 | 2021-22 | 69,15,98,617/- |
| 3 | 2022-23 | 71,42,51,609/- |
| Average Net Profit | | 66,73,92,638/- |

- (b) Two percent of average net profit of the company as per section 135(5) is Rs. 1,33,47,853/-
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil
(d) Amount required to be set off for the financial year, if any- Nil
(e) Total CSR obligation for the financial year (5b+ 5c- 5d). – Rs. 1,33,47,853/-/-
5. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)- Rs. 1,32,50,000/-
(b) Amount spent in Administrative Overheads - 1,00,000/-
(c) Amount spent on Impact Assessment, if applicable - Nil
(d) Total amount spent for the Financial Year (6a+6b+6c) – Rs. 1,33,50,000/-
(e) Details of CSR amount spent or unspent for the financial year:

| Total Amount spent for the financial year | Amount Unspent (in Rs.) | | | | |
|---|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of Transfer | Name the Fund | Amount | Date of Transfer |
| 1,33,50,000/- | - | - | - | - | - |

(f) Excess amount for set –off, if any – Not applicable

| .no | Particulars | Amount in Rs. |
|-----|---|---------------|
| | Two Percent of average net profit of the Company as per sub-section (5) of section 135 | - |
| | Total amount spent for the Financial Year | - |
| | Excess amount spent for the financial year [(ii)-(i)] | - |
| | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| | Amount available for set off in succeeding financial years [(iii)-(iv)] | - |

Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Not Applicable

| .no | Preceding Financial Year. | Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.) | Balance Amount in unspent CSR Account under Section 135(6) (in Rs.) | Amount spent in the Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any. | | Amount remaining to be spent in Succeeding financial Year (in Rs.) |
|-----|---------------------------|--|---|---|--|---------------|--|
| | | | | | Amount Rs. | Date Transfer | |
| - | - | - | - | - | - | - | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2 | - | - | - | - | - | - | - |
| 3 | - | - | - | - | - | - | - |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

YES or NO

If yes, enter the number of Capital Assets created/acquired.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year – Not Applicable.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit per section 135(5).

Not Applicable

Mr. Vivek Padgaonkar

DIN: 10000948

(Chairman CSR Committee)



INDEPENDENT AUDITOR'S REPORT

To the Members of
MARTIN & HARRIS LABORATORIES LIMITED,
Gurgaon, Haryana

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **MARTIN & HARRIS LABORATORIES LIMITED**, ("the Company"), which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and profit, for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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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 course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long-term contracts including derivative contracts.
 - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(K.K. GUPTA)

Prop.

M. No. 8311

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

FRN: 000009N

UDIN: 24008311BKCBJZ9672

Place: New Delhi

Dated: 30th August, 2024

Annexure A to the Independent Auditor's Report

AUDITOR'S REPORT AS PER THE COMPANIES (AUDITOR'S REPORT) ORDER, 2020:

1.
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b) As explained to us, property, plant and equipment have been physically verified by the management at reasonable interval no material discrepancies were noticed on such verification.
 - c) The company holds immovable property disclosed in the financial statements are held in the name of the company.
 - d) The Company has not revalued its Property, Plant and Equipment during the year.
 - e) No proceeding has been initiated against the Company for holding any Benami property under Benami Transactions (Prohibition) Act 1988.
2.
 - a) Inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
 - b) The Company has borrowings from the bank on the basis of security of current assets.
3. The company has granted unsecured loans, but not provided guarantee and made investments in its wholly owned subsidiary i. e. related party which is covered under register maintained under section 189 of the Companies Act, 2013
4. In respect of loans, investments and guarantees made provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The Company has not accepted deposits within the meaning of Rule 2 (c) (xii) (a) of Companies (Acceptance of Deposit) Rules, 2015 or any such amount which are deemed to be deposits.
6. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of products of the Company covered under the rules under said section have been made and maintained. However, we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
7. According to information and explanation given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, custom duty, goods cess, other statutory dues and interest/ penalty towards delayed payment of dues to the extent applicable to it.

According to the information and explanations given to us, there were no undisputed amounts which were outstanding as at 31 March 2024 for a period of more than six months from the date of becoming payable.
8. No transaction has been surrendered or disclosed as income during the year in tax assessment under Income Tax Act, 1961 which had not been recorded in the books of account of the year.

9.
 - a) Based on our audit procedures and as per the information's and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to any bank or other quarter on account of principal loan or interest.
 - b) Company has not been declared a wilful defaulter by any bank or financial institution or other lenders.
 - c) No term loan has been availed by the company from any quarter.
 - d) No fund raised on short term basis has been found to have been utilised for long term purpose.
 - e) Company has one wholly owned subsidiary company in the name of Delite Infrastructure Private Limited. However, the company has no other joint venture or associate company with consequent non applicability of this clause with the company.
10.
 - a) The Company has raised no money by way of IPO or Further Public Offer including debt instruments during the year.
 - b) The Company has not made any preferential allotment of shares during the year.
11.
 - a) No fraud by the company or on the company has been noticed or reported during the year.
 - b) No report under section 143 (12) of Companies Act 2013 has been filed by us during the year.
 - c) We have received no whistle-blower complaint during the year.
12. The Company is not a Nidhi Company. Accordingly paragraph 3 (xii) of the Order is not applicable.
13. There has been no transactions with any related party covered under section 188 of the Companies Act, 2013. All the transactions with the related parties are in compliance with Section 177 of the Companies Act, 2013 and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
14. The company is stated to have an internal audit system commensurate with the size and nature of its business.
15. The company has not entered into any non-cash transaction with directors or persons connected with him.
16.
 - a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
 - b) The Company has not conducted any non-banking financial or housing financial activities during the year.
 - c) Company is not a Core Investment Company (CIC).
 - d) The company does not belong to any group which has a CIC as its member.
17. The company has not incurred any cash losses in the financial year 2023-24 and in the immediately preceding financial year in 2022-23.

18. There has been no instance of any resignation of the statutory auditors during the year.
19. In our opinion no material uncertainty is observed to exist as on the date of the audit report about the ability of the company of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date.
20. No amount remains unspent under section 135(5) of the Companies Act, 2013.
21. There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements

(K.K. GUPTA)

Prop.

M. No. 8311

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

FRN: 000009N

UDIN: 24008311BKCBJZ9672

Place : New Delhi

Dated: 30th August,2024



Annexure B referred to in Paragraph (II) (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date for the Year Ended 31-03-2024

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

We have audited the internal financial controls over financial reporting of Standalone **MARTIN & HARRIS LABORATORIES LIMITED** ("the Company") as of March 31st, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

A. Management's Responsibility for Internal Financial Controls

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

B. Auditors' Responsibility

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

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

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

..... 2

C. Meaning of Internal Financial Controls Over Financial Reporting

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

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

D. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

(K.K. GUPTA)

Prop.

M. No. 8311

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

FRN: 000009N

UDIN: 24008311BKCBJZ9672

Place: New Delhi

Dated: 30th August,2024

MARTIN AND HARRIS LABORATORIES LIMITED
Standalone Balance Sheet as on 31 March 2024
(Currency: Indian Rupees in Lakhs)

| | | As at 31 March 2024 | As at 31 March 2023 |
|---|----|------------------------|------------------------|
| I. ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 2 | 1,776.07 | 1,553.31 |
| (b) Capital work-in-progress | 3 | - | 340.65 |
| (c) Financial assets | | | |
| (i) Investment | 4 | 3,397.81 | 2,443.50 |
| (ii) Loans | 5 | 35,311.60 | 36,712.58 |
| (d) Deferred tax assets (net) | 29 | - | 1.09 |
| Total non-current assets | | 40,485.48 | 41,051.13 |
| Current assets | | | |
| (a) Inventories | 6 | 3,023.10 | 1,858.00 |
| (b) Financial assets | | | |
| (i) Trade receivables | 7 | 197.22 | 136.91 |
| (ii) Cash and cash equivalents | 8 | 20.21 | 27.43 |
| (iii) Bank balances other than (ii) above | 9 | 4,316.77 | 6.30 |
| (iv) Loans | 10 | - | 3,009.46 |
| (v) Other financial assets | 11 | 91.59 | 44.86 |
| (c) Current tax assets (net) | 29 | 82.23 | 146.19 |
| (d) Other current assets | 12 | 1,825.34 | 1,065.61 |
| Total current assets | | 9,556.47 | 6,294.77 |
| TOTAL ASSETS | | 50,041.95 | 47,345.90 |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 13 | 399.60 | 399.60 |
| (b) Other equity | 14 | 46,693.12 | 44,840.23 |
| Total equity | | 47,092.72 | 45,239.83 |
| Non-current liabilities | | | |
| (a) Provisions | 15 | 23.35 | 68.32 |
| (b) Other non-current liabilities | 16 | 12.84 | 15.16 |
| (c) Deferred tax liabilities (Net) | 29 | 12.68 | - |
| Total non-current liabilities | | 48.87 | 83.48 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 17 | 782.70 | 418.68 |
| (ii) Trade payables | | | |
| a) total outstanding dues of micro enterprises and small enterprises | 18 | - | - |
| b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,678.90 | 972.69 |
| (iii) Other financial liabilities | 19 | 274.90 | 424.54 |
| (b) Provisions | 20 | 13.93 | 38.22 |
| (c) Other current liabilities | 21 | 94.26 | 168.46 |
| (d) Income tax liabilities (net) | 29 | 55.67 | - |
| Total current liabilities | | 2,900.36 | 2,022.58 |
| Total liabilities | | 2,949.23 | 2,106.06 |
| TOTAL EQUITY AND LIABILITIES | | 50,041.95 | 47,345.90 |

Material accounting policies

1

Notes to the financial statements

2-60

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For KRISHAN K. GUPTA & CO.

Chartered Accountants

FRN: 000009N

For and on behalf of the board of directors of
Martin And Harris Laboratories Limited

K.K. GUPTA
Proprietor
M.No. 008311

NASIM UDDIN S.L. LAAD
Director Director
DIN: 09670604 DIN: 00105650

Place: New Delhi
Dated: 30th August, 2024

MARTIN AND HARRIS LABORATORIES LIMITED
standalone Statement of Profit and Loss for the year ended 31 March 2024
Currency: Indian Rupees in Lakhs)

| | Note | For year ended 31 March 2024 | For year ended 31 March 2023 |
|--|------|---------------------------------|---------------------------------|
| Income | | | |
| Revenue from operations | 22 | 14,614.70 | 20,516.48 |
| Other income | 23 | 396.68 | 253.08 |
| Total Income | | <u>15,011.38</u> | <u>20,769.56</u> |
| Expenses | | | |
| Cost of material, operation and incidental cost | 24 | 4,123.61 | 4,713.88 |
| Employee benefits expenses | 25 | 2,373.56 | 2,462.98 |
| Finance costs | 26 | 58.11 | 21.60 |
| Depreciation and amortisation expenses | 27 | 288.76 | 269.90 |
| Other expenses | 28 | 5,423.52 | 6,046.11 |
| Total expenses | | <u>12,267.57</u> | <u>13,514.46</u> |
| Profit before tax | | <u>2,743.81</u> | <u>7,255.10</u> |
| Tax expense: | 29 | | |
| Current tax | | 732.49 | 1,888.56 |
| Deferred tax | | (8.15) | (16.59) |
| Tax in respect of earlier years | | 1.99 | 3.89 |
| Profit for the year | | <u>2,017.48</u> | <u>5,379.25</u> |
| Other comprehensive income/(loss) for the year | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurements of defined benefit liability / (asset) | | 67.15 | 3.27 |
| Income tax on remeasurements of defined benefit liability / (asset) | | (16.90) | (0.82) |
| Equity instruments designated through other comprehensive income | | (2.03) | (6.10) |
| Income tax related to equity instruments designated through other comprehensive income | | (5.02) | 0.70 |
| | | <u>43.20</u> | <u>(2.95)</u> |
| Other comprehensive income (net of tax) | | <u>43.20</u> | <u>(2.95)</u> |
| Total comprehensive income for the year | | <u>2,060.68</u> | <u>5,376.30</u> |
| Earnings per equity share (face value of Rs. 10 each) | | | |
| Basic earnings per share | 30 | 50.49 | 134.61 |
| Diluted earnings per share | | 50.49 | 134.61 |
| Material accounting policies | 1 | | |
| Notes to the financial statements | 2-60 | | |

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For KRISHAN K. GUPTA & CO.

Chartered Accountants

RN: 000099N

For and on behalf of the board of directors of

Martin And Harris Laboratories Limited

C.K. GUPTA

Proprietor

A.No. 008311

NASIM UDDIN

Director

DIN: 09670604

S.L. LAAD

Director

DIN: 00105650

Place: New Delhi

Dated: 30th August, 2024

MARTIN AND HARRIS LABORATORIES LIMITED
Standalone Statement of Changes in Equity for the year ended 31 March 2024
(Currency: Indian Rupees in Lakhs)

(a) Equity share capital

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|---------------|---------------------|---------------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Balance at the beginning of the reporting year | 39,96,040 | 399.60 | 39,96,040 | 399.60 |
| Changes in equity share capital during the year | - | - | - | - |
| Balance at the end of the reporting year | <u>39,96,040</u> | <u>399.60</u> | <u>39,96,040</u> | <u>399.60</u> |

(b) Other equity

| Particulars | Reserves and Surplus | | | Equity instruments designated through other comprehensive income | Total other equity |
|--|----------------------|--------------------|-----------------|--|--------------------|
| | Retained Earnings | Securities Premium | General reserve | | |
| Balance at 1 April 2022 | 39,089.05 | 4.75 | 410.05 | 167.88 | 39,671.73 |
| Total comprehensive income for the year ended 31 March 2023 | | | | | |
| Add/(Less): | | | | | |
| Profit for the year | 5,379.25 | - | - | - | 5,379.25 |
| Other comprehensive income (net of tax) | | | | | |
| - Remeasurements of post employment benefit obligations | 2.45 | - | - | - | 2.45 |
| - Equity instruments designated through other comprehensive income | - | - | - | (5.40) | (5.40) |
| Transfer from / (to) other reserves | (207.79) | - | - | - | (207.79) |
| Dividend Paid | - | - | - | (5.40) | - |
| Total comprehensive income | <u>5,173.91</u> | <u>-</u> | <u>-</u> | <u>(5.40)</u> | <u>5,168.51</u> |
| Balance at 31 March 2023 | <u>44,262.95</u> | <u>4.75</u> | <u>410.05</u> | <u>162.48</u> | <u>44,840.23</u> |
| Total comprehensive income for the year ended 31 March 2024 | | | | | |
| Add/(Less): | | | | | |
| Profit for the year | 2,017.48 | - | - | - | 2,017.48 |
| Other comprehensive income (net of tax) | | | | | |
| - Remeasurements of post employment benefit obligations | 50.25 | - | - | - | 50.25 |
| - Equity instruments designated through other comprehensive income | - | - | - | (7.05) | (7.05) |
| Transfer from / (to) other reserves | - | - | - | - | - |
| Dividend Paid | (207.79) | - | - | - | (207.79) |
| Total comprehensive income | <u>1,859.94</u> | <u>-</u> | <u>-</u> | <u>(7.05)</u> | <u>1,852.88</u> |
| Balance at 31 March 2024 | <u>46,122.89</u> | <u>4.75</u> | <u>410.05</u> | <u>155.43</u> | <u>46,693.12</u> |

Nature and purpose of reserves

i) Securities premium

Securities premium account is used to record the premium on issue of shares.

ii) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

iii) General reserve

It is created by setting aside amount from the retained earnings of the company for general purposes which is freely available for distribution.

iv) FVOCI equity investments

The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

For KRISHAN K. GUPTA & CO.
Chartered Accountants
FRN: 000069N

For and on behalf of the board of directors of
Martin And Harris Laboratories Limited

K.K. GUPTA
Proprietor
M.No. 008311

NASIM UDDIN
Director
DIN: 09670604

S.L. LAAD
Director
DIN: 00105650

Place: New Delhi
Dated: 30th August, 2024

MARTIN AND HARRIS LABORATORIES LIMITED
Standalone Statement of cash flows for the year ended 31 March 2024
(Currency : Indian Rupees in Lakhs)

| Particulars | For the year ended | |
|---|--------------------|--------------------|
| | 31 March 2024 | 31 March 2023 |
| A. Cash flow from operating activities | | |
| Net Profit before extraordinary items and tax | 2,743.81 | 7,255.10 |
| <i>Adjustments for:</i> | | |
| Interest received | (313.73) | (137.85) |
| Grants written Back | (2.32) | (2.32) |
| Gain on sale of investments | - | (77.33) |
| Interest paid | 50.47 | 11.08 |
| Depreciation and amortisation | 288.76 | 269.90 |
| Profit on sale of Assets | (13.69) | - |
| | 9.49 | 63.47 |
| Operating profit before working capital changes | 2,753.29 | 7,318.57 |
| <i>Changes in working capital:</i> | | |
| (Increase) in other non-current financial loans | 1,400.98 | (33,93.81) |
| Decrease / (Increase) in inventories | (1,165.11) | 531.59 |
| (Increase) in trade receivables | (60.30) | (136.91) |
| (Increase) in current financial loans | 3,009.46 | (3,009.46) |
| Decrease / (Increase) in other current financial assets | (46.73) | 121.34 |
| Decrease in other current assets | (759.73) | 104.08 |
| Increase in non-current provisions | (44.97) | 3.00 |
| Increase / (Decrease) in trade payables | 706.22 | 457.75 |
| Increase in other current financial liabilities | (149.64) | 212.19 |
| (Decrease) / Increase in other current liabilities | (74.19) | 68.74 |
| Increase in current provisions | 25.96 | 16.74 |
| | 2,841.94 | (35,565.75) |
| Cash generated from operations | 5,595.23 | (28,247.18) |
| Net income tax (paid) | (597.95) | (2,049.96) |
| Net cash flow generated from operating activities | 4,997.29 | (30,297.14) |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment, intangible assets and capital work-in-progress | (1,171.13) | (833.24) |
| Sale proceeds of property, plant and equipment | 1,013.95 | 8.74 |
| Bank deposits placed / matured during the year | (4,310.47) | - |
| Purchase of investments | (956.34) | (32,601.59) |
| Proceeds from sale of investments | - | 63,677.33 |
| Interest received | 313.73 | 137.85 |
| Net cash flow (used in) investing activities | (5,110.26) | 30,389.09 |
| C. Cash flow from financing activities | | |
| Long-term borrowings (repaid) during the year | - | 24.74 |
| (Repayment) / Proceeds of short-term borrowings (net) | 364.02 | (11.08) |
| Interest paid | (50.47) | (207.79) |
| Final dividend paid | (207.79) | - |
| Net cash flow (used in) financing activities | 105.76 | (194.13) |
| Net (decrease) in Cash and cash equivalents (A+B+C) | (7.22) | (102.19) |
| Effect of exchange differences on restatement of foreign currency | - | - |
| Cash and cash equivalents | 27.43 | 129.62 |
| Cash and cash equivalents at the beginning of the year | 20.21 | 27.43 |

Notes to cash flow statement

(i) The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

(ii) Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.

