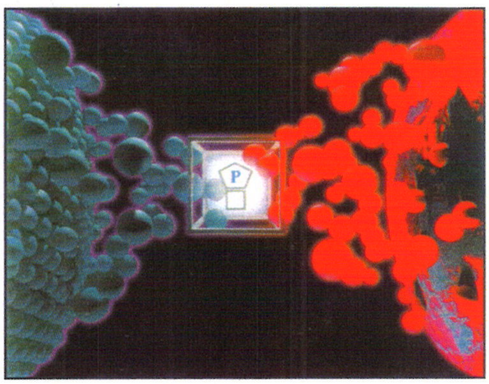
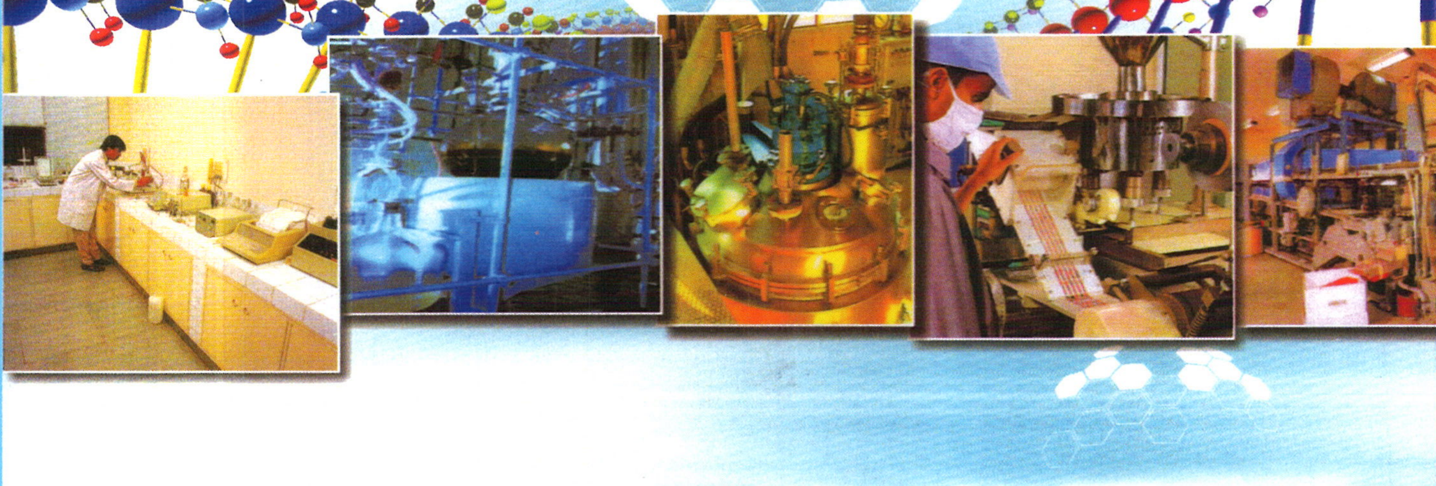
PENAM
Laboratories
Limited



THE STRENGTH TO DREAM
&
THE POWER TO ACHIEVE



CRM & Customised Synthesis ▪ **Fine Chemicals Manufacturing** ▪ **Active Pharmaceutical Ingredients (APIs)** ▪ **Pharmaceutical Formulations (Finished Dosage Forms)**

35th ANNUAL REPORT
2023-2024

PENAM LABORATORIES LIMITED

Regd. Off. : F-223, New Rajinder Nagar, New Delhi-110060.
Phone : 011-45084500 E-mail : info@penam.in Website : www.penam.in
CIN : U24231DL1989PLC037287

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of **PENAM LABORATORIES LIMITED** will be held on Monday, 30th September, 2024 at 5/46, Old Rajinder Nagar, Main Shankar Road, New Delhi – 110060 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2024 along with Reports of Directors and Auditors thereon.

2. **Re-appointment of Statutory Auditor: -**

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof for the time being in force, M/s Subodh Jain & Co., Chartered Accountants (Firm's Registration No. 002992N), be and are hereby appointed as the Statutory Auditors of the Company for a period of 5 (Five) years, to hold office as such from the conclusion of this Annual General Meeting till the conclusion of the 40th Annual General Meeting, on such remuneration as may be approved by the Board of Directors."

3. **Re-appointment of Mr. Ashish Ajmani Whole-time Director liable to retire by rotation: -**

   To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), Mr. Ashish Ajmani (DIN 00130788), who retires by rotation and being eligible offers himself for reappointment, be and is hereby re-appointed as a Whole-time Director of the Company liable to retire by rotation."

4. **Re-appointment of Dr. Paras Nath Pandey Managing Director liable to retire by rotation: -**

   To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:-

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), Dr. Paras Nath Pandey (DIN 00150374), who retires by rotation and being eligible offers himself for reappointment, be and is hereby re-appointed as a Managing Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

5. **To Appoint Mr. Pankaj Jain (DIN 10744206) as an Independent Director: -**

   To consider and, if thought fit, to pass, the following resolution as a Special Resolution:-

   "RESOLVED THAT, pursuant to provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 ("Act") read with Schedule IV to the Act, (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), the Articles of Association of the Company and on the basis of the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Pankaj Jain (DIN: 10744206), in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company at this 35th Annual General Meeting ("AGM"), not liable to retire by rotation, for a term of 5 (five) consecutive years i.e. w.e.f. 30th September, 2024;