(iii) For the purpose of cash flow, Cash and cash equivalents comprise:

| | | |
|--------------------|--------------|--------------|
| Cash on hand | 1.69 | 1.99 |
| Balances with bank | | |
| - Current accounts | 18.52 | 25.44 |
| | 20.21 | 27.43 |

See accompanying notes forming integral part of these standalone financial statements 1-60

As per our report attached of even date

For **KRISHAN K. GUPTA & CO.**
Chartered Accountants
FRN: 000009N

For and on behalf of the board of directors of
Martin And Harris Laboratories Limited

K.K. GUPTA
Proprietor
M.No. 008311

NASIM UDDIN
Director
DIN: 09670604

S.L. LAAD
Director
DIN: 00105650

Place: New Delhi
Date: 30th August, 2024

Martin and Harris Laboratories Limited

Notes to the standalone financial statements for the year ended 31 March 2024

Summary of material accounting policies and notes forming part of the financial statements.

1. Material accounting policies

1.1. Basis of preparation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, (the 'Act') read with rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 and relevant amendment rules issued thereafter.

The financial statements were authorised for issue by the Board of Directors on 30th August 2024

• Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded-off to the nearest in Lakhs, as per the requirements of Schedule III of the Act, unless otherwise stated.

1.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

1.3. Use of judgements estimates and assumptions.

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 37 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Martin and Harris Laboratories Limited

Notes to the standalone financial statements for the year ended 31 March 2024

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 2 – Useful life of depreciable assets – Property, Plant and Equipment.
- Note 31 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 29 – Recognition of tax expense including deferred tax.

1.4. Current and non-current classification of assets and liabilities

The company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liability.

1.5. Property, plant and equipment:

• Recognition and measurement

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the

Martin and Harris Laboratories Limited

Notes to the standalone financial statements for the year ended 31 March 2024

total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

• Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

• Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the statement of profit and loss.

• Depreciation

Depreciation for assets purchased / sold during a year is proportionately charged. Depreciation is recognised in the statement of profit and loss on written down value over the estimated useful lives as per Schedule II of the Companies Act, 2013, of each significant part of an item of property, plant and equipment.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

1.6. Intangible assets:

• Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to complete development and to use or sell the asset.

• Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Martin and Harris Laboratories Limited

Notes to the standalone financial statements for the year ended 31 March 2024

• Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost. Amortisation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

• Disposal

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

1.7. Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

1.8. Inventories:

Inventories comprising of traded items are valued at cost or net realisable value whichever is lower.

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

1.9. Revenue recognition:

Sales are recognised when substantial control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the sales order, net of the estimated discounts, rebates, returns and goods and service tax. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Sales revenues of products are disclosed at net of tax.

Revenue from rendering of services is recognised over the period of time.

Recognition of dividend income, interest income:

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

1.10. Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

1.11. Employee benefits:

• Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

• Post-employment benefits

Defined contribution plans

Contributions to the provident fund which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised

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Notes to the standalone financial statements for the year ended 31 March 2024

immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

• Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

1.12. Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

• Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

• Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Taxable temporary differences arising on the initial recognition of goodwill.

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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 taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

1.13. Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.14. Provision and contingent liabilities / assets:

A provision is 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 in the statement of profit and loss.

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Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

1.15. 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 not more than three months, which are subject to an insignificant risk of changes in value.

1.16. Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. For the purpose of presentation in the statement of cash flows, bank overdrafts are considered to be part of cash and cash equivalents.

1.17. Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.18. 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 economic best interest. A fair value measurement of a non-financial asset considers 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.

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Notes to the standalone financial statements for the year ended 31 March 2024

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.

- 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 based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.19. Financial instruments

1.19.1. Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract. 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.

Subsequent measurement

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

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')
- c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering 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 expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This

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Notes to the standalone financial statements for the year ended 31 March 2024

category generally applies to trade receivables, security and other deposits receivable by the Company.

(b) Financial assets classified as measured at FVTOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to retained earnings. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial asset

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

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

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, deposits and bank balances.
- Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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 ECLs at each reporting date, right from its initial recognition.

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-month ECL is used to provide for impairment loss.

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Notes to the standalone financial statements for the year ended 31 March 2024

1.19.2. Financial liabilities

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 and incremental transaction cost.

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.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

Financial liabilities designated as such upon initial recognition at the initial date of recognition 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 recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. 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.

(a) Financial liabilities at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and 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.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

Offsetting of financial instruments

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

Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
Currency: Indian Rupees in Lakhs

2 Property, plant and equipment

| Description | Land | Vehicles | Plant and equipment | Building | Furniture and fixtures | Computer | Office equipment | Leasehold Improvement | Total Owed assets |
|---------------------------------|--------|----------|---------------------|----------|------------------------|----------|------------------|-----------------------|-------------------|
| Gross block | | | | | | | | | |
| Balance as at 1 April 2022 | 169.37 | 293.07 | 1,643.20 | 494.38 | 111.30 | 107.72 | 12.76 | 42.21 | 2,874.01 |
| Additions | - | 125.80 | 364.00 | - | 30.99 | 11.30 | 0.24 | - | 532.33 |
| Deletion | - | (42.50) | - | - | - | - | - | - | (42.50) |
| Balance as at 31 March 2023 | 169.37 | 376.37 | 2,007.20 | 494.38 | 142.29 | 119.02 | 13.00 | 42.21 | 3,363.84 |
| Balance as at 1 April 2023 | 169.37 | 376.37 | 2,007.20 | 494.38 | 142.29 | 119.02 | 13.00 | 42.21 | 3,363.84 |
| Additions | - | - | 1,026.52 | - | 61.54 | 22.04 | - | - | 1,110.10 |
| Disposals | - | (111.23) | (625.66) | - | (96.43) | (16.19) | (13.00) | (42.21) | (904.72) |
| Balance as at 31 March 2024 | 169.37 | 265.14 | 2,408.06 | 494.38 | 107.40 | 124.87 | - | - | 3,569.21 |
| Accumulated depreciation | | | | | | | | | |
| Balance as at 1 April 2022 | - | 247.30 | 766.69 | 399.10 | 46.47 | 86.10 | 6.23 | 22.51 | 1,574.40 |
| Depreciation for the year | - | 34.26 | 181.30 | 9.05 | 20.78 | 12.68 | 2.95 | 8.88 | 269.90 |
| Depreciation on disposals | - | (33.76) | - | - | - | - | - | - | (33.76) |
| Balance as at 31 March 2023 | - | 247.80 | 947.99 | 408.16 | 67.25 | 98.77 | 9.18 | 31.39 | 1,810.53 |
| Balance as at 1 April 2023 | - | 247.80 | 947.99 | 408.16 | 67.25 | 98.77 | 9.18 | 31.39 | 1,810.53 |
| Depreciation for the year | - | 36.21 | 215.31 | 8.19 | 14.57 | 13.81 | 0.17 | 0.49 | 288.76 |
| Depreciation on disposals | - | (46.22) | (164.88) | - | (46.01) | (7.83) | (9.35) | (31.88) | (306.15) |
| Balance as at 31 March 2024 | - | 237.79 | 998.44 | 416.35 | 35.81 | 104.75 | 0.00 | 0.00 | 1,793.14 |
| Net block | | | | | | | | | |
| As At 31 March 2024 | 169.37 | 27.35 | 1,409.61 | 78.03 | 71.58 | 20.12 | (0.00) | (0.00) | 1,776.07 |
| As At 31 March 2023 | 169.37 | 128.57 | 1,059.21 | 86.22 | 75.04 | 20.25 | 3.82 | 10.82 | 1,553.31 |

3 Capital work-in-progress

| Description | Plant & Machinery | Software | Lab Equipment | Total |
|-----------------------------|-------------------|----------|---------------|----------|
| Balance as at 1 April 2022 | 21.80 | - | 17.94 | 39.74 |
| Additions | 234.26 | 54.80 | 11.85 | 300.91 |
| Capitalised during the year | - | - | - | - |
| Balance as at 31 March 2023 | 256.06 | 54.80 | 29.79 | 340.65 |
| Balance as at 1 April 2023 | 256.06 | 54.80 | 29.79 | 340.65 |
| Additions | 46.87 | 14.16 | - | 61.03 |
| Capitalised during the year | (302.93) | (68.96) | (29.79) | (401.68) |
| Balance as at 31 March 2024 | - | - | - | - |

1) CWIP Ageing schedule as on 31st March 2024

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

CWIP Ageing schedule as on 31st March 2023

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 300.91 | 39.74 | - | - | 340.65 |
| Projects temporarily suspended | - | - | - | - | - |

b) There is no Capital-Work-in-Progress, whose completion is overdue or has exceeded its cost compared to its original plan.

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

| | 31 March 2024 | 31 March 2023 |
|---|----------------------|----------------------|
| 4 Non-current investments | | |
| Investments in equity component of compound financial instruments | | |
| 1,15,00,000 (31 March 2023 : 1,15,00,000) Non-Cumulative Optionally Convertible Preference Shares of ASG Biochem Private Limited | 1,262.85 | 1,262.85 |
| 75,00,000 (31 March 2023 :75,00,000) Non-Cumulative Optionally Convertible Preference Shares of ASG Biochem Private Limited | 834.27 | 209.91 |
| | <u>2,097.12</u> | <u>1,472.76</u> |
| Investments in subsidiaries at cost | | |
| 10,000 (31 March 2023 : 10,000) Fully Paid Equity Shares of Rs. 10/- each of Delite Infrastructure Private Limited | 1.00 | 1.00 |
| | <u>1.00</u> | <u>1.00</u> |
| Investments carried at fair value through other comprehensive income (FVTOCI) | | |
| Investment in equity shares - Quoted | | |
| 5,81,000 (31 March 2023 : 5,81,000) Fully Paid Equity Shares of Rs. 10/- each of Bervin Investment & Leasing Limited | 207.13 | 209.16 |
| | <u>207.13</u> | <u>209.16</u> |
| Investment in equity shares - Unquoted | | |
| 1,810 (31 March 2023 : 1,810) Fully Paid Equity Shares of 10/- each of Apeejay Stya Education Foundation Private Limited | 0.18 | 0.18 |
| 2,50,000 (31 March 2023 : 2,50,000) Fully Paid Equity Shares of Rs. 10/- each of Wavin India Limited | 25.70 | 25.70 |
| | <u>25.88</u> | <u>25.88</u> |
| Investment in preference shares - Unquoted | | |
| 219 Compulsorily Convertible Preference Shares of Hour Technologies Pvt Ltd (P.Y 1% Compulsory Convertible Non- Cumulative Preference Shares of Rs. 10/- each of Stayabode Ventures Private Limited.) | 20.00 | 20.00 |
| | <u>20.00</u> | <u>20.00</u> |
| Investments carried at amortised cost | | |
| Investment in preference shares - Unquoted | | |
| 1,15,00,000 (31 March 2023 :1,15,00,000) Non-Cumulative Optionally Convertible Preference Shares of ASG Biochem Private Limited (Face value Rs. 10/- and Premium of Rs. 6/- per share. Fully paid up) | 663.11 | 624.40 |
| 75,00,000 (31 March 2023 : 75,00,000) Non-Cumulative Optionally Convertible Preference Shares of ASG Biochem Private Limited (Face value Rs. 10/- and Premium of Rs. 6/- per share Fully paid up) | 383.57 | 90.29 |
| | <u>1,046.68</u> | <u>714.69</u> |
| | <u>3,397.81</u> | <u>2,443.50</u> |
| (a) Aggregate amount of quoted investments | 207.13 | 209.16 |
| (b) Aggregate market value of quoted investments | 207.13 | 209.16 |
| (a) Aggregate amount of unquoted investments | 3,190.68 | 2,234.34 |
| (b) Aggregate amount of impairment in value of investments | - | - |
| 5 Non - current financial assets - Loans | 31 March 2024 | 31 March 2023 |
| (Unsecured, considered good) | | |
| Loan given to related parties | 35,311.60 | 36,712.58 |
| | <u>35,311.60</u> | <u>36,712.58</u> |

Refer Note 34 for Related Party Disclosures

V AND HARRIS LABORATORIES LIMITED
the standalone financial statements (continued)
in Indian Rupees in Lakhs)

| | | |
|---|-----------------|-----------------|
| Inventory | 31 March 2024 | 31 March 2023 |
| Finished goods | | |
| Stock-in-hand | 3,023.10 | 1,838.00 |
| | <u>3,023.10</u> | <u>1,838.00</u> |
| Trade receivables (Unsecured, considered good) | 31 March 2024 | 31 March 2023 |
| Trade receivables | 197.22 | 136.91 |
| | <u>197.22</u> | <u>136.91</u> |

Trade Receivables ageing for the financial year 2023-24

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-----------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Disputed Trade receivables – considered good | 197.22 | - | - | - | - | 197.22 |
| Disputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

Trade Receivables ageing for the financial year 2022-23

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-----------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | |
| Disputed Trade receivables – considered good | 136.91 | - | - | - | - | 136.91 |
| Disputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

| | | |
|---------------------------|---------------|---------------|
| Cash and cash equivalents | 31 March 2024 | 31 March 2023 |
| Cash in hand | 1.69 | 1.99 |
| Balances with banks | - | - |
| In current account | 18.52 | 25.44 |
| | <u>20.21</u> | <u>27.43</u> |

| | | |
|---------------------------|-----------------|---------------|
| Other bank balances | 31 March 2024 | 31 March 2023 |
| Fixed deposits with banks | 4,316.77 | 6.30 |
| | <u>4,316.77</u> | <u>6.30</u> |

| | | |
|----------------------------------|---------------|-----------------|
| Current financial assets - Loans | 31 March 2024 | 31 March 2023 |
| Loans | - | 3,009.46 |
| | <u>-</u> | <u>3,009.46</u> |

| | | |
|--------------------------------|---------------|---------------|
| Other current financial assets | 31 March 2024 | 31 March 2023 |
| Interest accrued | 45.13 | 0.77 |
| Security deposits | 46.47 | 44.09 |
| | <u>91.59</u> | <u>44.86</u> |

| | | |
|-------------------------------------|-----------------|-----------------|
| Other current assets | 31 March 2024 | 31 March 2023 |
| Balance with government authorities | 320.31 | 167.55 |
| Advance to suppliers | 1,494.34 | 887.76 |
| Advances to staff | 10.69 | 10.30 |
| | <u>1,825.34</u> | <u>1,065.61</u> |

13 Share capital

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Authorised : | | |
| 50,00,000 (31 March 2023 : 50,00,000) equity shares of Rs.10 each. | 500.00 | 500.00 |
| TOTAL | 500.00 | 500.00 |
| Issued, subscribed and paid-up: | | |
| 39,96,040 (31 March 2023 : 39,96,040) equity shares of Rs.10 each fully paid-up | 399.60 | 399.60 |
| | 399.60 | 399.60 |

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each. each holder of equity share is entitled to vote. There are no rights, preferences and restrictions attached to any share.

Reconciliation of number of shares outstanding at the beginning and end of the year :

| Equity shares : | 31 March 2024 | 31 March 2023 |
|--|------------------|------------------|
| | Number of Shares | Number of Shares |
| Outstanding at the beginning of the year | 39,96,040 | 39,96,040 |
| Equity shares issued during the year | - | - |
| Outstanding at the end of the year | 39,96,040 | 39,96,040 |

Shareholders holding more than 5% shares in the Company is set out below:

| Equity shares of Rs. 10 each fully paid | 31 March 2024 | | 31 March 2023 | |
|---|------------------|-------------------|------------------|-------------------|
| | Number of Shares | % of Total shares | Number of Shares | % of Total shares |
| Chang Investchem Private Limited | 14,99,800 | 37.53% | 14,99,800 | 37.53% |
| Cinicot Private Limited | 8,19,400 | 20.51% | 8,19,400 | 20.51% |
| Acme Network S.A. | 8,02,200 | 20.07% | 8,02,200 | 20.07% |

Shares held by Promoters at the end of the year are set out below:

| Promoter Name | 31 March 2024 | | 31 March 2023 | | % Changes during the year |
|--------------------------|------------------|-------------------|------------------|-------------------|---------------------------|
| | Number of Shares | % of Total shares | Number of Shares | % of total Shares | |
| Shanker Laxman Laad | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| Praful Kalidas Gohil | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| Rajendra Bramhadeo Melge | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| S. Veeraraghavan | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| T. C. Prabhakaran | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| Mustafe Y . | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| Pandit Daganu Jadhav | 20 | 0.0005% | 20 | 0.0005% | 0.00% |

14 Other equity

| | 31 March 2024 | 31 March 2023 |
|---|------------------|------------------|
| A. Retained earnings | 46,122.89 | 44,262.95 |
| B. Securities premium | 4.75 | 4.75 |
| C. General reserve | 410.05 | 410.05 |
| D. Equity Instruments designated through other comprehensive income | 155.43 | 162.48 |
| | 46,693.12 | 44,840.23 |

RTIN AND HARRIS LABORATORIES LIMITED
Statement of Financial Position as at 31 March 2024
Notes to the standalone financial statements (continued)
Currency: Indian Rupees in Lakhs

| | 31 March 2024 | 31 March 2023 |
|---|------------------|------------------|
| Retained earnings | | |
| Opening balance | 44,262.95 | 39,089.05 |
| Add/(Less): | | |
| Profit for the year | 2,017.48 | 5,379.25 |
| Dividend Paid | (207.79) | (207.79) |
| Remeasurements of defined benefit liability / (asset) | 50.25 | 2.45 |
| Closing balance | <u>46,122.89</u> | <u>44,262.95</u> |
| Securities premium | | |
| Opening balance | 4.75 | 4.75 |
| Changes during the year | - | - |
| Closing balance | <u>4.75</u> | <u>4.75</u> |
| General Reserve | | |
| Opening balance | 410.05 | 410.05 |
| Changes during the year | - | - |
| Closing balance | <u>410.05</u> | <u>410.05</u> |
| Equity instruments designated through other comprehensive income | | |
| Opening balance | 162.48 | 167.88 |
| Add/(Less): | | |
| Fair value changes during the year (net of tax) | (7.05) | (5.40) |
| Transfer from / (to) other reserves | - | - |
| Closing Balance | <u>155.43</u> | <u>162.48</u> |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

| | | | | | |
|---|--|----------------------|-----------|-------------------|----------|
| 15 Provisions - Non-current | 31 March 2024 | 31 March 2023 | | | |
| Provision for gratuity | 21.71 | 58.28 | | | |
| Provision for leave encashment | 1.64 | 10.04 | | | |
| | <u>23.35</u> | <u>68.32</u> | | | |
| 16 Other non-current liabilities | 31 March 2024 | 31 March 2023 | | | |
| Government grants | 12.84 | 15.16 | | | |
| | <u>12.84</u> | <u>15.16</u> | | | |
| 17 Borrowings - Current | 31 March 2024 | 31 March 2023 | | | |
| Secured | | | | | |
| Cash-credit from bank* | 782.70 | 418.68 | | | |
| | <u>782.70</u> | <u>418.68</u> | | | |
| *Secured against hypothecation of finished goods, raw material, packing material, work-in-progress, book debts and collaterally secured by equitable mortgage of property, plant and equipment. | | | | | |
| 18 Trade payables | 31 March 2024 | 31 March 2023 | | | |
| Total outstanding dues to micro enterprises and small enterprises | - | - | | | |
| Total outstanding dues to creditors other than micro enterprises and small enterprises | 1,678.90 | 972.69 | | | |
| | <u>1,678.90</u> | <u>972.69</u> | | | |
| Trade Payable ageing for the financial year 2023-24 | | | | | |
| Particulars | Outstanding for following periods from due date of payment | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | 1,678.90 | - | - | - | 1,678.90 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Trade Payable ageing for the financial year 2022-23 | | | | | |
| Particulars | Outstanding for following periods from due date of payment | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | 972.69 | - | - | - | 972.69 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| 19 Other current financial liabilities | 31 March 2024 | 31 March 2023 | | | |
| Security deposits | 38.32 | 56.22 | | | |
| Unpaid dividend | 1.77 | - | | | |
| Expenses payable | 234.82 | 368.32 | | | |
| | <u>274.90</u> | <u>424.54</u> | | | |
| 20 Provisions - Current | 31 March 2024 | 31 March 2023 | | | |
| Provision for gratuity | 12.81 | 32.55 | | | |
| Provision for leave encashment | 1.12 | 5.67 | | | |
| | <u>13.93</u> | <u>38.22</u> | | | |
| 21 Other current liabilities | 31 March 2024 | 31 March 2023 | | | |
| Statutory dues payable | 87.29 | 127.44 | | | |
| Advance from customers | 4.65 | 38.70 | | | |
| Government grants | 2.32 | 2.32 | | | |
| | <u>94.26</u> | <u>168.46</u> | | | |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

| | For year ended 31 March 2024 | For year ended 31 March 2023 |
|---|---------------------------------|---------------------------------|
| 22 Revenue from operations | | |
| Sale of goods | 14,614.70 | 20,516.48 |
| | <u>14,614.70</u> | <u>20,516.48</u> |
| 23 Other income | | |
| Interest Income | | |
| a. From fixed deposits | 189.49 | 0.43 |
| b. From loans advanced | 123.78 | 137.27 |
| c. Others | 0.46 | 0.14 |
| Rental Income | 10.56 | - |
| Profit on sale of Assets | 13.69 | - |
| Capital gain - others | - | 0.36 |
| Gain on sale of Mutual fund | - | 77.63 |
| Income on investments carried at amortised cost | 56.34 | 34.89 |
| Grant written back | 2.32 | 2.32 |
| Miscellaneous income | 0.03 | 0.03 |
| | <u>396.68</u> | <u>253.08</u> |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

| 24 Cost of materials consumed | For year ended 31 March 2024 | For year ended 31 March 2023 |
|--|---------------------------------|---------------------------------|
| Opening inventory | 1,858.00 | 2,388.59 |
| Add: Purchases during the year | 5,288.72 | 4,183.28 |
| Closing inventory | (3,023.10) | (1,858.00) |
| | <u>4,123.61</u> | <u>4,713.88</u> |
| | | |
| 25 Employee benefits expense | For year ended 31 March 2024 | For year ended 31 March 2023 |
| Salaries | 1,877.16 | 1,973.37 |
| Bonus | 3.57 | 7.64 |
| Other allowances | 170.10 | 91.24 |
| Ex-gratia | 102.57 | 86.60 |
| Medical expenses | 18.74 | 28.19 |
| Books & periodicals | 54.63 | 96.60 |
| Staff welfare | 130.28 | 134.22 |
| Provident fund | 15.32 | 25.52 |
| Training and recruitment cost | 1.19 | 19.60 |
| | <u>2,373.56</u> | <u>2,462.98</u> |
| | | |
| 26 Finance costs | For year ended 31 March 2024 | For year ended 31 March 2023 |
| Interest on loans | 49.35 | 11.05 |
| Bank charges | 8.76 | 10.55 |
| | <u>58.11</u> | <u>21.60</u> |
| | | |
| 27 Depreciation and amortisation | For year ended 31 March 2024 | For year ended 31 March 2023 |
| Depreciation of property, plant and equipment (refer note 2) | 288.76 | 269.90 |
| | <u>288.76</u> | <u>269.90</u> |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

| 28 Other expenses | For year ended 31 March 2024 | For year ended 31 March 2023 |
|--|---------------------------------|---------------------------------|
| Manufacturing Expenses | | |
| Loading and unloading | 0.63 | 0.02 |
| Repairs and maintenance | | |
| Plant and machinery | 60.83 | 41.45 |
| Computer | 503.32 | 572.97 |
| Building | 130.10 | 203.91 |
| Freight and cartage | 54.37 | 35.57 |
| Power and fuel | 101.08 | 65.57 |
| Research and development | 27.26 | 69.66 |
| Selling and Distribution Expenses | | |
| Selling expenses | 936.34 | 1,389.84 |
| Administrative Expenses | | |
| Rent | 54.97 | 43.69 |
| Insurance | 31.03 | 33.24 |
| Printing and stationery | 14.83 | 34.31 |
| Travelling and conveyance | 312.20 | 313.96 |
| Vehicle running expenses | 27.23 | 25.56 |
| Postage, telegram and telephone | 11.04 | 14.64 |
| Rates and taxes | 241.62 | 14.79 |
| Royalty and trademark expenses | 870.00 | 870.00 |
| Interest paid on late payment of tax | 1.12 | 0.04 |
| Other expenses | 27.90 | 14.66 |
| Exchange Loss | 0.06 | 1.72 |
| Contribution towards CSR expenses | 133.50 | 133.16 |
| Charity and donation | 1.27 | 17.00 |
| Legal and professional fee | 360.24 | 507.98 |
| Consultancy charges | 1,474.89 | 1,626.86 |
| Membership and subscription | 44.46 | 11.98 |
| Fair value gain through FVTPL | - | 0.30 |
| Payment to auditors | | |
| Audit fee | 2.00 | 2.00 |
| Tax audit | 1.25 | 1.25 |
| | 5,423.52 | 6,046.11 |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

29 Taxes

a) Statement of profit or loss

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Current tax: | | |
| Current income tax charge | 732.49 | 1,888.56 |
| Tax in respect of earlier years | 1.99 | 3.89 |
| Deferred tax (including MAT credit entitlement) | (8.15) | (16.59) |
| Income tax expense reported in the statement of profit or loss | 726.33 | 1,875.85 |

b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the year

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Current tax: | | |
| Taxes on equity instruments through other comprehensive income | - | - |
| Deferred tax (including MAT credit entitlement) | | |
| Remeasurements gains and losses on post employment benefits | (16.90) | (0.82) |
| Taxes on equity instruments through other comprehensive income | (5.02) | 0.70 |
| Income tax recognised in OCI | (21.92) | (0.13) |

c) Balance sheet

Tax assets

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------------|---------------|---------------|
| Non-current tax assets | - | - |
| Current tax assets | 82.23 | 146.19 |
| Total tax assets | 82.23 | 146.19 |

Current tax liabilities

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------------------------|---------------|---------------|
| Income tax (net of provision) | 55.67 | - |
| Total current tax liabilities | 55.67 | - |

d) Deferred tax

| Particulars | 31 March 2024 | 31 March 2023 |
|---|----------------|----------------|
| Deferred tax liability (DTL) | | |
| Excess of depreciation/amortisation on property, plant and equipment under income tax act | - | 4.49 |
| Fair valuation of equity shares | 26.26 | 21.24 |
| Mutual funds designated at fair value through profit and loss | - | - |
| | 26.26 | 25.73 |
| Deferred tax asset (DTA) | | |
| Excess of depreciation/amortisation on property, plant and equipment under income tax act | (4.19) | - |
| MAT credit entitlement | - | - |
| Fair valuation of equity shares | - | - |
| Gratuity | (8.69) | (22.86) |
| Leave encashment | (0.69) | (3.95) |
| | (13.58) | (26.81) |
| Net deferred tax liability/(asset) | 12.68 | (1.09) |

IN AND HARRIS LABORATORIES LIMITED
the standalone financial statements (continued)
Currency: Indian Rupees in Lakhs)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Accounting profit before tax | 2,743.81 | 7,255.10 |
| Tax as per IT Act on above @ 5.168% (Prev. year - 25.168%) (A) | 690.56 | 1,825.96 |
| Tax expenses | | |
| (i) Current tax | 732.49 | 1,888.56 |
| (ii) Deferred tax | (8.15) | (16.59) |
| (iii) Taxation in respect of earlier years | 1.99 | 3.89 |
| B) | 726.33 | 1,875.85 |
| Difference | (35.77) | (49.89) |
| Tax reconciliation adjustments: | | |
| Taxation in respect of earlier years | 1.99 | 3.89 |
| Permanent disallowances | 48.43 | 53.81 |
| Deferred Tax | (8.15) | (16.59) |
| 3B Disallowance | (1.56) | 6.14 |
| Others | (4.94) | 2.64 |
| | 0.00 | (0.00) |

Movement in temporary differences:

| | 01 April 22 | Recognised in profit or loss during the year | Recognised in OCI during the year | 31 March 2023 | Recognised in profit or loss during the year | Recognised in OCI during the year | 31 March 2024 |
|---|--------------|--|-----------------------------------|---------------|--|-----------------------------------|---------------|
| Deferred tax liability/(Assets) | | | | | | | |
| Excess of depreciation/amortisation on property, plant and equipment under income tax act | 15.83 | (11.34) | - | 4.49 | (8.69) | - | (4.19) |
| Mutual funds designated at fair value through profit and loss | 0.08 | (0.08) | - | 0.00 | - | - | 0.00 |
| Fair valuation of equity shares | 21.93 | - | (0.70) | 21.24 | - | 5.02 | 26.26 |
| Gratuity | (18.93) | (4.75) | 0.82 | (22.86) | (2.73) | 16.90 | (8.69) |
| Leave encashment | (3.53) | (0.42) | - | (3.95) | 3.26 | - | (0.69) |
| | 15.38 | (16.59) | 0.13 | (1.09) | (8.15) | 21.92 | 12.68 |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

30 Earnings Per Share

| Particulars | For year ended 31 March 2024 | For the year 31 March |
|--|---------------------------------|--------------------------|
| Profit / (Loss) attributable to equity shareholders | 2,017.48 | |
| Basic Earnings Per Share | | |
| Weighted average number of equity shares outstanding during the year | 39,96,040.00 | 39,96,040.00 |
| Basic EPS (Rs.) | 50.49 | |
| Diluted Earnings Per Share | | |
| Weighted average number of equity shares outstanding for diluted EPS | 39,96,040.00 | 39,96,040.00 |
| Diluted EPS (Rs.) | 50.49 | |

31 Contingent liabilities:

| Particulars | As at 31 March 2024 | As at 31 March |
|--|------------------------|-------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |

32 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at 31 March 2024 | As at 31 March |
|---|------------------------|-------------------|
| The amount remaining unpaid to micro and small suppliers as at the end of each accounting year | | |
| - Principal | Nil | |
| - Interest | Nil | |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006 | Nil | |
| The amount of payment made to micro and small supplier beyond the appointed day during each accounting year. | Nil | |
| The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006. | Nil | |
| The amount of interest accrued and remaining unpaid at the end of the accounting year. | Nil | |
| The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | Nil | |

33 Corporate social responsibility

| Particulars | For year ended 31 March 2024 | For the year 31 March |
|---|---------------------------------|--------------------------|
| Gross amount required to be spent by the company during the year | 133.48 | |
| Amount spent during the year on | | |
| a. Construction/ acquisition of any asset | 133.50 | |
| b. On purposes other than (a) above | 133.50 | |

TIN AND HARRIS LABORATORIES LIMITED
to the standalone financial statements (continued)
mev: Indian Rupees in Lakhs)

Related Party Disclosures

List of Related Parties and description of relationship:

Subsidiary company
Delite Infrastructure Private Limited

Key Management Personnel (KMP)
Anshu Laxman
Arman Thakur Singh
Asim Uddin

Related party transactions:

| Sr. No. | Nature of Transaction | For year ended 31 March 2024 | | | For the year ended 31 March 2023 | | | | |
|---------|-----------------------|---|--|--------------------|----------------------------------|---|--|--------------------|-------------|
| | | Key Management Personnel (KMP)/Relative of Key Management Personnel | Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence | Subsidiary Company | Total | Key Management Personnel (KMP)/Relative of Key Management Personnel | Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence | Subsidiary Company | Total |
| 1 | Loans given | - | - | (561.86) | (561.86) | - | - | (36,881.81) | (36,881.81) |
| 2 | Loans Received back | - | - | 1,962.84 | 1,962.84 | - | - | 2,948.00 | 2,948.00 |
| | | - | - | 1,400.98 | 1,400.98 | - | - | (33,933.81) | (33,933.81) |

Loans outstanding at the end of the year:-

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-------------|---|---------------------|
| | Loans given to related parties Delite Infrastructure Private Limited | 35,311.60 |

35 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain.