   RESOLVED FURTHER THAT, pursuant to the provisions of Sections 149, 197 and other applicable provisions, if any, of the Act read with rules made thereunder (including any statutory amendment(s) or modification(s) thereto or substitution(s) or re-enactment(s) made thereof for the time being in force), Mr. Pankaj Jain (DIN: 10744206), be paid such fees and commission, if any, as the Nomination and Remuneration Committee or Board of Directors may approve from time to time which shall however be subject to the limits prescribed in the Act from time to time;

RESOLVED FURTHER THAT, Mr. S.K. Ajmani, Chairman & Managing Director (DIN: 00466908) be and are hereby authorized for and on behalf of the Company to issue the appointment letter to Mr. Pankaj Jain (DIN: 10744206) and undertake all other actions as may be incidental or expedient in this regard;

RESOLVED FURTHER THAT, any Director of the Company be and is hereby severally authorized to do such acts, deeds and things, as may be necessary for compliance with the applicable laws and to file the aforesaid resolution with the Registrar of Companies and sign and issue a certified copy of the aforesaid resolution, whenever necessary."

6. **To Appoint Ms. Shweta Jain (DIN 06568760) as an Independent Director: -**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:-

"**RESOLVED THAT**, pursuant to provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 ("Act") read with Schedule IV to the Act, (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), the Articles of Association of the Company and on the basis of the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Shweta Jain (DIN: 06568760), in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company at this 35th Annual General Meeting ("AGM"), not liable to retire by rotation, for a term of 5 (five) consecutive years i.e. w.e.f. 30th September, 2024;

RESOLVED FURTHER THAT, pursuant to the provisions of Sections 149, 197 and other applicable provisions, if any, of the Act read with rules made thereunder (including any statutory amendment(s) or modification(s) thereto or substitution(s) or re-enactment(s) made thereof for the time being in force), Ms. Shweta Jain (DIN: 06568760), be paid such fees and commission, if any, as the Nomination and Remuneration Committee or Board of Directors may approve from time to time which shall however be subject to the limits prescribed in the Act from time to time;

RESOLVED FURTHER THAT, Mr. S.K. Ajmani, Chairman & Managing Director (DIN: 00466908) be and are hereby authorized for and on behalf of the Company to issue the appointment letter to Ms. Shweta Jain (DIN: 06568760) and undertake all other actions as may be incidental or expedient in this regard;

RESOLVED FURTHER THAT, any Director of the Company be and is hereby severally authorized to do such acts, deeds and things, as may be necessary for compliance with the applicable laws and to file the aforesaid resolution with the Registrar of Companies and sign and issue a certified copy of the aforesaid resolution, whenever necessary."

7. **Ordinary Resolution for ratification of remuneration payable to M/s Ravi Sahni and, Associates, Cost Accountants, appointed as Cost Auditors of the Company for FY 2024-25: -**

To consider and if thought fit, 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, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s Ravi Sahni and Associates, Cost Accountant, (FRN: 000383) appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2024-25 at a remuneration to be fixed by the Board of Directors in consultation with them.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
For PENAM LABORATORIES LIMITED

Date : August 30, 2024
Place : New Delhi

Surender Kumar Ajmani
Chairman Cum Managing Director
DIN: 00466908
Add: F-223, New Rajinder Nagar
New Delhi-110060

NOTES: -

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. The proxies in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. Pursuant to the provision of section 105 of the Companies Act 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the company member holding more than ten percent of the total share capital of the company may appoint a single person as proxy, who shall not act as a proxy for any other member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
3. Proxy form is annexed hereto. Shareholders appointing the proxies are advised to execute the proxies in the form provided.
4. Members/Proxies should fill the Attendance Slip/ sheet for attending the Meeting.
5. Members are advised to notify any change in their address.
6. Due to prohibitive cost of paper and printing, copies of the Annual Report will not be distributed at Annual General Meeting.
7. Member desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Director at least seven days before the date of meeting so that the information required may be made available at the meeting.
8. The Register of Directors Shareholding shall be available for inspection at the Meeting.
9. An explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is attached herewith which forms part of the Notice.

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

(annexed to and forming part of notice dated 30.08.2024 for Annual General Meeting to be held on 30th September, 2024)

ITEM NO. 5:

To Appoint Mr. Pankaj Jain (DIN 10744206) as an Independent Director: -

The Board of Directors of the company, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Pankaj Jain (DIN: 10744206), as an Independent Director, not be liable to retire by rotation at this 35th Annual General Meeting for a term of (5) five consecutive years i.e. w.e.f. 30th September, 2024.

The Company has received from Mr. Pankaj Jain (DIN: 10744206) (i) a consent in writing to act as a Director pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) an intimation in Form DIR 8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013. (iii) Notice of Interest under Section 184(1) of Companies Act, 2013 and Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 in Form MBP – 1. and (iv) Declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

Mr. Pankaj Jain is practising as fellow member of The Institute of Chartered Accountants of India for over 22 years and is actively involved in financial accountancy, process & system development, Statutory compliance of various acts, budgeting, costing, banking and bank financing, MIS etc and having experience in formulating and implementing operational and management audits & reviews and inter-acting with the Senior Management and Board members.

Mr. Pankaj Jain have handled assignments pertaining to Financial Due Diligence, Valuations, preparing feasibility studies and reports for projects and other related matters.

In the opinion of the Board, Mr. Pankaj Jain (DIN: 10744206) fulfils the criteria of independence specified in the Act, the Rules made thereunder and such other laws / regulations for the time being in force, to the extent applicable to the Company and he is independent of the Management.