(b) Liquidity risk

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

The Company's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-------------------------------|------------------------|------------------------|
| Total current assets (A) | 9,556.47 | 6,294.77 |
| Total current liabilities (B) | 2,900.36 | 2,022.58 |
| Working capital (A-B) | 6,656.11 | 4,272.19 |

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

| | As at 31 March 2024 | | | |
|-------------------|------------------------|------------------|------------------|----------|
| | Contractual cash flows | | | |
| | Carrying value | Less than 1 year | More than 1 year | Total |
| Borrowings | 782.70 | 782.70 | - | 782.70 |
| Trade payables | 1,678.90 | 1,678.90 | - | 1,678.90 |
| Other liabilities | 274.90 | 274.90 | - | 274.90 |

| | As at 31 March 2023 | | | |
|-------------------|------------------------|------------------|------------------|--------|
| | Contractual cash flows | | | |
| | Carrying value | Less than 1 year | More than 1 year | Total |
| Borrowings | 418.68 | 418.68 | - | 418.68 |
| Trade payables | 972.69 | 972.69 | - | 972.69 |
| Other liabilities | 424.54 | 424.54 | - | 424.54 |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

(c) **Interest rate risk:**
The company does not face any interest rate risk as all the borrowings of the company have a fixed interest rate.

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

(f) **Foreign currency unhedged exposure :**

| Financial assets | As at 31 March 2024 | | As at 31 March 2023 | |
|-------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | Foreign currency | Equivalent amount in rupees | Foreign currency | Equivalent amount in rupees |
| Trade receivables | | | | |
| USD | - | - | - | - |
| | - | - | - | - |

| Financial liabilities | As at 31 March 2024 | | As at 31 March 2023 | |
|-----------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | Foreign currency | Equivalent amount in rupees | Foreign currency | Equivalent amount in rupees |
| Trade payables | | | | |
| USD | 0.36 | 28.92 | 1.63 | 133.29 |
| | 0.36 | 28.92 | 1.63 | 133.29 |

| Currency wise net exposure (assets - liabilities) | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|-----------------------------|---------------------|-----------------------------|
| | Foreign currency | Equivalent amount in rupees | Foreign currency | Equivalent amount in rupees |
| Particulars | | | | |
| USD | (0.36) | (28.92) | (1.63) | (133.29) |
| Total | (0.36) | (28.92) | (1.63) | (133.29) |

Sensitivity analysis

| Currency | Amount in INR | | Sensitivity % |
|----------|---------------|---------------|---------------|
| | 31 March 2024 | 31 March 2023 | |
| INR | (28.92) | (133.29) | 1.00% |
| | (28.92) | (133.29) | |

| | Impact on profit/equity (1% strengthening) | | Impact on profit/equity (1% weakening) | |
|--------------|--|---------------|--|---------------|
| | Amount in ₹ | | Amount in ₹ | |
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| INR | (0.29) | (1.33) | 0.29 | 1.33 |
| Total | (0.29) | (1.33) | 0.29 | 1.33 |

The exchange rate used by the Company is that notified by the Reserve Bank of India.

36 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

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.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

| Particulars | As at | As at |
|-------------------|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Net debt | 782.70 | 418.68 |
| Total equity | 47,092.72 | 45,239.83 |
| Debt-equity ratio | 0.02 | 0.01 |

37 Fair value measurements

(a) Categories of financial instruments -

| Particulars | As at 31 March 2024 | | | | As at 31 March 2023 | | | |
|------------------------------------|---------------------|--------------|---------------|------------------|---------------------|--------------|---------------|------------------|
| | FVTPL | FVTOCI | FVTOCI | Amortised cost | FVTPL | FVTOCI | FVTOCI | Amortised cost |
| | Level 1 | Level 3 | Level 1 | Level 2 | Level 1 | Level 3 | Level 1 | Level 2 |
| Financial assets | | | | | | | | |
| Investment | - | 45.88 | 207.13 | 3,143.80 | - | 45.88 | 209.16 | 2,187.46 |
| Trade receivables | - | - | - | 197.22 | - | - | - | 136.91 |
| Cash and cash equivalents | - | - | - | 20.21 | - | - | - | 27.43 |
| Other bank balances | - | - | - | 4,316.77 | - | - | - | 6.30 |
| Loans | - | - | - | 35,311.60 | - | - | - | 39,722.04 |
| Other financial assets | - | - | - | 91.59 | - | - | - | 44.85 |
| Total financial assets | - | 45.88 | 207.13 | 43,081.20 | - | 45.88 | 209.16 | 42,125.01 |
| Financial liabilities | | | | | | | | |
| Borrowings | - | - | - | 782.70 | - | - | - | 418.68 |
| Trade payables | - | - | - | 1,678.90 | - | - | - | 972.69 |
| Other financial liabilities | - | - | - | 274.90 | - | - | - | 424.54 |
| Total financial liabilities | - | - | - | 2,736.50 | - | - | - | 1,815.90 |

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortised cost approximates the fair value. Accordingly fair value disclosures have not been made for these financial instruments. Investments in equity shares and mutual funds which are designated at FVTPL & investment in equity shares which are classified as FVTOCI are at fair value.

(c) Investment in subsidiaries is accounted at cost in accordance with Ind AS 27 - "Separate financial statements". Accordingly such investments are not recorded at fair value.

- 38 Post-employment benefit plans
As per Indian Accounting Standard 19th Employee Benefits^a, the disclosures as defined are given below-

A. Defined Contribution Plans

Contribution to defined contribution plans, recognised as expense for the year is as under:

| Particulars | For year ended 31 March 2024 | For year ended 31 March 2023 |
|---|---------------------------------|---------------------------------|
| Employer's contribution to provident fund | 15.32 | 25.52 |

Company's contribution paid/payable during the year to provident fund are recognised in the Statement of Profit and Loss.

B. Defined Benefit Plans

Gratuity

The Company has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company.

Liability Risks

1. **Asset-Liability mismatch risk**- Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

2. **Discount rate risk**- Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

3. **Future salary escalation and inflation risk** - Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

4. **Unfunded Plan Risk** - This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--------------------------------|------------------------|------------------------|
| Current service cost | 5.91 | 13.70 |
| Net interest (Income)/ Expense | 6.69 | 5.36 |
| Net benefit expense | 12.61 | 19.07 |

Changes in the present value of the defined benefit obligation are as follows :

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Projected benefit obligation at the beginning of the year | 90.83 | 75.22 |
| Interest cost | 6.69 | 5.36 |
| Current service cost | 5.91 | 13.70 |
| Actuarial (gain)/ loss on obligations | (67.15) | (3.27) |
| Benefits paid | (1.77) | (0.19) |
| Present value of obligation at the end of the year | 34.52 | 90.83 |

Changes in the fair value of plan assets are as follows:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Fair value of plan assets at the beginning of the year | - | - |
| Interest income | - | - |
| Contributions | - | - |
| Mortality charges and taxes | - | - |
| Benefits paid | - | - |
| Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) | - | - |
| Fair value of Plan assets at end of the year | - | - |
| Actual return on plan assets | - | - |

Re-measurements for the year (Actuarial (gain) / loss)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Experience (gain) / loss on plan liabilities | (67.39) | (2.09) |
| Demographic (gain) / loss on plan liabilities | - | - |
| Financial (gain) / loss on plan liabilities | 0.24 | (1.19) |
| Experience (gain) / loss on plan assets | - | - |
| Financial (gain) / loss on plan assets | - | - |

Amount recognised in the statement of other comprehensive income

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Re-measurement for the year - obligation (gain) / loss | (67.15) | (3.27) |
| Re-measurement for the year - plan assets (gain) / loss | - | - |
| Total re-measurements cost / (credit) for the year recognised in other comprehensive income | (67.15) | (3.27) |

Net Defined Benefit Liability/(Asset) for the year

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Defined benefit obligation | 34.52 | 90.83 |
| Fair value of plan assets | - | - |
| Closing net defined benefit liability/(asset) | 34.52 | 90.83 |

Current
Non-Current

12.81
21.71

32.55
58.28

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| Nature of plan assets | As at 31 March 2024 | As at 31 March 2023 |
|--------------------------|------------------------|------------------------|
| Funds managed by insurer | 0% | 0% |

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:

Assumptions

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Mortality table | IALM (2012- 14) | IALM (2012- 14) |
| Discount rate | 7.21% | 7.37% |
| Rate of increase in compensation levels | 5.00% | 5.00% |
| Expected rate of return on plan assets | 0.00% | 0.00% |
| Withdrawal rate # | | |
| Age upto 30 years | 0.10% | 0.10% |
| Age 31 - 44 years | 0.30% | 0.30% |
| Age above 44 years | 0.60% | 0.60% |

Expected average remaining working lives of employees (in years)

13.91

13.91

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Assumption has been revised by the Company based on their past experience and future expectations

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

| Assumptions | Defined benefit obligation | | | |
|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 31 March 2024 | | As at 31 March 2023 | |
| | Increase by 50 basis points | Decrease by 50 basis points | Increase by 50 basis points | Decrease by 50 basis points |
| Discount Rate | | | | |
| Discount Rate | 7.71% | 6.71% | 7.87% | 6.87% |
| Amount | (0.79) | 0.84 | (2.44) | 2.60 |
| Salary increment rate | | | | |
| Salary increment rate | 5.50% | 4.50% | 5.50% | 4.50% |
| Amount | 0.86 | (0.81) | 2.65 | (2.50) |

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected contribution for the next Annual reporting period.

| Particulars | 31 March 2024 |
|---|---------------|
| Service Cost | 4.41 |
| Net Interest Cost | 2.49 |
| Expected Expense for the next annual reporting period | 6.90 |

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

| Year ending 31 March 2024 | Expected benefit payment |
|---------------------------|--------------------------|
| 0 to 1 Year | 12.81 |
| 1 to 2 Year | 0.06 |
| 2 to 3 Year | 5.08 |
| 3 to 4 Year | 1.66 |
| 4 to 5 Year | 1.45 |
| 5 to 6 Year | 1.53 |
| 6 Year onwards | 11.92 |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

39 Revenue from contracts with customers

A. Revenue streams

| Particulars | For year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------------------------|---------------------------------|-------------------------------------|
| Revenue from operations | | |
| Sale of goods | 14,614.70 | 20,516.48 |
| | 14,614.70 | 20,516.48 |

| Particulars | For year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------------------------------|---------------------------------|-------------------------------------|
| Timing of revenue recognition | | |
| At point in time | 14,614.70 | 20,516.48 |
| Over the period in time | - | - |
| Total revenue | 14,614.70 | 20,516.48 |

40 Leases

A. As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Company decided to apply recognition exemptions to short-term leases. For leases of other assets, which were classified as operating under AS 19, the Company recognised right-of-use assets and lease liabilities.

B. As a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

C. Impacts on financial statements

On transition to Ind AS 116 - Leases, the Company has not recognised any right-of-use asset and lease liabilities, as all the leases are in the nature of short-term leases.

Expenses on short-term leases / low value assets

| | For year ended 31 March 2024 | For the year ended 31 March 2023 |
|------------------|---------------------------------|-------------------------------------|
| Short-term lease | 54.97 | 43.69 |
| Low value assets | - | - |

Amounts recognised in the statement of cash flow

| | For year ended 31 March 2024 | For the year ended 31 March 2023 |
|-------------------------------|---------------------------------|-------------------------------------|
| Total cash outflow for leases | 54.97 | 43.69 |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the standalone financial statements (continued)
(Currency: Indian Rupees in Lakhs)

41 Disclosure Of Accounting Ratios

| Particulars | Numerator | Denominator | As on 31st March'24 | As on 31st March'23 | Variance (In %) |
|--|--|---------------------------------|---------------------------|---------------------------|--------------------|
| a) Current Ratio | Current assets | Current liabilities | 3.29 | 3.11 | 5.87 |
| (b) Debt-Equity Ratio (Note 1) | Total debt | Shareholder's equity | 0.02 | 0.01 | 79.59 |
| (c) Debt Service Coverage Ratio (Note 2) | Earnings available for debt service | Debt Services | 3.95 | 18.02 | -78.09 |
| (d) Return on Equity Ratio : (ROE) (Note 3) | Net profits after taxes | Average shareholder's equity | 0.044 | 0.126 | -65.35 |
| (e) Inventory turnover ratio | Cost of Goods Sold | Average Inventory | 1.69 | 2.22 | -23.89 |
| (f) Trade Receivables turnover ratio (Note 4) | Revenue | Average trade Receivable | 87.48 | 299.70 | -70.81 |
| (g) Trade payables turnover ratio (Note 5) | Purchases of goods and other expenses | Average trade payables | 8.08 | 13.75 | -41.25 |
| (h) Net capital turnover ratio (Note 6) | Revenue | Working capital | 2.20 | 4.80 | -54.28 |
| (i) Net profit ratio (Note 7) | Net Profit | Revenue | 13.80 | 26.22 | -47.35 |
| (j) Return on Capital employed : (ROCE) (Note 8) | Earning before interest and taxes | Capital employed | 0.06 | 0.16 | -62.98 |
| (k) Return on investment (Note 9) | Income generated from investments | Cost of Investment | -0.001 | 0.03 | -102.05 |

Reasons for variation in ratios more than 25%

1. Due to increase in debt in F.Y 23-24
2. Due to decrease in Earning available for debt service in F.Y 23-24
3. Due to decrease in Net profit after taxes in F.Y 23-24
4. Due to decrease in revenue in F.Y 23-24
5. Due to increase in average trade payable in F.Y 23-24
6. Due to decrease in revenue and increase in working capital in F.Y 23-24
7. Due to decrease in Net profit and revenue in F.Y 23-24
8. Due to decrease in Earning before interest and taxes in F.Y 23-24
9. Due to decrease in income from investment in F.Y 23-24

- 42 The company does not have any immovable property whose title deeds are not held in the name of the company.
- 43 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.
- 44 The company does not have any borrowings from banks and financial institutions which was not used for the specific purpose for which it was taken at the balance sheet date.
- 45 The Company has not revalued its Property, Plant and Equipment during the year.
- 46 The company does not have any Intangible assets under development.
- 47 The company does not have any Scheme of Arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013
- 48 The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 49 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
- 50 The Company has borrowings from the bank on the basis of security of current assets.
The Company filed monthly and quarterly statements which are in agreement with the books of accounts.
- 51 The Company has not been declared wilful defaulter by any bank or financial institution or government or any other government authorities.
- 52 **Relationship with Struck off Companies** - The Company does not have any transactions and balances with companies which are struck off
- 53 The company does not have any charges or satisfaction yet to be registered with registrar of companies beyond the statutory period.

54 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.

Further, 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

55 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).

56 The Company has not traded or invested in crypto currency or virtual currency during the financial year

57 Advances Recoverable in cash or in kind, include Rs. 87.81 lakh due from Rahane Endcon Pvt Ltd against which matter is pending for arbitration.

58 Pursuant to Section 135 of the Companies Act, 2013 read with rule 9 of the Companies (Corporate Social Responsibility Policy, Rule 2014). The details are as under:

| Particulars | Amount |
|--|-----------------------------------|
| (a) Amount required to be spent by the company during the year | 133.48 |
| (b) Amount of expenditure incurred | 133.50 |
| (c) Shortfall at the end of the year | Nil |
| (d) Total of previous years shortfall | Nil |
| (e) Reason of shortfall | Nil |
| (f) Nature of CSR activities | Education, Health and Environment |
| (g) Details of related party transactions | NA |
| (h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation | NA |

59 Operating Segment

A. Description of segments and principal activities

The business activities of the Company from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly one segment, i.e. manufacturing of pharmaceuticals, medicinal chemical & botanical products

B. Information about major customers

Revenues from one customer of the Company's pharmaceutical segments represented approximately Rs. 2,485.49 lakh (31 March 2023: Rs. 4,107.53 lakh) of the Company's total revenues.

60 The company has prepared these financial statements, as per the format, prescribed by schedule III of the Companies Act, 2013 (the schedule), issued by Ministry of Corporate Affairs.

Previous year figures have been recast/restated and reclassified, wherever necessary to confirm the classification of the current year 2024.

For KRISHAN K. GUPTA & CO.

Chartered Accountants

FRN: 000009N

For and on behalf of the board of directors of

Martin And Harris Laboratories Limited

K.K. GUPTA

Proprietor

M.No. 008311

NASIM UDDIN

Director

DIN: 09670604

S.L. LAAD

Director

DIN: 00105650

Place: New Delhi

Dated: 30th August, 2024



INDEPENDENT AUDITOR'S REPORT

To the Members of
MARTIN & HARRIS LABORATORIES LIMITED,
Gurgaon, Haryana

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated IND AS financial statements of **MARTIN & HARRIS LABORATORIES LIMITED**, ("the Company"), and its subsidiary **Delite Infrastructure Pvt. Ltd.**, which comprise the Consolidated Balance Sheet as at 31st March 2024, and the consolidated statement of Profit and Loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and profit, changes in consolidated 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

If, based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

.....3

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, statement on the matters specified in paragraphs 3 and 4 of the Order, we report, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Consolidated Balance Sheet, the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long-term contracts including derivative contracts.
 - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(K.K. GUPTA)

Prop.

M. No. 008311

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

FRN: 000009N

UDIN: 24008311BKCBKA8563

Place: New Delhi

Dated: 30th August, 2024



Annexure A referred to in Paragraph (II) (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of consolidated **MARTIN & HARRIS LABORATORIES LIMITED** ("the Company") as of March 31st, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

A. Management's Responsibility for Internal Financial Controls

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

B. Auditors' Responsibility

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

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

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

C. Meaning of Internal Financial Controls Over Financial Reporting

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

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

D. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

(K.K. GUPTA)

Prop.