The Board noted that the background and experience of Mr. Pankaj Jain (DIN: 10744206) are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

The resolution seeks the approval of members for the appointment of Mr. Pankaj Jain as an Independent Director of the Company from 30th September, 2024 to 29th September, 2029 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

The required details of Mr. Pankaj Jain (DIN: 10744206) as per SS-2 is given in 'Annexure A' of this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the approval of the members is sought for the appointment of Mr. Pankaj Jain as an Independent Director of the Company, as a Special Resolution as set out above.

Except Mr. Pankaj Jain and his relatives, none of the Directors / Key Managerial Personnel of the Company, are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out in the Notice, except to the extent of shareholding in the Company, if any.

The Board of Directors recommends the passing of Special Resolution as stated in Item No.5 of the accompanying Notice for the approval of the members.

ITEM NO. 6:

To Appoint Ms. Shewta Jain (DIN 06568760) as an Independent Director: -

The Board of Directors of the company, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Ms. Shweta Jain (DIN: 06568760), as an Independent Director, not be liable to retire by rotation at this 35th Annual General Meeting for a term of (5) five consecutive years i.e. w.e.f. 30th September, 2024.

The Company has received from Ms. Shweta Jain (DIN: 06568760) (i) a consent in writing to act as a Director pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) an intimation in Form DIR 8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013. (iii) Notice of Interest under Section 184(1) of Companies Act, 2013 and Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 in Form MBP – 1. and (iv) Declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

Ms. Shweta Jain is practising as fellow member of The Institute of Company Secretaries of India for over 15 years. She has hands-on experience of more than 15 year in matters of corporate governance, secretarial audits and other corporate advisory services.

The Board noted that the background and experience of Ms. Shweta Jain (DIN: 06568760) are aligned to the role and capabilities identified by the NRC and that she is eligible for appointment as an Independent Director.

In the opinion of the Board, Ms. Shweta Jain (DIN: 06568760) fulfils the criteria of independence specified in the Act, the Rules made thereunder and such other laws / regulations for the time being in force, to the extent applicable to the Company and she is independent of the Management. The Board noted that the background and experience of Ms. Shweta Jain (DIN: 06568760) are aligned to the role and capabilities identified by the NRC and that she is eligible for appointment as an Independent Director.

The resolution seeks the approval of members for the appointment of Ms. Shweta Jain as an Independent Director of the Company from 30th September, 2024 to 29th September, 2029 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and she shall not be liable to retire by rotation.

The required details of Ms. Shweta Jain (DIN: 06568760) as per SS-2 is given in 'Annexure A' of this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the approval of the members is sought for the appointment of Ms. Shweta Jain as an Independent Director of the Company, as a Special Resolution as set out above.

Except Ms. Shweta Jain and her relatives, none of the Directors / Key Managerial Personnel of the Company, are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out in the Notice, except to the extent of shareholding in the Company, if any.

The Board of Directors recommends the passing of Special Resolution as stated in Item No. 6 of the accompanying Notice for the approval of the members.

ITEM NO. 7:

Ratification of remuneration payable to M/s Ravi Sahni and Associates, Cost Accountants, appointed as Cost Auditors of the Company for FY 2024-25: -

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. As per the Rules, remuneration payable to the cost auditor is required to be ratified by the members of the Company in the general meeting.

The Board of Directors of the Company at its meeting held on June 26, 2024 has considered and approved the appointment of M/s Ravi Sahni and Associates, Cost Accountants (FRN: 000383) as the cost auditor of the Company for the financial year 2024-25 at a remuneration to be fixed by the Board of Directors in consultation with them. The Board recommends this resolution for approval of the Members for ratification of the remuneration payable to the cost auditor for the financial year 2024-25.

The Directors therefore, recommend the Ordinary Resolutions for the approval of the shareholders. None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolutions.

Disclosure required under Secretarial Standard 2 on General Meetings is annexed to the notice.

By Order of the Board of Directors
For PENAM LABORATORIES LIMITED

Date : August 30, 2024
Place : New Delhi

Surender Kumar Ajmani
Chairman Cum Managing Director
DIN: 00466908
Add: F-223, New Rajinder Nagar
New Delhi-110060

Annexure - A

THE DETAILS OF DIRECTORS IN ACCORDANCE WITH THE SECRETARIAL STANDARDS ("SS-2")

1	Name of Director	Shweta Jain	Pankaj Jain
2	DIN	06568760	10744206
3	Date of Birth	26.09.1977	18.09.1974
4	Nationality	Indian	Indian
5	Date of Appointment on the Board	N.A.	N.A.
6	Qualification	- Associate Member of the Institute of Company Secretaries of India. - L L B, Law Faculty, Delhi University	- Fellow Member of the Institute of Chartered Accountants of India - Master of Financial Management, Master of Commerce
7	Experience	Practising associate member of The Institute of Company Secretaries of India for over 15 years. She has hands-on experience of more than 15 year in matters of corporate governance, secretarial audits and other corporate advisory services.	Practising fellow member of The Institute of Chartered Accountants of India for over 22 years and is actively involved in financial accountancy, process & system development, Statutory compliance of various acts, budgeting, costing, banking and bank financing, MIS etc and having experience in formulating and implementing operational and management audits & reviews and inter-acting with the Senior Management and Board members.
8	No. of Shares held in the Company	NIL	NIL
9	List of Directorship held in other Companies	1. Bespoke Health Services Private Limited	NA
10	No. of Board Meeting attended during the Year	NA	NA
11	Terms and conditions for appointment	The details are provided in the resolution at Item No. 6 of this Notice.	The details are provided in the resolution at Item No. 5 of this Notice.
12	Relationship Between Directors Inter-se	Not related with any Director, Manager and KMP	Not related with any Director, Manager and KMP
13	Remuneration Details (Drawn Earlier)	NA	NA
14	Remuneration sought to be paid	Sitting fees for attending Board and Committee Meetings, if any, where she is a member.	Sitting fees for attending Board and Committee Meetings, if any, where he is a member.