M. No. 8311

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

FRN: 000009N

UDIN: 24008311BKCBKA8563

Place: New Delhi

Dated: 30th August, 2024

ARTIN AND HARRIS LABORATORIES LIMITED

Unaudited balance sheet as on 31 March 2024

Currency: Indian Rupees in Lakhs)

| | | As at 31 March 2024 | As at 31 March 2023 |
|---|----|------------------------|------------------------|
| ASSETS | | | |
| non-current assets | | | |
| i) Property, plant and equipment | 2 | 1,776.07 | 1,553.31 |
| ii) Capital work-in-progress | 3 | - | 340.65 |
| iii) Investment property | 4 | 3,540.38 | 3,755.64 |
| Financial assets | | | |
| (i) Investment | 5 | 3,416.83 | 2,462.52 |
| ii) Deferred tax assets (net) | 30 | - | 1.09 |
| Total non-current assets | | 8,733.27 | 8,113.20 |
| Current assets | | | |
| i) Inventories | 6 | 3,045.99 | 1,880.88 |
| Financial assets | | | |
| (i) Trade receivables | 7 | 197.22 | 136.91 |
| (ii) Cash and cash equivalents | 8 | 24.62 | 82.47 |
| (iii) Bank balances other than (ii) above | 9 | 4,412.30 | 6.30 |
| (iv) Loans | 10 | - | 3,009.46 |
| (v) Other financial assets | 11 | 47,847.22 | 47,031.60 |
| c) Current tax assets (net) | 30 | 96.08 | 124.83 |
| d) Other current assets | 12 | 1,839.81 | 1,080.56 |
| Total current assets | | 57,463.24 | 53,353.02 |
| TOTAL ASSETS | | 66,196.51 | 61,466.23 |
| I. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity share capital | 13 | 399.60 | 399.60 |
| b) Other equity | 14 | 62,807.34 | 58,929.10 |
| Total equity | | 63,206.95 | 59,328.70 |
| Non-current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Other financial liabilities | 15 | 24.00 | 24.00 |
| b) Provisions | 16 | 23.35 | 68.32 |
| c) Other non-current liabilities | 17 | 12.84 | 15.16 |
| d) Deferred tax liabilities (Net) | 30 | 12.68 | - |
| Total non-current liabilities | | 72.87 | 107.48 |
| Current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Borrowings | 18 | 782.70 | 418.68 |
| (ii) Trade payables | 19 | | |
| a) total outstanding dues of micro enterprises and small enterprises | | - | - |
| b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,683.40 | 972.69 |
| (iii) Other financial liabilities | 20 | 280.91 | 430.77 |
| (b) Provisions | 21 | 13.93 | 38.22 |
| (c) Other current liabilities | 22 | 100.09 | 169.69 |
| (d) Income tax liabilities (net) | 30 | 55.67 | - |
| Total current liabilities | | 2,916.69 | 2,030.04 |
| Total liabilities | | 2,989.57 | 2,137.53 |
| TOTAL EQUITY AND LIABILITIES | | 66,196.51 | 61,466.23 |

Material accounting policies
Notes to the financial statements

1
2-61

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For KRISHAN K. GUPTA & CO.
Chartered Accountants
FRN: 000009N

For and on behalf of the board of directors of
Martin And Harris Laboratories Limited

K.K. GUPTA
Proprietor
M.No. 008311

NASIM UDDIN
Director
DIN: 09670604

S.L. LAAD
Director
DIN: 00105650

Place: New Delhi
Dated: 30th August, 2024

MARTIN AND HARRIS LABORATORIES LIMITED
Consolidated statement of Profit and Loss for the year ended 31 March 2024
(Currency: Indian Rupees in Lakhs)

| | <i>Note</i> | For year ended 31 March 2024 | For year ended 31 March 2023 |
|--|-------------|---|---|
| Income | | | |
| Revenue from operations | 23 | 14,614.70 | 20,516.48 |
| Other income | 24 | 3,429.00 | 2,408.43 |
| Total Income | | <u>18,043.70</u> | <u>22,924.91</u> |
| Expenses | | | |
| Cost of material, operation and incidental cost | 25 | 4,123.61 | 4,713.88 |
| Employee benefits expenses | 26 | 2,386.57 | 2,474.97 |
| Finance costs | 27 | 58.11 | 21.60 |
| Depreciation and amortisation expenses | | 463.14 | 392.85 |
| Other expenses | 29 | 5,490.02 | 6,112.94 |
| Total expenses | | <u>12,521.46</u> | <u>13,716.22</u> |
| Profit before tax | | <u>5,522.24</u> | <u>9,208.69</u> |
| Tax expense: | | | |
| Current tax | 30 | 1,482.36 | 2,414.51 |
| Deferred tax | | (8.15) | (16.59) |
| Tax in respect of earlier years | | 5.19 | 3.89 |
| Profit for the year | | <u>4,042.84</u> | <u>6,806.88</u> |
| Other comprehensive income/(loss) for the year | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurements of defined benefit liability / (asset) | | 67.15 | 3.27 |
| Income tax on remeasurements of defined benefit liability / (asset) | | (16.90) | (0.82) |
| Equity instruments designated through other comprehensive income | | (2.03) | (6.10) |
| Income tax related to equity instruments designated through other comprehensive income | | (5.02) | 0.70 |
| | | <u>43.20</u> | <u>(2.95)</u> |
| Other comprehensive income (net of tax) | | <u>43.20</u> | <u>(2.95)</u> |
| Total comprehensive income for the year | | <u>4,086.04</u> | <u>6,803.93</u> |
| Earnings per equity share (face value of Rs. 10 each) | | | |
| Basic earnings per share | 31 | 101.17 | 170.34 |
| Diluted earnings per share | | 101.17 | 170.34 |
| Material accounting policies | 2 | | |
| Notes to the financial statements | 2-61 | | |

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For KRISHAN K. GUPTA & CO.
Chartered Accountants
FRN: 000009N

For and on behalf of the board of directors of
Martin And Harris Laboratories Limited

K.K. GUPTA
Proprietor
M.No. 008311

NASIM UDDIN
Director
DIN: 09670604

S.L. LAAD
Director
DIN: 00105650

Place: New Delhi
Dated: 30th August, 2024

MARTIN AND HARRIS LABORATORIES LIMITED
Consolidated statement of changes in equity for the year ended 31 March 2024
(Currency: Indian Rupees in Lakhs)

(a) Equity share capital

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|---------------|---------------------|---------------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Balance at the beginning of the reporting year | 39,96,040 | 399.60 | 39,96,040 | 399.60 |
| Changes in equity share capital during the year | - | - | - | - |
| Balance at the end of the reporting year | 39,96,040 | 399.60 | 39,96,040 | 399.60 |

(b) Other equity

| Particulars | Reserves and Surplus | | | Equity instruments designated through other comprehensive income | Total other equity |
|--|----------------------|--------------------|-----------------|--|--------------------|
| | Retained Earnings | Securities Premium | General reserve | | |
| Balance at 1 April 2022 | 51,750.28 | 4.75 | 410.05 | 167.88 | 52,332.96 |
| Total comprehensive income for the year ended 31 March 2023 | | | | | |
| Add/(Less): | | | | | |
| Profit for the year | 6,806.88 | - | - | - | 6,806.88 |
| Other comprehensive income (net of tax) | | | | | |
| - Remeasurements of post employment benefit obligations | 2.45 | - | - | - | 2.45 |
| - Equity instruments designated through other comprehensive income | - | - | - | (5.40) | (5.40) |
| Tax on dividend paid | - | - | - | - | - |
| Dividend Paid | (207.79) | - | - | - | (207.79) |
| Total comprehensive income | 6,601.54 | - | - | (5.40) | 6,596.13 |
| Balance at 31 March 2023 | 58,351.82 | 4.75 | 410.05 | 162.48 | 58,929.10 |
| Total comprehensive income for the year ended 31 March 2024 | | | | | |
| Add/(Less): | | | | | |
| Profit for the year | 4,042.84 | - | - | - | 4,042.84 |
| Other comprehensive income (net of tax) | | | | | |
| - Remeasurements of post employment benefit obligations | 50.25 | - | - | - | 50.25 |
| - Equity instruments designated through other comprehensive income | - | - | - | (7.05) | (7.05) |
| Dividend Paid | (207.79) | - | - | - | (207.79) |
| Total comprehensive income | 3,885.30 | - | - | (7.05) | 3,878.25 |
| Balance at 31 March 2024 | 62,237.12 | 4.75 | 410.05 | 155.43 | 62,807.34 |

Nature and purpose of reserves

i) Securities premium

Securities premium account is used to record the premium on issue of shares.

ii) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

iii) General reserve

It is created by setting aside amount from the retained earnings of the group for general purposes which is freely available for distribution.

iv) FVOCI equity investments

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

For KRISHAN K. GUPTA & CO.
 Chartered Accountants
 FRN: 000099N

For and on behalf of the board of directors of
 Martin And Harris Laboratories Limited

K.K. GUPTA
 Proprietor
 M.No. 008311

NASIM UDDIN
 Director
 DIN: 09670604

S.L. LAAD
 Director
 DIN: 00105650

Place: New Delhi
 Dated: 30th August, 2024

MARTIN AND HARRIS LABORATORIES LIMITED
Consolidated statement of Cash flows for the year ended 31 March 2024
(Currency: Indian Rupees in Lakhs)

| Particulars | For the year ended 31 March 2024 | | For the year ended 31 March 2023 | |
|---|-------------------------------------|-------------------|-------------------------------------|--------------------|
| | | | | |
| A. Cash flow from operating activities | | | | |
| Net Profit before extraordinary items and tax | | 5,522.24 | | 9,208.69 |
| <i>Adjustments for:</i> | | | | |
| Interest received | (3,255.11) | | (2,217.97) | |
| Grants written Back | (2.32) | | (2.32) | |
| Rent received | (92.39) | | (75.23) | |
| Gain on sale of investments | - | | (77.33) | |
| Interest paid | 49.35 | | 11.05 | |
| Depreciation and amortisation | 463.14 | | 392.85 | |
| Depreciation written back | (9.11) | | - | |
| Profit on sale of Assets | (13.69) | | - | |
| | | (2,860.12) | | (1,968.96) |
| Operating profit before working capital changes | | 2,662.12 | | 7,239.73 |
| <i>Changes in working capital:</i> | | | | |
| Decrease / (Increase) in inventories | (1,165.11) | | 530.59 | |
| (Increase) in trade receivables | (60.30) | | (136.51) | |
| (Increase) in current financial loans | 3,009.46 | | (3,009.46) | |
| Decrease / (Increase) in other current financial assets | (815.62) | | (37,463.08) | |
| Decrease in other current assets | (759.25) | | 102.82 | |
| Increase in non-current provisions | (44.97) | | 3.00 | |
| Increase / (Decrease) in trade payables | 710.72 | | 457.74 | |
| Increase/(Decrease) in other current financial liabilities | (149.86) | | 218.18 | |
| (Decrease)/Increase in other current liabilities | (69.60) | | 67.93 | |
| Increase in current provisions | 25.96 | | 16.74 | |
| | | 681.42 | | (39,212.46) |
| Cash generated from operations | | 3,343.53 | | (31,972.73) |
| Net income tax (paid) | | (1,386.23) | | (2,429.09) |
| Net cash flow generated from operating activities | | 1,957.30 | | (34,401.82) |
| B. Cash flow from investing activities | | | | |
| Purchase of property, plant and equipment, intangible assets and capital work-in-progress | (1,171.13) | | (824.50) | |
| Sale proceeds of property, plant and equipment | 1,013.95 | | - | |
| Sale proceeds of Investment Property | 50.00 | | - | |
| Bank deposits placed / matured during the year | (4,405.99) | | - | |
| Purchase of non-current investments | (956.34) | | (32,601.59) | |
| Proceeds from sale of investments | - | | 63,677.33 | |
| Rent received | 92.39 | | 75.23 | |
| Interest received | 3,255.11 | | 2,217.97 | |
| Net cash flow (used in) investing activities | | (2,122.02) | | 32,544.44 |
| C. Cash flow from financing activities | | | | |
| Long-term borrowings (repaid) during the year | | | 24.74 | |
| (Repayment) / Proceeds of short-term borrowings (net) | 364.02 | | (11.05) | |
| Interest paid | (49.35) | | (207.79) | |
| Final dividend paid | (207.79) | | - | |
| Tax on dividend paid during the year | - | | - | |
| Net cash flow (used in) financing activities | | 106.87 | | (194.10) |
| Net (decrease) in Cash and cash equivalents (A+B+C) | | (57.85) | | (2,050.48) |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents | | - | | - |
| Cash and cash equivalents at the beginning of the year | | 82.47 | | 2,132.95 |
| Cash and cash equivalents at the end of the year | | 24.62 | | 82.47 |

Notes to cash flow statement

(i) The above Cash Flow Statement has been prepared under the Indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

(ii) Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.

(iii) For the purpose of cash flow, Cash and cash equivalents comprise :

| | | |
|--------------------|--------------|--------------|
| Cash on hand | 1.72 | 2.02 |
| Balances with bank | | |
| - Current accounts | 22.91 | 80.45 |
| | <u>24.62</u> | <u>82.47</u> |

As per our report attached of even date

For KRISHAN K. GUPTA & CO.
Chartered Accountants
FRN: 000009N

For and on behalf of the board of directors of
Martin And Harris Laboratories Limited

K.K. GUPTA
Proprietor
M.No. 008311

NASIM UDDIN
Director
DIN: 09670604

S.L. LAAD
Director
DIN: 00105650

Place: New Delhi
Dated: 30th August, 2024

Martin and Harris Laboratories Limited

Notes to the consolidated financial statements for the year ended 31 March 2024

Summary of material accounting policies and notes forming part of the consolidated financial statements.

1. Material accounting policies

1.1. Basis of preparation of financial statements:

The financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2016 (as amended) notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors on 30th August 2024

• Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Group's functional currency. All amounts have been rounded-off to the nearest in Lakhs, as per the requirements of Schedule III of the Act, unless otherwise stated.

1.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

1.3. Use of judgements estimates and assumptions.

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 38 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

Martin and Harris Laboratories Limited

Notes to the consolidated financial statements for the year ended 31 March 2024

- Note 2 – Useful life of depreciable assets – Property, Plant and Equipment.
- Note 32 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 30 – Recognition of tax expense including deferred tax.

1.4. Current and non-current classification of assets and liabilities

The Group presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the group has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liability.

1.5. Principles of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and

Martin and Harris Laboratories Limited

Notes to the consolidated financial statements for the year ended 31 March 2024

events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company. The subsidiaries considered in the consolidated financial statements are summarized below.

| Sr. No. | Name of the Company | Country of Incorporation | Proportion of Ownership Interest |
|---------|---------------------------------------|--------------------------|----------------------------------|
| 1. | Delite Infrastructure Private Limited | India | 100% |

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

- Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.
- Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

1.6. Property, plant and equipment:

• **Recognition and measurement**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

• **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

• **Disposal**

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the statement of profit and loss.

• **Depreciation**

Depreciation for assets purchased / sold during a year is proportionately charged. Depreciation is recognised in the statement of profit and loss on written down value over the estimated useful lives as per Schedule II of the Companies Act, 2013, of each significant part of an item of property, plant and equipment. Individual assets costing less than Rs. 5,000/- are depreciated in full in the year of acquisition.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

1.7. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

Martin and Harris Laboratories Limited

Notes to the consolidated financial statements for the year ended 31 March 2024

1.8. Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

1.9. Inventories:

Inventories comprising of traded items are valued at cost or net realisable value whichever is lower.

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

1.10. Revenue recognition:

Sales are recognised when substantial control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from these sales is recognised based on the price specified in the sales order, net of the estimated discounts, rebates, returns and goods and service tax. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Sales revenues of products are disclosed at net of tax.

Revenue from rendering of services is recognised over the period of time.

Revenue from trading in futures is recognised at point in time on net basis after deducting the purchase prices.

Revenue from trading in options is recognised at point in time on gross basis and the relevant costs are recognised as expenditure in cost of materials consumed.

Recognition of dividend income, interest income:

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Group and that the amount of the dividend can be measured reliably.

1.11. Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Martin and Harris Laboratories Limited

Notes to the consolidated financial statements for the year ended 31 March 2024

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

1.12. Employee benefits:

• Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

• Post-employment benefits

Defined contribution plans

Contributions to the provident fund which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

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Notes to the consolidated financial statements for the year ended 31 March 2024

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises gains/ losses on settlement of a defined plan when the settlement occurs.

• Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

1.13. Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

• Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

• Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Taxable temporary differences arising on the initial recognition of goodwill.

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 taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

Martin and Harris Laboratories Limited

Notes to the consolidated financial statements for the year ended 31 March 2024

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

1.14. Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.15. Provision and contingent liabilities / assets:

A provision is recognised when the Group 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 in the statement of profit and loss.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

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Notes to the consolidated financial statements for the year ended 31 March 2024

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

1.16. 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 not more than three months, which are subject to an insignificant risk of changes in value.

1.17. Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. For the purpose of presentation in the statement of cash flows, bank overdrafts are considered to be part of cash and cash equivalents.