Form No. MGT-11

Proxy form

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

Venue of the meeting : 5/46, Old Rajinder Nagar, Main Shankar Road, New Delhi – 110060

Date & Time : Monday, 30th September, 2024 at 11.30 A.M.

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No.	
No. of shares held	

I/We ______________________________ being a member/member of Penam Laboratories Limited hereby appoint the following

1. Mr./Mrs. ______________________
2. Registered addresses ______________________
3. Email id ______________________
4. Signature ______________________ or failing him/her

1. Mr./Mrs. ______________________
2. Registered addresses ______________________
3. Email id ______________________
4. Signature ______________________ or failing him/her

1. Mr./Mrs. ______________________
2. Registered addresses ______________________
3. Email id ______________________
4. Signature ______________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 35th Annual General Meeting of the Company to be held on Monday, 30th September, 2024 at 5/46, Old Rajinder Nagar, Main Shankar Road, New Delhi at 11.30 A.M., and at any adjournment thereof in respect of such resolutions as are indicated below:

S.I No.	Resolution	For	Against	Abstain
Ordinary Business: -				
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2024 along with Reports of Directors and Auditors thereon.			
2.	**Re-appointment of Statutory Auditor: -** To consider and if thought fit, pass with or without modification(s), the Resolution as an ordinary resolution			

3.	To re-appoint Ashish Ajmani (DIN-00130788) who retires by rotation and being eligible offers himself for re-appointment.			
4.	To re-appoint Dr. Paras Nath Pandey (DIN 00150374) who retires by rotation and being eligible offers himself for re-appointment.			
Special Business: -				
5.	**To Appoint Mr. Pankaj Jain (DIN 10744206) as an Independent Director:** To consider and if thought fit, to pass, with or without modification(s), the resolution as Special Resolution:			
6.	**To Appoint Ms. Shewta Jain (DIN 06568760) as an Independent Director:** To consider and if thought fit, to pass, with or without modification(s), the resolution as Special Resolution:			
7.	**Ordinary Resolution for ratification of remuneration payable to M/s Ravi Sahni and Associates, Cost Accountants, appointed as Cost Auditors of the Company for FY 2024-25: -** To consider and if thought fit, to pass, with or without modification(s), the resolution as Ordinary Resolution:			

This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box.

Signature (s) of Member(s)

1. ______________________
2. ______________________
3. ______________________

Affix Revenue Stamp

Signed this .... day of .... 2024.

Signature of Proxy holder(s)

NOTES:

1. The Proxy to be effective should be deposited at the Registered office of the company by speed post or courier at F-223, New Rajinder Nagar, New Delhi – 110060, not less than FORTY-EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

BOARD OF DIRECTORS

MR. SURENDER KUMAR AJMANI
CHAIRMAN CUM MANAGING DIRECTOR

DR. PARAS NATH PANDEY
MANAGING DIRECTOR

MR. ASHISH AJMANI

MR. VIKAS PANDEY

MR. ARUN MITTAL
INDEPENDENT DIRECTOR

MR. NARINDER MOHAN JHANJI
INDEPENDENT DIRECTOR

MRS. RAJ RANI AJMANI

MRS. ABHA PANDEY

AUDITORS
SUBODH JAIN & CO.
CHARTERED ACCOUNTANTS

COST AUDITORS
RAVI SAHNI & ASSOCIATES

BANKERS
1. PUNJAB NATIONAL BANK
2. STATE BANK OF INDIA
3. ICICI BANK

REGD. OFFICE
F-223, NEW RAJINDER NAGAR
NEW DELHI-110060

WORKS
VILLAGE-JONIAWAS
DHARUHERA-REWARI
HARYANA

REGISTRAR & SHARE TRANSFER AGENT
ALANKIT ASSIGNMENTS LTD.
4E/2, JHANDEWALAN EXTENSION
NEW DELHI-110005

PENAM LABORATORIES LIMITED
Regd. Off. : F-223, New Rajinder Nagar, New Delhi-110060.
Phone : 011-45084500 E-mail : info@penam.in Website : www.penam.in
CIN : U24231DL1989PLC037287

DIRECTORS' REPORT

To,
The Members of
PENAM LABORATORIES LIMITED

Your directors have pleasure in presenting their 35th Directors' Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended 31st March, 2024.