1.18. Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as

Martin and Harris Laboratories Limited

Notes to the consolidated financial statements for the year ended 31 March 2024

those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Group as a lessor

Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.19. 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 Group. 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 economic best interest. A fair value measurement of a non-financial asset considers 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.

The Group 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.

- 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 Group 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 Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.20. Financial instruments

1.20.1. Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract. 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.

Subsequent measurement

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

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')
- c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering 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 expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Group.

(b) Financial assets classified as measured at FVTOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to retained earnings. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balances.

Martin and Harris Laboratories Limited

Notes to the consolidated financial statements for the year ended 31 March 2024

- Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

1.20.2. Financial liabilities

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 and incremental transaction cost.

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.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

Financial liabilities designated as such upon initial recognition at the initial date of recognition 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 recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Group 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.

(a) Financial liabilities at amortised cost

This is the most relevant category to the Group. The Group generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and 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.

Martin and Harris Laboratories Limited

Notes to the consolidated financial statements for the year ended 31 March 2024

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

Offsetting of financial instruments

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

Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

1.21. Operating Segment

Identification of segments

The group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker.

Inter-segment transfers

The group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

IN AND HARRIS LABORATORIES LIMITED
the consolidated financial statements (continued)
in Indian Rupees in Lakhs

Property, plant and equipment

| Description | Land | Vehicles | Plant and equipment | Building | Furniture and fixtures | Computer | Office equipment | Leasehold Improvement | Total Owned assets |
|---------------------------------|--------|----------|---------------------|----------|------------------------|----------|------------------|-----------------------|--------------------|
| Iron block | | | | | | | | | |
| Balance as at 1 April 2022 | 169.37 | 293.07 | 1,643.20 | 494.38 | 111.30 | 107.72 | 12.76 | 42.21 | 2,874.01 |
| Additions | - | 125.80 | 364.00 | - | 30.99 | 11.30 | 0.24 | - | 532.23 |
| Deletions | - | (42.50) | - | - | - | - | - | - | (42.50) |
| Balance as at 31 March 2023 | 169.37 | 376.37 | 2,007.20 | 494.38 | 142.29 | 119.02 | 13.00 | 42.21 | 3,563.84 |
| Balance as at 1 April 2023 | 169.37 | 376.37 | 2,007.20 | 494.38 | 142.29 | 119.02 | 13.00 | 42.21 | 3,363.84 |
| Additions | - | - | 1,026.52 | - | 61.54 | 22.84 | - | - | 1,110.10 |
| Disposals | - | (111.23) | (625.66) | - | (95.43) | (16.19) | (13.00) | (27.21) | (904.72) |
| Balance as at 31 March 2024 | 169.37 | 265.14 | 2,408.06 | 494.38 | 107.40 | 124.87 | - | - | 3,569.21 |
| Accumulated Depreciation | | | | | | | | | |
| Balance as at 1 April 2022 | - | 247.30 | 766.69 | 399.10 | 46.47 | 86.10 | 6.23 | 22.51 | 1,574.40 |
| Depreciation for the year | - | 34.26 | 181.30 | 9.65 | 20.78 | 12.68 | 2.95 | 8.88 | 269.90 |
| Depreciation on disposals | - | (33.76) | - | - | - | - | - | - | (33.76) |
| Balance as at 31 March 2023 | - | 247.80 | 947.99 | 408.16 | 67.25 | 98.77 | 9.18 | 31.39 | 1,810.53 |
| Balance as at 1 April 2023 | - | 247.80 | 947.99 | 408.16 | 67.25 | 98.77 | 9.18 | 31.39 | 1,810.53 |
| Depreciation for the year | - | 36.21 | 215.31 | 8.19 | 14.57 | 13.81 | 0.17 | 0.49 | 288.76 |
| Depreciation on disposals | - | (46.21) | (164.86) | - | (46.01) | (7.85) | (0.31) | (31.88) | (306.52) |
| Balance as at 31 March 2024 | - | 237.79 | 998.44 | 416.35 | 35.81 | 104.75 | 8.86 | 8.89 | 1,793.14 |
| Net block | | | | | | | | | |
| As At 31 March 2024 | 169.37 | 27.35 | 1,409.61 | 78.03 | 71.58 | 20.12 | (0.89) | (0.89) | 1,776.67 |
| As At 31 March 2023 | 169.37 | 128.57 | 1,059.21 | 86.22 | 76.04 | 20.25 | 3.82 | 19.82 | 1,653.31 |

Capital work-in-progress

| Description | Plant & Machinery | Software | Lab Equipment | Total |
|-----------------------------|-------------------|----------|---------------|----------|
| Balance as at 1 April 2022 | 21.80 | - | 17.94 | 39.74 |
| Additions | 234.26 | 54.80 | 11.85 | 300.91 |
| Capitalised during the year | - | - | - | - |
| Balance as at 31 March 2023 | 256.06 | 54.80 | 29.79 | 340.65 |
| Balance as at 1 April 2023 | 256.06 | 54.80 | 29.79 | 340.65 |
| Additions | 46.87 | 14.16 | - | 61.03 |
| Capitalised during the year | (302.93) | (68.96) | (29.79) | (401.68) |
| Balance as at 31 March 2024 | - | - | - | - |

CWIP Ageing schedule as on 31st March 2024

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

CWIP Ageing schedule as on 31st March 2023

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 300.91 | 39.74 | - | - | 340.65 |
| Projects temporarily suspended | - | - | - | - | - |

There is no Capital-Work-in Progress, whose completion is overdue or has exceeded its cost compared to its original plan.

4 Investment property

A. Reconciliation of carrying amount

| Particulars | Investment Property | Total |
|---|---------------------|-----------------|
| | Building | |
| Gross block | | |
| Balance at 1 April 2022 | 4,332.55 | 4,332.55 |
| Additions during the year | - | - |
| Disposals | - | - |
| Closing gross block | 4,332.55 | 4,332.55 |
| Accumulated depreciation | | |
| Balance at 1 April 2022 | 453.95 | 453.95 |
| Depreciation during the year | 122.95 | 122.95 |
| Deduction | - | - |
| Closing accumulated depreciation | 576.91 | 576.91 |
| Gross block | | |
| Balance at 31 March 2023 | 4,332.55 | 4,332.55 |
| Additions during the year | - | - |
| Disposals | (50.00) | (50.00) |
| Closing gross block | 4,282.55 | 4,282.55 |
| Accumulated depreciation | | |
| Balance at 31 March 2023 | 576.91 | 576.91 |
| Depreciation during the year | 174.38 | 174.38 |
| Disposals | (9.11) | (9.11) |
| Closing accumulated depreciation | 742.17 | 742.17 |
| Net block as on 31 March 2024 | 3,540.38 | 3,540.38 |
| Net block as on 31 March 2023 | 3,755.64 | 3,755.64 |

| Fair value | Amount |
|---------------------|----------|
| As at 31 March 2024 | 4,532.10 |
| As at 31 March 2023 | 4,182.10 |

B. Amounts recognised in profit or loss

Rental income recognised by the company during 31 March 2024 was Rs. 81.83 Lakh (31 March 2023 : Rs. 75.23 Lakh) and was included in 'other income'. The group has incurred the following expenses for maintenance of the said properties.

| Particulars | 31 March 24 | 31 March 23 |
|--------------------------------------|--------------|--------------|
| Property tax | 0.15 | 1.29 |
| Electricity, water and gas expenses | 1.22 | 1.25 |
| Maintenance and electricity expenses | 14.87 | 12.46 |
| Total | 16.23 | 15.00 |

C. Measurement of fair values

Fair value hierarchy

Investment property comprised of buildings owned by the entity and leased out for the purpose of earning rental income.

The fair value of investment property has been determined by an external independent registered valuer, having appropriate recognised professional qualifications and experience in the location and category of property being valued. The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique

The valuation is based on government rates, market research, market trend and comparable values as considered appropriate.

TN AND HARRIS LABORATORIES LIMITED
to the consolidated financial statements (continued)
in Indian Rupees in Lakhs)

| | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Non-current investments | | |
| Investments in equity component of compound financial Instruments | | |
| 1,15,00,000 (31 March 2023 : 1,15,00,000) Non-Cumulative Optionally Convertible Preference Shares of ASG Biochem Private Limited | 1,262.85 | 1,262.85 |
| 75,00,000 (31 March 2023 : 7500000) Non-Cumulative Optionally Convertible Preference Shares of ASG Biochem Private Limited | 834.27 | 209.91 |
| | <u>2,097.12</u> | <u>1,472.76</u> |
| Investments carried at fair value through other comprehensive income (FVTOCI) | | |
| Investment in equity shares - Quoted | | |
| 5,81,000 (31 March 2023 : 5,81,000) Fully Paid Equity Shares of Rs. 10/- each of Bervin Investment & Leasing Limited | 207.13 | 209.16 |
| | <u>207.13</u> | <u>209.16</u> |
| Investment in equity shares - Unquoted | | |
| 1,810 (31 March 2023 : 1,810) Fully Paid Equity Shares of Rs. 10/- each of Aneciav Stva Education Foundation Private Limited | 0.18 | 0.18 |
| 3,742 (31 March 2023 : 3,742) equity shares of Gooded Technologies Private Limited of Rs.10 each fully paid-up | 20.02 | 20.02 |
| 2,50,000 (31 March 2023 : 2,50,000) Fully Paid Equity Shares of Rs. 10/- each of Wavin India Limited | 25.70 | 25.70 |
| | <u>45.90</u> | <u>45.90</u> |
| Investment in preference shares - Unquoted | | |
| 219 Compulsorily Convertible Preference Shares of Hourz Technologies Pvt Ltd (P.V 1% Compulsory Convertible Non-Cumulative Preference Shares of Rs. 10/- each of Stayabode Ventures Private Limited.) | 20.00 | 20.00 |
| | <u>20.00</u> | <u>20.00</u> |
| Investments carried at amortised cost | | |
| Investment in preference shares - Unquoted | | |
| 1,15,00,000 (31 March 2023 :1,15,00,000) Non-Cumulative Optionally Convertible Preference Shares of ASG Biochem Private Limited (Face value Rs. 10/- and Premium of Rs. 6/- per share, Fully paid up) | 663.11 | 624.40 |
| 75,00,000 (31 March 2023 :75,00,000) Non-Cumulative Optionally Convertible Preference Shares of ASG Biochem Private Limited (Face value Rs. 10/- and Premium of Rs. 6/- per share partly paid Rs. 4/-) | 383.57 | 90.29 |
| | <u>1,046.68</u> | <u>714.69</u> |
| | <u>3,416.83</u> | <u>2,462.52</u> |
| (a) Aggregate amount of quoted investments | 207.13 | 209.16 |
| (b) Aggregate market value of quoted investments | 207.13 | 209.16 |
| (a) Aggregate amount of unquoted investments | 3,209.70 | 2,253.36 |
| (b) Aggregate amount of impairment in value of investments | - | - |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the consolidated financial statements (continued)
(Currency: Indian Rupees in Lakhs)

| | | | |
|----------------------|--|----------------------|----------------------|
| 6 Inventories | | 31 March 2024 | 31 March 2023 |
| Finished goods | | 3,045.99 | 1 |
| Stock-in-hand | | - | - |
| | | <u>3,045.99</u> | <u>1</u> |

| | | | |
|--|--|----------------------|----------------------|
| 7 Trade receivables (Unsecured, considered good) | | 31 March 2024 | 31 March 2023 |
| Trade receivables | | 197.22 | - |
| | | <u>197.22</u> | <u>-</u> |

Trade Receivables ageing for the financial year 2023-24

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables – considered good | 197.22 | - | - | - | - | 197.22 |
| Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

Trade Receivables ageing for the financial year 2022-23

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables – considered good | 136.91 | - | - | - | - | 136.91 |
| Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| Disputed Trade Receivables considered good | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

| | | | |
|------------------------------------|--|----------------------|----------------------|
| 8 Cash and cash equivalents | | 31 March 2024 | 31 March 2023 |
| Cash in hand | | 1.72 | - |
| Balances with banks | | 22.91 | - |
| In current account | | - | - |
| | | <u>24.62</u> | <u>-</u> |

| | | | |
|------------------------------|--|----------------------|----------------------|
| 9 Other bank balances | | 31 March 2024 | 31 March 2023 |
| Fixed deposits with banks | | 4,412.30 | - |
| | | <u>4,412.30</u> | <u>-</u> |

| | | | |
|--|--|----------------------|----------------------|
| 10 Current financial assets - Loans | | 31 March 2024 | 31 March 2023 |
| Loans | | - | 3.01 |
| | | <u>-</u> | <u>3.01</u> |

| | | | |
|--|--|----------------------|----------------------|
| 11 Other current financial assets | | 31 March 2024 | 31 March 2023 |
| Interest accrued | | 45.13 | - |
| Advances repayable on demand | | 45,066.75 | 45.15 |
| Interest on Loan Receivable | | 2,688.64 | 1.83 |
| Loans to staff | | - | - |
| Security deposits | | 46.71 | 4 |
| | | <u>47,847.22</u> | <u>47.03</u> |

| | | | |
|-------------------------------------|--|----------------------|----------------------|
| 12 Other current assets | | 31 March 2024 | 31 March 2023 |
| Balance with government authorities | | 334.79 | 18 |
| Advance to suppliers | | 1,494.34 | 88 |
| Advances to staff | | 10.69 | 11 |
| | | <u>1,839.81</u> | <u>107</u> |

RTIN AND HARRIS LABORATORIES LIMITED
to the consolidated financial statements (continued)
urrency: Indian Rupees in Lakhs)

Share capital

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Authorised : | | |
| 50,00,000 (31 March 2023 : 50,00,000) equity shares of Rs.10 each. | 500.00 | 500.00 |
| TOTAL | 500.00 | 500.00 |
| Issued, subscribed and paid-up: | | |
| 39,96,040 (31 March 2023 : 39,96,040) equity shares of Rs.10 each fully paid-up | 399.60 | 399.60 |
| | 399.60 | 399.60 |

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- each. each holder of equity share is entitled to vote.

There are no rights, preferences and restrictions attached to any share.

Reconciliation of number of shares outstanding at the beginning and end of the year :

| Equity shares : | 31 March 2024 | 31 March 2023 |
|--|------------------|------------------|
| | Number of Shares | Number of Shares |
| Outstanding at the beginning of the year | 39,96,040 | 39,96,040 |
| Equity shares issued during the year | - | - |
| Outstanding at the end of the year | 39,96,040 | 39,96,040 |

Shareholders holding more than 5% shares in the Company is set out below:

| Equity shares of Rs. 10 each fully paid | 31 March 2024 | | 31 March 2023 | |
|---|------------------|-------------------|------------------|-------------------|
| | Number of Shares | % of Total shares | Number of Shares | % of Total shares |
| Chang Investchem Private Limited | 14,99,800 | 37.53% | 14,99,800 | 37.53% |
| Aessen Private Limited | 8,19,400 | 20.51% | 8,19,400 | 20.51% |
| Acme Network S.A. | 8,02,200 | 20.07% | 8,02,200 | 20.07% |

Shares held by Promoters at the end of the year are set out below:

| Promoter Name | 31 March 2024 | | 31 March 2023 | | % Changes during the year |
|-------------------------|------------------|-------------------|------------------|-------------------|---------------------------|
| | Number of Shares | % of Total shares | Number of Shares | % of Total shares | |
| Shanker Laxman Laad | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| Pratil Kalidas Gohil | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| Rajendra Bramhdeo Melje | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| S. Veeranahavan | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| T. C. Prabhakaran | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| Mustafe Y. | 20 | 0.0005% | 20 | 0.0005% | 0.00% |
| Pandit Dayadu Jadhav | 20 | 0.0005% | 20 | 0.0005% | 0.00% |

Other equity

| | 31 March 2024 | 31 March 2023 |
|--|------------------|------------------|
| A. Retained earnings | 62,237.12 | 58,351.82 |
| B. Securities premium | 4.75 | 4.75 |
| C. General reserve | 410.05 | 410.05 |
| D. Equity Instruments designated through other comprehensive income | 155.43 | 162.48 |
| | 62,807.34 | 58,929.10 |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the consolidated financial statements (continued)
(Currency: Indian Rupees in Lakhs)

| | 31 March 2024 | 31 March 2023 |
|---|------------------|------------------|
| Retained earnings | | |
| Opening balance | 58,351.82 | 51,750.28 |
| Add/(Less): | | |
| Profit for the year | 4,042.84 | 6,806.88 |
| Appropriations | | |
| Dividend Paid | (207.79) | (207.79) |
| Remeasurements of defined benefit liability / (asset) | 50.25 | 2.45 |
| Closing balance | <u>62,237.12</u> | <u>58,351.82</u> |
| Securities premium | | |
| Opening balance | 4.75 | 4.75 |
| Changes during the year | - | - |
| Closing balance | <u>4.75</u> | <u>4.75</u> |
| General Reserve | | |
| Opening balance | 410.05 | 410.05 |
| Changes during the year | - | - |
| Closing balance | <u>410.05</u> | <u>410.05</u> |
| Equity instruments designated through other comprehensive income | | |
| Opening balance | 162.48 | 167.88 |
| Add/(Less): | | |
| Fair value changes during the year (net of tax) | (7.05) | (5.40) |
| Transfer from / (to) other reserves | - | - |
| Closing balance | <u>155.43</u> | <u>162.48</u> |