1. FINANCIAL HIGHLIGHTS:

Particulars	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Revenue from Operation	53,182.50	50,804.69
Other Income	2,097.37	1,097.09
Total Income	**55,279.87**	**51,901.78**
Finance Cost	26.31	44.87
Depreciation	195.21	190.28
Profit Before Tax	**7,311.37**	**6,009.17**
Provision for Taxation: -		
Current Tax	1,915.00	1,580.00
Tax Relating to earlier Year	27.86	16.29
Deferred Tax	(1.80)	0.96
Profit/(loss) from Continuing Operation after Tax	**5,370.31**	**4,411.91**
Other Comprehensive Income (Net)	(9.14)	9.52
Total Comprehensive Income for The Year	**5,361.17**	**4,421.43**
Earnings per share (Rs.) :		
Basic	103.75	85.57
Diluted	103.75	85.57

2. STATE OF COMPANY'S AFFAIRS:

During the year under review, the total Income of the Company was Rs. **55,279.87 lakhs** against Rs. **50,901.78 Lakhs** in the previous year. The Comprehensive Income of the Company was Rs. **5,361.17 Lakhs** as compared to Rs. **4,421.43 Lakhs** in the previous year. Your directors are continuously looking for new avenues for future growth of the Company.

3. DIVIDEND AND TRANSFER TO RESERVE:

Your directors do not recommend any dividend for Financial Year 2023-24 and the company has not transferred any amount to any reserve out of current year profit.

4. MATERIAL CHANGE AND COMMITMENTS:

No material changes occurred subsequent to the close of the financial year of the company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

5. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

As on March 31, 2024, the Company does not have any subsidiary/joint venture/associate companies.

6. CHANGE IN THE NATURE OF BUSINESS:

There is no change in the nature of the business of the company.

7. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

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

8. **DEPOSITS:**

During the reporting period, the Company has not accepted any deposit falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

9. **LOAN FROM DIRECTORS:**

The Company has borrowed money from Directors of the Company which is stated as follows:

(Rs. in Lakhs)

Opening Balance	Accepted During the Year	Paid During the Year	Closing Balance
237.00	NIL	NIL	237.00

Further, a Declaration regarding the same is given by the Director that the amount is not being given out of funds acquired by them by borrowing or accepting loans or deposits from others.

10. **ANNUAL RETURN:**

The Company is having website i.e. www.penam.in and annual return of the Company has been published on such website.

11. **MEETINGS OF THE BOARD OF DIRECTORS:**

Four Board Meetings were held during the Financial Year ended March 31, 2024 and the maximum gap between any two Board Meetings was less than one hundred and twenty days.

The following Meetings of the Board of Directors were held during the Financial Year 2023-24: -

SN	Date of Meeting	Board Strength	No. of Directors Present
1.	24.06.2023	8	8
2.	29.08.2023	8	8
3.	02.12.2023	8	8
4.	20.03.2024	8	8

12. **DIRECTORS & KMP's:**

As on March 31, 2024, the Board of Directors comprised of Eight directors including a Chairman cum Managing Director, one Managing Director and two whole time director and two women director and two are independent directors.

In accordance with the provisions of the Companies Act 2013, Mr. Ashish Ajmani (DIN 00130788) Whole time director and Dr. Paras Nath Pandey (DIN 00150374) Managing Director of the Company, retire by rotation and, being eligible, they offer themselves for reappointment.

Mr. Arun Mittal (DIN 00049425) and Mr. Narinder Mohan Jhanji (DIN 02612674) vacate the office as Independent Directors effective from this Annual General Meeting on completion of their respective second consecutive term of 5 years and accordingly they ceased to be Chairman / Member of committees in which they were appointed.

Further, based on the recommendations of the Nomination and Remuneration Committee, the Board has considered and approve the appointment of Mr. Pankaj Jain (DIN: 10744206) and Mrs. Shweta Jain (DIN: 06568760) as an independent director of the Company for a term of (5) five consecutive years w.e.f. approval of their appointment at the ensuing Annual General Meeting.

13. **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The directors have 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 at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors have 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 have prepared the annual accounts on a going concern basis; and

(e) The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declaration/confirmation from all Independent Directors of the company as required under Section 149 (7) of the act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

The Company has also received confirmation from all the Independent Directors that they have not incurred disqualification under section 164(2) of the Companies Act, 2013 in any of the Companies, in the previous financial year, and that they are at present, stand free from any disqualification from being a Director. The Independent Directors have also confirmed their compliance with the Code for Independent Directors, as prescribed in Schedule IV to the Companies Act, 2013.

15. AUDITORS' REPORT:

M/s. Subodh Jain & Co., Chartered accountants (Registration No. 002992N), were appointed as Statutory Auditors of the Company at the 30th AGM held on 30th September, 2019 to hold office up to the conclusion of 35th AGM on the remuneration to be determined by the Board of Directors.

The Report given by the Statutory Auditor on the financial statements of the Company forms part of this Annual Report. There is no qualification, reservation or adverse remark made by the Auditor in their report. **(Annexure: 1)**

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, based on the recommendation of Audit Committee, the Board of Directors at their meeting held on 30th August, 2024, has decided to recommend the re-appointed of Subodh Jain & Co., Chartered accountants (Registration No. 002992N) as the Statutory Auditors, to hold office for a term of 5 years, from the conclusion of the ensuing 35th AGM till the conclusion of 40th AGM of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, in addition to applicable taxes and reimbursement of out of Pocket expenses incurred by them

The Company has received a certificate from Subodh Jain & Co., Chartered accountants (Registration No. 002992N), that they are eligible to be re-appointed as Statutory Auditors under Section 139 of the Act and Rules framed thereunder.

A resolution seeking members' approval for the re-appointment of M/s. Subodh Jain & Co., Chartered accountants (Registration No. 002992N) as Statutory Auditors of the Company, forms part of the Notice of the 35th AGM of the Company

16. PARTICULARS OF FRAUD REPORTED BY AUDITORS:

During the period under review, no frauds were reported by the auditors of the Company under section 143(12) of the Companies Act, 2013.

17. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company have appointed M/s M.K. Mandal & Associates, Practicing Company Secretaries for conducting secretarial audit of the Company for the F.Y. 2023-24. The Secretarial Audit Report issued by the aforesaid Secretarial Auditors is annexed herewith for your kind perusal and information. **(Annexure: 2)**

There is no qualification, reservation, observation, disclaimer or adverse remark in the Secretarial Audit Report which may require explanation from the Directors.

18. COST AUDIT:

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, The Board of Directors have appointed M/s. Ravi Sahni and Associates, Cost Accountants, Delhi to audit the Cost Accounts of the Company for the financial year 2023-24 commencing from 01st April, 2023 to 31st March, 2024. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting.

The provision of Cost Audit as per Section 148 of the Companies Act, 2013 applicable on the Company and the Company has maintained proper records and account of the same as required under the Act.

19. INTERNAL AUDITOR:

Pursuant to Section 138 of the Companies Act, 2013read with the Companies (Accounts) Rules, 2014, the company has appointed Mr. Ajay Gupta, Chartered Accountant as the internal auditor of the company. The role of the internal auditor includes but not limited to review of internal audit observation and monitoring of implementation of corrective actions required, reviewing of various policies and ensure its proper implementation.

20. AUDIT COMMITTEE:

The Audit Committee of Board of Directors constituted in terms of Section 177 of the Companies Act, 2013 consist three directors, Mr. A.K. Mittal, Mr. N.M. Jhanji and Mr. Ashish Ajmani. The Audit Committee is chaired by Mr. A.K. Mittal.

The committee met four times during the year.

21. NOMINATION AND REMUNARATION COMMITTEE:

The Nomination and Remuneration Committee of Board of Directors constituted in terms of Section 178 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 consists of three directors, Mr. A.K. Mittal, Mr. N.M. Jhanji and Mrs. Raj Rani Ajmani. The Nomination and Remuneration Committee is chaired by Mr. N. M. Jhanji.

The committee met one time during the year.

22. SHAREHOLDERS GRIEVANCE/ SHARE TRANSFER COMMITTEE:

The Shareholders Grievance/ Share Transfer Committee of the Board of Directors constituted in terms of provisions of the Companies Act, 2013 consists of three Directors, Mr. S.K. Ajmani, Dr. P.N. Pandey and Mr. Ashish Ajmani and the Committee is chaired by Mr. S.K. Ajmani.

The Committee met four times during the year.

23. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

There are no instances of fraud and mismanagement, so the Company has not established a Vigil Mechanism / Whistle Blower Policy.

24. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

Pursuant to the provisions of Section 134(3)(e) of the Companies Act, 2013, the policy of the Company on the appointment and remuneration of the Directors, the requisite details as required by Section 178(3) & (4) of the Companies Act, 2013 is enclosed. **(Annexure: 3)**

25. PARTICULARS OF EMPLOYEES AND RELATED DISCLOUSRES:

The two Key Managerial Personnel remuneration exceed the limit under the provisions relating to disclosure of information in pursuance of Section 197 of the Companies Act, 2013, read with the Rule 5(2) & Rule 5(3) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 due to Remuneration/ salary exceed the limit are disclosed under **Annexure 4** to the Director's report.

26. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

The company has not given any Loans, Guarantees and Investments under the provisions of Section 186 of the Companies Act, 2013 during the Financial Year ended 31st March 2024.

27. RELATED PARTY TRANSACTION:

During the Financial Year 2023-24, all transactions entered into with Related Parties, as defined under the Companies Act, 2013, were in the ordinary course of business and on an arm length basis. There were materially significant transactions with related parties during the year as referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed form AOC-2, is appended as **Annexure 5** to the Director's report.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXHANGE EARNING AND OUTGO:

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption, Research and Development and Foreign Exchange earnings and outgo have been furnished considering the nature of activities undertaken by the company during the year under review. **(Annexure: 6)**

29. PERFORMANCE EVALUATION OF BOARD OF DIRECTORS:

Since the Company does not cover under the class of the companies prescribed under Section 134(3)(p) of Companies Act, 2013, therefore performance evaluation of Board of Directors and Individual Directors is not applicable.

30. RISK MANAGEMENT POLICY:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise-wide approach to Risk Management has been adopted by the Company and key risks are being managed within a unitary framework. After formal roll-out, all business divisions and corporate functions have embraced Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation is considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time has become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

31. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

32. CORPORATE SOCIAL RESPONSIBILITTY:

Pursuant to the provision of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the company has constituted a CSR Committee. Mr. N. M. Jhanji is the Chairperson of the Committee and Mr. Surender Kumar Ajmani and Dr. P. N. Pandey are members to the Committee.

The committee met four times during the year.

The requisite details on CSR activities pursuant to Section 135 of the Act and as per Companies (Corporate Social Responsibility Policy) Rules, 2014 are attached as **(Annexure – 7)**

33. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

During the year, no complaint has been received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act' 2013.

34. CONSTITUTION OF COMMITTEE – SEXUAL HARASSMENT AT WORKPLACE:

The Company has constituted committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and however, the Company has complied with provisions of the same.

35. INSOLVENCY AND BANKRUPTCY CODE:

During the year under review, no application has been made by the Company under the Insolvency and Bankruptcy Code and accordingly the requirement of disclosing the following details is not applicable to the Company:

i) the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year; and

ii) the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

36. GENERAL

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. There was no issue of equity shares with differential rights as to dividend, voting or otherwise.
2. There was no issue of shares (including sweat equity shares) to employees of the Company under any scheme save.
3. Neither the Managing Directors nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

ACKNOWLEDGEMENT:

Your directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

Date: 30.08.2024
Place: New Delhi

For and on behalf of the Board of Directors
PENAM LABORATORIES LTD.

Vikas Pandey
Whole Time Director
DIN: 08836156
Add:C-1041, ANSAL ESENCIA, SECTOR 67, GURGAON-122001

Surender Kumar Ajmani
Chairman cum Managing Director
DIN: 00466908
Add:F-223, NEW RAJINDER NAGAR, NEW DELHI-110060

To,

The Members,
PENAM LABORATORIES LIMITED
F-223, NEW RAJINDER NAGAR,
NEW DELHI -110060

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s PENAM LABORATORIES LIMITED** having **CIN:** U24231DL1989PLC037287 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **PENAM LABORATORIES LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to their porting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **PENAM LABORATORIES LIMITED** ("the Company") for the financial year ended on 31st March, 2024 according to the provisions of:

(i) The Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable) (the Act) and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(No FDI, ODI and ECB during the Financial year)**;

(iv) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable on the Company due to unlisted Public Limited Company.

(v) As confirmed by the Management confirmed that the following legislations specifically applicable to the Company, being Chemical manufacturing Company for Medicines:

1. Drugs and Cosmetics Act, 1940
2. Drugs and Cosmetics Rules, 1945
3. Drugs (Prices Control) Order 2013 (under the Essential Commodities Act)
4. Water (Prevention and Control of Pollution) Act, 1974
5. Air (Prevention and Control of Pollution) Act, 1981
6. Hazardous Waste (Management and Handling) Rule, 1999

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

(i) 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).

(ii) The Company is an Unlisted Public Company, The Company is engaged in the business of manufacturing of chemical and chemical products, pharmaceutical, medicinal chemicals etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

WE REPORT THAT :

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including Independent Directors and Women Directors. There were no changes in the composition of the Board of Directors which took place during the period under review;
- Adequate notice is given to all the Directors of the schedule of the Board and Committee Meetings and Agenda & detailed notes on agenda and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting;
- All decisions of Board and Committee meetings were carried unanimously;

We further report that based on review of compliance mechanism established by the Company and on the basis of the management representations and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events have occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. The Company has given remuneration to its Directors and KMPs as follows during the Financial Year under Review:

S. No.	Name of Directors including KMP	Remuneration/Sitting fees (in Lacs)	Annual Target Bonus (in Lacs)
1	Mr. Surender Kumar Ajmani (Chairman cum Managing Director)	60.00	167.76
2	Dr. Paras Nath Pandey (Managing Director)	60.00	754.91
3	Mr. Ashish Ajmani (Whole Time Director)	41.10	NIL
4	Mr. Vikas Pandey (Whole Time Director)	38.10	NIL
	TOTAL	**199.20**	**922.67**

2. During the period under review the Company has entered into contracts/arrangements with related parties as specified in Section 188 of the Companies Act, 2013 are at Arm length's basis and in the ordinary course of business.
3. M/s Ravi Sahni & Associates, Cost Accountants having (FRN- 000383) has been appointed as the Cost Auditor of the Company and the same was also ratified by the members of the Company in the Annual General Meeting held on 30th September 2023.
4. M/s Subodh Jain & Co., Chartered Accountants (Registration No. 002992N), had been appointed as Statutory Auditors of the Company, for a period of five financial years from F/Y 2019-20 to F/Y 2023-24 at the Annual General Meeting held on September 30, 2019.
5. There was no issue or allotment or transmission or buy back of securities/ redemption of preference shares or debentures/ alteration or reduction of share capital/ conversion of shares/ securities during the Financial Year ended on 31st March 2024.
6. No declaration/ payment of dividend; transfer of unpaid/ unclaimed dividend/other amounts as applicable to the Investor Education and Protection Fund in accordance with section 125 of the Act made during the year under review.
7. The Company was not required to take any approval from the Central Government, Tribunal, Regional Director, Registrar, Court or such other authorities under the various provisions of the Act during the reporting period under review;
8. No Deposits accepted by the Company during the year under review;
9. The Company has not advanced any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person under the provisions of Section 185 & 186 of the Companies Act, 2013.
10. During the Period under review, the gross amount required to be spent by the Company on Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 of Rs. 123.22 Lacs but the Company had spent an amount of Rs. 153.81 Lacs towards CSR obligation of the Company.

    Total previous year's shortfall is Rs. 79.16 Lacs (upto F.Y. 2019-20) reason being that some of the approved programs in education and other areas are multi-year projects, and expenditure is being defrayed in a systematic manner which may require some more time.

    However, the Company defrayed funds on approved projects in the current financial year also. The Company is carrying out CSR activity in promotion of education, primary healthcare, old age home, rural transformation, eradicating hunger and malnutrition, contribution to public funded university and IIT's.
11. The Company had constituted Audit Committee in compliance of Section 177 of the Companies Act, 2013 and Nomination & Remuneration committee in compliance of the Section 178 of the Act.
12. The Company is registered with NSDL and got ISIN Number for give facilities to its members for getting dematerialize their Equity Shares into Demat Form. Half Yearly report for the same under PAS-6 has been duly filed by the Company with the concerned Registrar of Companies i.e. Reconciliation of Share Capital Audit Report.
13. The Company has also maintained their web site as per the requirement of the Act.
14. The Company has constituted committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Company has complied with provisions of the same.