JIN AND HARRIS LABORATORIES LIMITED
to the consolidated financial statements (continued)
(in Indian Rupees in Lakhs)

| | | | | | |
|--|--|----------------------|-----------|-------------------|----------|
| Other non-current financial liabilities | 31 March 2024 | 31 March 2023 | | | |
| Security Deposit Rent | 24.00 | 24.00 | | | |
| | <u>24.00</u> | <u>24.00</u> | | | |
| Provisions - Non-current | 31 March 2024 | 31 March 2023 | | | |
| Provision for gratuity | 21.71 | 58.28 | | | |
| Provision for leave encashment | 1.64 | 10.04 | | | |
| | <u>23.35</u> | <u>68.32</u> | | | |
| Other non-current liabilities | 31 March 2024 | 31 March 2023 | | | |
| Government grants | 12.84 | 15.16 | | | |
| | <u>12.84</u> | <u>15.16</u> | | | |
| Borrowings - Current | 31 March 2024 | 31 March 2023 | | | |
| Secured | | | | | |
| Cash-credit from bank* | 782.70 | 418.68 | | | |
| | <u>782.70</u> | <u>418.68</u> | | | |
| *Refer note 35 for related party transactions | | | | | |
| Terms and conditions | | | | | |
| *Cash-credit from bank is secured against hypothecation of finished goods, raw material, packing material, work-in-progress, book debts and collaterally secured by equitable mortgage of property, plant and equipment. | | | | | |
| **Borrowings from related parties is for a short term and is unsecured in nature. | | | | | |
| Trade payables | 31 March 2024 | 31 March 2023 | | | |
| Total outstanding dues to micro enterprises and small enterprises | - | - | | | |
| Total outstanding dues to creditors other than micro enterprises and small enterprises | 1,683.40 | 972.69 | | | |
| | <u>1,683.40</u> | <u>972.69</u> | | | |
| Trade Payable ageing for the financial year 2023-24 | | | | | |
| Particulars | Outstanding for following periods from due date of payment | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | 1,683.40 | - | - | - | 1,683.40 |
| Disputed dues – MSME | - | - | - | - | - |
| Disputed dues – Others | - | - | - | - | - |
| Trade Payable ageing for the financial year 2022-23 | | | | | |
| Particulars | Outstanding for following periods from due date of payment | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | - | - | - | - |
| Others | 972.69 | - | - | - | 972.69 |
| Disputed dues – MSME | - | - | - | - | - |
| Disputed dues – Others | - | - | - | - | - |
| Other current financial liabilities | 31 March 2024 | 31 March 2023 | | | |
| Security deposits | 38.32 | 56.22 | | | |
| Unpaid dividend | 1.77 | - | | | |
| Expenses payable | 240.82 | 374.55 | | | |
| | <u>280.91</u> | <u>430.77</u> | | | |
| Provisions - Current | 31 March 2024 | 31 March 2023 | | | |
| Provision for gratuity | 12.81 | 32.55 | | | |
| Provision for leave encashment | 1.12 | 5.67 | | | |
| | <u>13.93</u> | <u>38.22</u> | | | |
| Other current liabilities | 31 March 2024 | 31 March 2023 | | | |
| Statutory dues payable | 93.12 | 128.68 | | | |
| Advance from customers | 4.65 | 38.70 | | | |
| Government grants | 2.32 | 2.32 | | | |
| | <u>100.09</u> | <u>169.69</u> | | | |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the consolidated financial statements (continued)
(Currency: Indian Rupees in Lakhs)

| 23 Revenue from operations | For year ended 31 March 2024 | For year ended 31 March 2023 |
|---|---------------------------------|---------------------------------|
| Sale of goods | 14,614.70 | 20,516.48 |
| | <u>14,614.70</u> | <u>20,516.48</u> |
| 24 Other income | For year ended 31 March 2024 | For year ended 31 March 2023 |
| Interest Income | | |
| a. From fixed deposits | 192.84 | 0.43 |
| b. From loans advanced | 3,061.80 | 2,215.75 |
| c. Others | 0.46 | 1.78 |
| Capital gain - others | - | 0.36 |
| Rental Income | 92.39 | 75.23 |
| Profit on sale of Assets | 13.69 | - |
| Depreciation written back | 9.11 | - |
| Gain on sale of Mutual fund | - | 77.63 |
| Income on investments carried at amortised cost | 56.34 | 34.89 |
| Grant written back | 2.32 | 2.32 |
| Miscellaneous income | 0.04 | 0.03 |
| | <u>3,429.00</u> | <u>2,408.43</u> |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the consolidated financial statements (continued)
(Currency: Indian Rupees in Lakhs)

| 25 Cost of material, operation and incidental cost | For year ended 31 March 2024 | For year ended 31 March 2023 |
|--|---------------------------------|---------------------------------|
| Opening inventory | 1,880.88 | 2,411.48 |
| Add: Purchases during the year | 5,288.72 | 4,183.28 |
| Closing inventory | (3,045.99) | (1,880.88) |
| | <u>4,123.61</u> | <u>4,713.88</u> |
| | | |
| 26 Employee benefits expense | For year ended 31 March 2024 | For year ended 31 March 2023 |
| Salaries | 1,890.17 | 1,985.36 |
| Bonus | 3.57 | 7.64 |
| Other allowances | 170.10 | 91.24 |
| Ex-gratia | 102.57 | 86.60 |
| Medical expenses | 18.74 | 28.19 |
| Books & periodicals | 54.63 | 96.60 |
| Staff welfare | 130.28 | 134.22 |
| Provident fund | 15.32 | 25.52 |
| Training and recruitment cost | 1.19 | 19.60 |
| | <u>2,386.57</u> | <u>2,474.97</u> |
| | | |
| 27 Finance costs | For year ended 31 March 2024 | For year ended 31 March 2023 |
| Interest on borrowings | 49.35 | 11.05 |
| Bank charges | 8.76 | 10.55 |
| | <u>58.11</u> | <u>21.60</u> |
| | | |
| 28 Depreciation and amortisation | For year ended 31 March 2024 | For year ended 31 March 2023 |
| Depreciation of property, plant and equipment (refer note 2) | 288.76 | 269.90 |
| Depreciation on investment property | 174.38 | 122.95 |
| | <u>463.14</u> | <u>392.85</u> |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the consolidated financial statements (continued)
(Currency: Indian Rupees in Lakhs)

| 29 Other expenses | For year ended 31 March 2024 | For year ended 31 March 2023 |
|--|---------------------------------|---------------------------------|
| Manufacturing Expenses | | |
| Loading and unloading | 0.63 | 0.02 |
| Repairs and maintenance | | |
| Plant and machinery | 60.83 | 41.45 |
| Computer | 503.32 | 572.97 |
| Building | 130.10 | 203.91 |
| Freight and cartage | 54.37 | 35.57 |
| Power and fuel | 101.08 | 65.57 |
| Research and development | 27.26 | 69.66 |
| Selling and Distribution Expenses | | |
| Selling expenses | 936.34 | 1,389.84 |
| Establishment Expenses | | |
| Rent | 54.97 | 43.69 |
| Insurance | 31.03 | 33.24 |
| Printing and stationery | 14.83 | 34.31 |
| Travelling and conveyance | 312.20 | 313.96 |
| Vehicle running expenses | 27.23 | 25.56 |
| Postage, telegram and telephone | 11.11 | 14.72 |
| Rates and taxes | 241.94 | 16.08 |
| Royalty and trademark expenses | 870.00 | 870.00 |
| Other expenses | 28.06 | 14.66 |
| Contribution towards CSR expenses | 167.27 | 151.24 |
| Charity and donation | 1.37 | 17.00 |
| Exchange Loss | 0.06 | 1.72 |
| Filing fee | - | 0.03 |
| Legal and professional fee | 362.08 | 508.12 |
| Consultancy charges | 1,488.66 | 1,651.86 |
| Welfare Expenses | - | 8.31 |
| Membership and subscription | 44.46 | 11.98 |
| Water & Electricity Expenses | 1.22 | 1.25 |
| Interest and Penalty | 1.12 | 0.04 |
| Maintenance and Electricity Expenses | 14.87 | 12.46 |
| Fair value gain through FVTPL | - | 0.30 |
| Payment to auditors | | |
| Audit fee | 2.38 | 2.20 |
| Tax audit | 1.25 | 1.25 |
| | 5,490.02 | 6,112.94 |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the consolidated financial statements (continued)
(Currency: Indian Rupees in Lakhs)

30 Taxes

a) Statement of profit or loss

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Current tax: | | |
| Current income tax charge | 1,482.36 | 2,414.51 |
| Tax in respect of earlier years | 5.19 | 3.89 |
| Deferred tax (including MAT credit entitlement) | (8.15) | (16.59) |
| Income tax expense reported in the statement of profit or loss | 1,479.40 | 2,401.81 |

b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during the year

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Current tax: | | |
| Taxes on equity instruments through other comprehensive income | - | - |
| Deferred tax (including MAT credit entitlement) | | |
| Remeasurements gains and losses on post employment benefits | (16.90) | (0.82) |
| Taxes on equity instruments through other comprehensive income | (5.02) | 0.70 |
| Income tax recognised in OCI | (21.92) | (0.13) |

c) Balance sheet

Tax assets

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------------|---------------|---------------|
| Non-current tax assets | - | - |
| Current tax assets | 96.08 | 124.83 |
| Total tax assets | 96.08 | 124.83 |

Current tax liabilities

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------------------------|---------------|---------------|
| Income tax (net of provision) | 55.67 | - |
| Total current tax liabilities | 55.67 | - |

d) Deferred tax

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------------------------------|---------------|---------------|
| Deferred tax asset (DTA) | (13.58) | (26.81) |
| Deferred tax liability (DTL) | 26.26 | 25.73 |
| Total Deferred tax liabilities | 12.68 | (1.09) |

| Particulars | 31 March 2024 | 31 March 2023 |
|---|----------------|----------------|
| Deferred tax liability (DTL) | | |
| Excess of depreciation/amortisation on property, plant and equipment under income tax act | - | 4.49 |
| Fair valuation of equity shares | 26.26 | 21.24 |
| | 26.26 | 25.73 |
| Deferred tax asset (DTA) | | |
| Excess of depreciation/amortisation on property, plant and equipment under income tax act | (4.19) | |
| Gratuity | (8.69) | (22.86) |
| Leave encashment | (0.69) | (3.95) |
| | (13.58) | (26.81) |
| Net deferred tax liabilities/asset | 12.68 | (1.09) |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the consolidated financial statements (continued)
(Currency: Indian Rupees in Lakhs)

e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

| | Year ended | |
|---|-----------------|-----------------|
| | 31 March 2024 | 31 March 2023 |
| Accounting profit before tax | 5,522.24 | 9,208.69 |
| Tax as per IT Act on above @ 25.168% (Prev. year - 25.168%) (A) | 1,389.54 | 2,317.64 |
| Tax expenses | | |
| (i) Current tax | 1,482.36 | 2,414.51 |
| (ii) Deferred tax | (8.15) | (16.59) |
| (iii) Taxation in respect of earlier years | 5.19 | 3.89 |
| (B) | 1,479.40 | 2,401.81 |
| Difference | (89.56) | (84.17) |
| Tax reconciliation | | |
| Adjustments: | | |
| Taxation in respect of earlier years | 5.19 | 3.89 |
| Permanent disallowances | 101.62 | 94.00 |
| Standard deduction (H.P) | (6.20) | (5.91) |
| Deferred tax | (8.15) | (16.59) |
| 43B Disallowance | (1.56) | 6.14 |
| Others | (1.32) | 2.64 |
| | 0.00 | (0.00) |

D) Movement in temporary differences:

| | 01 April 22 | Recognised in profit or loss during the year | Recognised in OCI during the year | Movement in Balance sheet | 31 March 2023 | Recognised in profit or loss during the year | Recognised in OCI during the year | 31 March |
|---|--------------|--|-----------------------------------|---------------------------|---------------|--|-----------------------------------|----------|
| Deferred tax liability (DTL) | | | | | | | | |
| Excess of depreciation/amortisation on property, plant and equipment under income tax act | 15.83 | (11.34) | - | - | 4.49 | (8.69) | - | - |
| Mutual funds designated at fair value through profit and loss | 0.08 | (0.08) | - | - | 0.00 | - | - | - |
| Fair valuation of equity shares | 21.93 | - | (0.70) | - | 21.24 | - | 5.02 | - |
| Gratuity | (18.93) | (4.75) | 0.82 | - | (22.86) | (2.73) | 16.90 | - |
| Leave encashment | (3.53) | (0.42) | - | - | (3.95) | 3.26 | - | - |
| | 15.38 | (16.59) | 0.13 | - | (1.09) | (8.15) | 21.92 | - |

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities to income taxes levied by the same tax authority.

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Currency: Indian Rupees in Lakhs)

Earnings Per Share

| Particulars | For year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|---------------------------------|-------------------------------------|
| Profit / (Loss) attributable to equity shareholders | 4,042.84 | 6,806.88 |
| Basic Earnings Per Share | | |
| Weighted average number of equity shares outstanding during the year | 39,96,040 | 39,96,040 |
| Basic EPS (Rs.) | 101.17 | 170.34 |
| Diluted Earnings Per Share | | |
| Weighted average number of equity shares outstanding for diluted EPS | 39,96,040 | 39,96,040 |
| Diluted EPS (Rs.) | 101.17 | 170.34 |

Contingent liabilities:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | 900.00 |
| | - | 900.00 |

Note:- The capital contract remaining to be executed is Rs Nil (previous year Rs 900.00 Lakh) towards Non-Cumulative Optionally Convertible Preference Shares participation obligation.

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| The amount remaining unpaid to micro and small suppliers as at the end of each accounting year | | |
| - Principal | - | - |
| - Interest | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006 | - | - |
| The amount of payment made to micro and small supplier beyond the appointed day during each accounting year. | - | - |
| The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of the accounting year. | - | - |
| The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | - | - |

Corporate social responsibility

| Particulars | For year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---------------------------------|-------------------------------------|
| Gross amount required to be spent by the group during the year | 167.25 | 151.23 |
| Amount approved by the Board to be spent during the year | 167.27 | 151.24 |
| Amount spent during the year on | | |
| a. Construction/ acquisition of any asset | - | - |
| b. On purposes other than (a) above | 167.27 | 151.24 |
| Details of related party transactions | - | - |
| | 167.27 | 151.24 |

35 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Key Management Personnel (KMP)/Directors

Shanker Lata Laxman
Harun Thakur Singh
Nasim Uddin
Satish Kumar Murgai
Isha Shekhar Tripathi
Chandra Mohan Chhabra

Other related parties:

Entities in which Key Management Personnel and / or their relatives exercise significant influence and with whom transactions were carried out during the year-

1 Bervin Investment & Leasing Ltd.

(b) Related party transactions:

| Sr. no | Nature of Transaction | For year ended 31 March 2024 | | | For the year ended 31 March 2023 | | |
|--------|--------------------------------|---|--|-------|---|--|------------|
| | | Key Management Personnel (KMP)/Relative of Key Management Personnel | Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence | Total | Key Management Personnel (KMP)/Relative of Key Management Personnel | Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence | Total |
| 1 | Loan & Advances taken/Received | - | - | - | - | 3,146.00 | 3,146.00 |
| 2 | Loan Paid/given | - | - | - | - | (3,611.17) | (3,611.17) |
| | | - | - | - | - | (465.17) | (465.17) |

(c) Balances outstanding at the end of the year:-

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| a. Financial Assets - Other Financial Assets | | |
| Bervin Investment & Leasing Ltd. | 465.17 | - |

36 Financial risk management

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies. The board regularly meets to decide its risk management activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Group has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- market risk - see note (c) below

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess impairment loss or gain.

(b) Liquidity risk

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

The Group's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-------------------------------|------------------------|------------------------|
| Total current assets (A) | 57,463.24 | 53,353.02 |
| Total current liabilities (B) | 2,916.69 | 2,030.04 |
| Working capital (A-B) | 54,546.54 | 51,322.98 |

Following is the Group's exposure to financial liabilities based on the contractual maturity as at reporting date.

| Particulars | As at 31 March 2024 | | | |
|-------------------|------------------------|------------------|------------------|----------|
| | Contractual cash flows | | | |
| | Carrying value | Less than 1 year | More than 1 year | Total |
| Borrowings | 782.70 | 782.70 | - | 782.70 |
| Trade payables | 1,683.40 | 1,683.40 | - | 1,683.40 |
| Other liabilities | 304.91 | 280.91 | 24.00 | 304.91 |

| Particulars | As at 31 March 2023 | | | |
|-------------------|------------------------|------------------|------------------|--------|
| | Contractual cash flows | | | |
| | Carrying value | Less than 1 year | More than 1 year | Total |
| Borrowings | 418.68 | 418.68 | - | 418.68 |
| Trade payables | 972.69 | 972.69 | - | 972.69 |
| Other liabilities | 454.77 | 430.77 | 24.00 | 454.77 |

(c) **Interest rate risk:**
The Group does not face any interest rate risk as all the borrowings of the company have a fixed interest rate.

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

(f) **Foreign currency unhedged exposure :**

| Financial assets | As at 31 March 2024 | | As at 31 March 2023 | |
|-------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | Foreign currency | Equivalent amount in rupees | Foreign currency | Equivalent amount in rupees |
| Trade receivables | | | | |
| USD | - | - | - | 133.29 |
| | - | - | - | - |

| Financial liabilities | As at 31 March 2024 | | As at 31 March 2023 | |
|-----------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | Foreign currency | Equivalent amount in rupees | Foreign currency | Equivalent amount in rupees |
| Trade payables | | | | |
| USD | 0.36 | 28.92 | 1.63 | 133.29 |
| | 0.36 | 28.92 | 1.63 | 133.29 |

| Currency wise net exposure (assets - liabilities) | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|-----------------------------|---------------------|-----------------------------|
| | Foreign currency | Equivalent amount in rupees | Foreign currency | Equivalent amount in rupees |
| USD | (0.36) | (28.92) | (1.63) | (133.29) |
| Total | (0.36) | (28.92) | (1.63) | (133.29) |

Sensitivity analysis

| Currency | Amount in INR | | Sensitivity % |
|----------|---------------|---------------|---------------|
| | 31 March 2024 | 31 March 2023 | |
| INR | (28.92) | (133.29) | 1.00% |
| | (28.92) | (133.29) | |

| | Impact on profit/equity (1% strengthening) | | Impact on profit/equity (1% weakening) | |
|-------|--|---------------|--|---------------|
| | Amount in ₹ | | Amount in ₹ | |
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| INR | (0.29) | (1.33) | 0.29 | 1.33 |
| Total | (0.29) | (1.33) | 0.29 | 1.33 |

The exchange rate used by the Company is that notified by the Reserve Bank of India.

37 Capital management

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

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.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

| Particulars | As at | As at |
|-------------------|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Net debt | 782.70 | 418.68 |
| Total equity | 63,206.95 | 59,328.70 |
| Debt-equity ratio | 0.01 | 0.01 |

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in Indian Rupees in Lakhs)

fair value measurements

Categories of financial instruments -
articulares

| Category | As at 31 March 2024 | | | | As at 31 March 2023 | | | |
|------------------------------------|---------------------|--------------|---------------|------------------|---------------------|--------------|---------------|------------------|
| | FVTPL | FVTOCI | FVTOCI | Amortised cost | FVTPL | FVTOCI | FVTOCI | Amortised cost |
| | Level 1 | Level 3 | Level 1 | Level 2 | Level 1 | Level 3 | Level 1 | Level 2 |
| financial assets | | | | | | | | |
| Investment | - | 65.90 | 207.13 | 3,143.80 | - | 65.90 | 209.16 | 2,187.46 |
| Trade receivables | - | - | - | 197.22 | - | - | - | 136.91 |
| Cash and cash equivalents | - | - | - | 24.62 | - | - | - | 82.47 |
| Other bank balances | - | - | - | 4,412.30 | - | - | - | 6.30 |
| Loans | - | - | - | - | - | - | - | 3,009.46 |
| Other financial assets | - | - | - | 47,847.22 | - | - | - | 47,031.60 |
| total financial assets | - | 65.90 | 207.13 | 55,625.16 | - | 65.90 | 209.16 | 52,454.21 |
| financial liabilities | | | | | | | | |
| Borrowings | - | - | - | 782.70 | - | - | - | 418.68 |
| Trade payables | - | - | - | 1,683.40 | - | - | - | 972.69 |
| Other financial liabilities | - | - | - | 304.91 | - | - | - | 454.77 |
| total financial liabilities | - | - | - | 2,771.01 | - | - | - | 1,846.13 |

fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the group which are carried at amortised cost approximate the fair value. Accordingly fair value disclosures have not been made for these financial instruments. Investments in equity shares and mutual funds which are designated as FVTPL & investment in equity shares which are classified as FVTOCI are at fair value.

- 39 **Post-employment benefit plans**
As per Indian Accounting Standard 19 "Employee Benefits", the disclosures as defined are given below-

A. Defined Contribution Plans

Contribution to defined contribution plans, recognised as expense for the year is as under:

| Particulars | For year ended 31 March 2024 | For year en 31 March 2 |
|---|---------------------------------|---------------------------|
| Employer's contribution to provident fund | 15.32 | 25 |

Group's contribution paid/payable during the year to provident fund are recognised in the Statement of Profit and Loss.

B. Defined Benefit Plans

Gratuity

The Group has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five year service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded by an insurance company.

Liability Risks

1. Asset-Liability mismatch risk- Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt as liability management.

2. Discount rate risk- Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

3. Future salary escalation and inflation risk - Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rise in salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided by management's discretion may lead to uncertainties in estimating this increasing risk.

4. Unfunded Plan Risk - This represents unmanaged risk and a growing liability. There is an inherent risk here that the company may default on paying the benefit in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

| Particulars | As at 31 March 2024 | As 31 March 2 |
|--------------------------------|------------------------|------------------|
| Current service cost | 5.91 | 13. |
| Net interest (Income)/ Expense | 6.69 | 5. |
| Net benefit expense | 12.61 | 19. |

Changes in the present value of the defined benefit obligation are as follows :

| Particulars | As at 31 March 2024 | As 31 March 2 |
|--|------------------------|------------------|
| Projected benefit obligation at the beginning of the year | 90.83 | 75. |
| Interest cost | 6.69 | 5. |
| Current service cost | 5.91 | 13. |
| Actuarial (gain)/ loss on obligations | (67.15) | (3.) |
| Benefits paid | (1.77) | (0.) |
| Present value of obligation at the end of the year | 34.52 | 90. |

Changes in the fair value of plan assets are as follows:

| Particulars | As at | |
|---|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Fair value of plan assets at the beginning of the year | - | - |
| Interest income | - | - |
| Contributions | - | - |
| Mortality charges and taxes | - | - |
| Benefits paid | - | - |
| Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) | - | - |
| Fair value of Plan assets at end of the year | - | - |
| Actual return on plan assets | - | - |

Re-measurements for the year (Actuarial (gain) / loss)

| Particulars | As at | |
|---|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Experience adjustments gain / (loss) on plan liabilities | (67.39) | (2.09) |
| Demographic assumptions gain / (loss) on plan liabilities | - | - |
| Financial assumptions gain / (loss) on plan liabilities | 0.24 | (1.19) |
| Experience (gain) / loss on plan assets | - | - |
| Financial (gain) / loss on plan assets | - | - |

Amount recognised in the statement of other comprehensive income

| Particulars | As at | |
|--|----------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Re-measurement for the year - obligation (gain) / loss | (67.15) | (3.27) |
| Re-measurement for the year - plan assets (gain) / loss | - | - |
| Total re-measurements cost / (credit) for the year recognised in other comprehensive income | (67.15) | (3.27) |

Net Defined Benefit Liability/(Asset) for the year

| Particulars | As at | |
|--|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Defined benefit obligation | 34.52 | 90.83 |
| Fair value of plan assets | - | - |
| Closing net defined benefit liability/(asset) | 34.52 | 90.83 |

| | | |
|-------------|-------|-------|
| Current | 12.81 | 32.55 |
| Non-Current | 21.71 | 58.28 |

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| Nature of plan assets | As at | |
|--------------------------|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Funds managed by insurer | 0% | 0% |

The principal assumptions used in determining gratuity obligations for the Group's plan are shown below:

Assumptions

| Particulars | As at | |
|---|-----------------|-----------------|
| | 31 March 2024 | 31 March 2023 |
| | % | |
| Mortality table | IALM (2012- 14) | IALM (2012- 14) |
| Discount rate | 7.21% | 7.37% |
| Rate of increase in compensation levels | 5.00% | 5.00% |
| Expected rate of return on plan assets | 0.00% | 0.00% |
| Withdrawal rate # | | |
| Age upto 30 years | 0.10% | 0.10% |
| Age 31 - 44 years | 0.30% | 0.30% |
| Age above 44 years | 0.60% | 0.60% |

| | | |
|--|-------|-------|
| Expected average remaining working lives of employees (in years) | 13.91 | 13.91 |
|--|-------|-------|

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Assumption has been revised by the Group based on their past experience and future expectations

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

| Assumptions | Defined benefit obligation | | | |
|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 31 March 2024 | | As at 31 March 2023 | |
| | Increase by 50 basis points | Decrease by 50 basis points | Increase by 50 basis points | Decrease by 50 basis points |
| Discount Rate | | | | |
| Discount Rate | 7.71% | 6.71% | 7.87% | 6.87% |
| Amount | (0.79) | 0.84 | (2.44) | 2.60 |
| Salary increment rate | | | | |
| Salary increment rate | 5.50% | 4.50% | 5.50% | 4.50% |
| Amount | 0.86 | (0.81) | 2.65 | (2.50) |

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected contribution for the next Annual reporting period.

| Particulars | 31 March 2024 |
|---|---------------|
| Service Cost | 4.41 |
| Net Interest Cost | 2.49 |
| Expected Expense for the next annual reporting period | 6.90 |

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

| Year ending 31 March 2024 | Expected benefit payment rounded off to nearest thousand |
|---------------------------|--|
| 0 to 1 Year | 12.81 |
| 1 to 2 Year | 0.06 |
| 2 to 3 Year | 5.08 |
| 3 to 4 Year | 1.66 |
| 4 to 5 Year | 1.45 |
| 5 to 6 Year | 1.53 |
| 6 Year onwards | 11.92 |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the consolidated financial statements (continued)
Currency: Indian Rupees in Lakhs)

40 Revenue from contracts with customers

A. Revenue streams

| Particulars | For year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------------------------|---------------------------------|-------------------------------------|
| Revenue from operations | | |
| Sale of goods | 14,614.70 | 20,516.48 |
| | 14,614.70 | 20,516.48 |

| Particulars | For year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------------------------------|---------------------------------|-------------------------------------|
| Timing of revenue recognition | | |
| At point in time | 14,614.70 | 20,516.48 |
| Over the period in time | - | - |
| Total revenue | 14,614.70 | 20,516.48 |

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41 Leases

A. As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and reward incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Group decided to apply recognition exemptions to short-term leases.

B. As a lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application.

C. Impacts on financial statements

On transition to Ind AS 116 - Leases, the Group has not recognised any right-of-use asset and lease liabilities, as all the leases are in the nature of short-term leases.

Expenses on short-term leases / low value assets

| | For year ended 31 March 2024 | For the year ended 31 March 2023 |
|------------------|---------------------------------|-------------------------------------|
| Short-term lease | 54.97 | 43.69 |
| Low value assets | - | - |

Amounts recognised in the statement of cash flow

| | For year ended 31 March 2024 | For the year ended 31 March 2023 |
|-------------------------------|---------------------------------|-------------------------------------|
| Total cash outflow for leases | 54.97 | 43.69 |

As a Lessor

Rental income recognised by the company during 31 March 2024 was Rs. 81.83 Lakh (31 March 2023 : Rs. 75.23 Lakh) and was included in 'other income'.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

| Maturity analysis | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| Receivable in less than one year | 1.99 | 78.60 |
| Receivable between one and five years | 7.97 | 187.40 |
| Receivable after more than five years | - | - |
| Total | 9.96 | 266.00 |

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Currency: Indian Rupees in Lakhs

- 12 The group does not have any immovable property whose title deeds are not held in the name of the company.
- 13 The group 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.
- 14 The group does not have any borrowings from banks and financial institutions which was not used for the specific purpose for which it was taken at the balance sheet date.
- 15 The group has not revalued its Property, Plant and Equipment during the year.
- 16 The group does not have any Intangible assets under development.
- 17 The group does not have any Scheme of Arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013
- 18 The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 19 No proceeding have been initiated or pending against the group under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder
- 20 The Parent company has borrowings from the bank on the basis of security of current assets.
 The Parent company filed monthly and quarterly statements which are in agreement with the books of accounts.
- 21 The group has not been declared wilful defaulter by any bank or financial institution or government or any other government authorities.
- 22 **Relationship with Struck off Companies** - The group does not have any transactions and balances with companies which are struck off
- 23 The Parent company does not have any charges or satisfaction yet to be registered with registrar of companies beyond the statutory period.
- 24 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 Further, no funds have been received by the group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 25 The group 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).
- 26 The group has not traded or invested in crypto currency or virtual currency during the financial year
- 27 Advances Recoverable in cash or in kind, include Rs. 87.81 Lakh due from Rahane Endcon Pvt Ltd against which matter is pending for arbitration.
- 28 Pursuant to Section 135 of the Companies Act, 2013 read with rule 9 of the Companies (Corporate Social Responsibility Policy, Rule 2014). The details are as under:

| Particulars | Amount |
|--|-----------------------------------|
| a) Amount required to be spent by the company during the year | 167.25 |
| b) Amount of expenditure incurred | 167.27 |
| c) Shortfall at the end of the year | Nil |
| d) Total of previous years shortfall | Nil |
| (f) Reason of shortfall | Nil |
| (f) Nature of CSR activities | Education, Health and Environment |
| (g) Details of related party transactions | NA |
| (h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation | NA |

89 Additional Information Pursuant To Para 2 of General Instructions for the Preparation of Consolidated Financial Statements
F.Y 2023-2024

| Sr. No | Name of Subsidiary | (Net Assets), i.e., total assets minus total liabilities | | Share in (profit) or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|--------|---|--|------------------|---------------------------------------|-----------------|---|--------------|---|-----------------|
| | | As % of consolidated net assets | Rs. | As % of consolidated (profit) or loss | Rs. | As % of consolidated other comprehensive income | Rs. | As % of consolidated total comprehensive income | Rs. |
| | Parent Company | | | | | | | | |
| 1 | Martin And Harris Laboratories Limited Wholly Owned Subsidiary Company | 74.50% | 47,091.72 | 49.87% | 2,017.48 | 100% | 43.20 | 50.40% | 2,060.68 |
| 1 | Delite Infrastructure Private Limited | 25.50% | 16,115.23 | 50.13% | 2,025.36 | 0% | - | 49.60% | 2,025.36 |
| | Total | 100.00% | 63,206.95 | 100.00% | 4,042.84 | 100.00% | 43.20 | 100.00% | 4,086.04 |
| | Adjustments arising out of consolidation | | - | | - | | - | | - |
| | As at 31 March 2024 | | 63,206.95 | | 4,042.84 | | 43.20 | | 4,086.04 |

F.Y 2022-2023

| Sr. No | Name of Subsidiary | (Net Assets), i.e., total assets minus total liabilities | | Share in (profit) or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|--------|---|--|------------------|---------------------------------------|-----------------|---|---------------|---|-----------------|
| | | As % of consolidated net assets | Rs. | As % of consolidated (profit) or loss | Rs. | As % of consolidated other comprehensive income | Rs. | As % of consolidated total comprehensive income | Rt. Millions |
| | Parent Company | | | | | | | | |
| 1 | Martin And Harris Laboratories Limited Wholly Owned Subsidiary Company | 76.25% | 45,239.83 | 79.03% | 5,379.25 | 100.00% | (2.95) | 79.02% | 5,376.30 |
| 1 | Delite Infrastructure Private Limited | 23.75% | 14,088.87 | 20.97% | 1,427.63 | 0.00% | - | 20.98% | 1,427.63 |
| | Total | 100.00% | 59,328.70 | 100.00% | 6,806.88 | 100.00% | (2.95) | 100.00% | 6,803.93 |
| | Adjustments arising out of consolidation | | - | | - | | - | | - |
| | As at 31 March 2023 | | 59,328.70 | | 6,806.88 | | (2.95) | | 6,803.93 |

MARTIN AND HARRIS LABORATORIES LIMITED
Notes to the consolidated financial statements (continued)
(Currency: Indian Rupees in Lakhs)

60 Operating Segment

A. Description of segments and principal activities

The business activities of the Group from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly one segment i.e. manufacturing of pharmaceuticals, medicinal chemical & botanical products

B. Information about major customers

Revenues from one customer of the Group's pharmaceutical segments represented approximately Rs. 2485.49 Lakh(31 March 2023: Rs. 4107.53 Lakh) of the Group's total revenues.

- 61** The company has prepared these financial statements, as per the format, prescribed by schedule III of the Companies Act, 2013 (the schedule), issued by Ministry of Corporate Affairs.
Previous year figures have been recast/restated and reclassified, wherever necessary to confirm the classification of the current year.

For KRISHAN K. GUPTA & CO.
Chartered Accountants
FRN: 000009N

For and on behalf of the board of directors of
Martin And Harris Laboratories Limited

K.K. GUPTA
Proprietor
M.No. 008311

NASIM UDDIN
Director
DIN: 09670604

S.L. LAAD
Director
DIN: 00105650

Place: New Delhi
Dated: 30th August, 2024

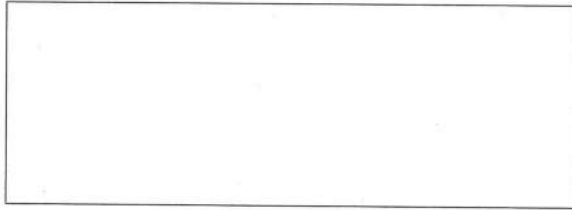
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