    According to the management of the Company in its Management Representation, no complaint has been received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act' 2013.
15. The company has appointed Mr. Ajay Gupta, Chartered Accountant as the internal auditor of the company in pursuance of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

We further report that during the audit period under review, there were no instances of:

(i) Public/Right/Preferential issue of shares / debentures/ sweat Equity, etc.

(ii) Redemption / buy-back of securities

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013

(iv) Merger / amalgamation / reconstruction, etc.

(v) Foreign technical collaborations

M/s M. K. Mandal & Associates
Company Secretaries

Manoj Kumar Mandal
Proprietor
M. No. 5538
C.P. No. 4968
UDIN: F005538F001053420

Date: 30.08.2024
Place: Gurgaon

To,

The Members,
PENAM LABORATORIES LIMITED
F-223, New Rajinder Nagar,
New Delhi-110060

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

MANAGEMENT'S RESPONSIBILITY :

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY :

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from mis-statement.
6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc

DISCLAIMER :

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

M/s M. K. Mandal & Associates
Company Secretaries

Manoj Kumar Mandal
Proprietor
M. No. 5538
C.P. No. 4968
UDIN: F005538F001053420

Date: 30.08.2024
Place: Gurgaon

Annexure - 3

Nomination and Remuneration Policy

Introduction:

This policy applies to the Board of directors, Key Managerial Personnel and Senior Management Personnel of Penam Laboratories Limited ("Company")

The policy envisages framework for nomination, remuneration and evaluation of Board of Directors, Key Managerial Personnel and Senior Management Personnel in adherence to the requirement of section 178 of the Companies Act, 2013 and in line with the company philosophy toward nurturing its human resource.

1. Objective:

Nomination and Remuneration Committee of Penam Laboratories Limited ("Company") is a Board Committee and plays a dual role of

(a) Identifying potential candidates for becoming members of the Board and determining the composition of the Board based on the need and requirements of the Company from time to time to bring out diversity in the Board and also identify persons to be recruited in the senior management of the Company and;

(b) Ensuring the Company's compensation packages and other human resource practices are effective in maintaining a competent workforce and make recommendations relating to compensation of the Managing Director, Whole-time Directors and the senior management of the Company from time to time.

2. Constitution:

The Committee shall comprise of at least three Directors, all of whom shall be non-executive directors and at least half shall be Independent Directors, the Chairperson being an Independent Director. The Chairperson of the Company (whether or not a non-executive director) may be a member of the Committee but shall not chair such Committee. The Chairperson of this Committee or in case of his absence, any other person authorised by him shall attend the general meetings of the Company. The Committee may meet, convene and conduct Committee meetings through video conferencing or audio-visual means, as may be provided by the Company.

3. Meaning of terms used

"**Board**" means the Board of Directors of the company.

"Nomination and Remuneration Committee" ('Committee') means the Committee of the Board constituted orre-constituted from time to time under the Section 178 of the Companies Act, 2013.

"Senior Management Personnel ('SMP')" means a company employee who is members of its core management team excluding Board of Directors and are one level below the executive directors, including functional heads.

"**Key Managerial Personnel ('KMP')"** means

(i) Chief Executive Officer or the Managing Director or the Manager;

(ii) Whole-time Director;

(iii) Chief Financial Officer;

(iv) Company Secretary; and

(v) Such other officers as may be prescribed under the act from time to time.

4. Appointment and removal of Director, KMP and SMP

a) The Committee shall consider criteria such as qualifications, skills, expertise and experience of the person to be appointed as Director, KMP or at Senior Management level and accordingly recommend to the board his/her appointment.

b) The age of person to be appointed as Non-Executive Director shall not be less than 21 years and more than 75 years. The Committee at its discretion may recommend to the board continuation of Director for further term of appointment who has completed 75 years.

The age of person to be appointed as Executive Director shall not be less than 21 years and not more than 70 years. The Committee at its discretion may recommend to the board continuation of Director for further term of appointment who has completed 70 years.

c) The Company should ensure that the person so appointed as Director shall not be disqualified under Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

d) The Director/ Independent Director/KMP/SMP shall be appointed as per the provisions and procedure lay down under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

e) The Committee may recommend to the Board for removal of a director on account of any disqualification mentioned in Companies Act, 2013, rules made thereunder or under any other applicable act, rules and any other reasonable ground. The committee may also recommend to the Board for removal of KMP or SMP subject to the provisions and compliance of applicable Act, rules.

f) Term and tenure of a Director shall be in accordance with the provisions of the Companies Act, 2013 rules thereof as amended from time to time.

5. <u>Remuneration of Managing Director/Whole-Time Directors:</u>

The terms and conditions of appointment and remuneration payable to Managing Director and Whole-Time Directors shall be recommended by the Nomination and Remuneration Committee to the board subject to the overall limits provided under the Companies Act, 2013 and rules made there under including any modifications and re-enactments thereto which shall be subject to approval by the shareholders at next Annual General Meeting of the company, if required and by the Central Government in case such appointment is at variance to the conditions specified schedule V of the Companies Act, 2013. Approval of the central government is not necessary if the appointment is made in accordance with the condition specified in schedule V to the act.

As per the provision of Companies Act, 2013, the Company may appoint a person as its Managing Director or Manager, Whole-Time Director for a term not exceeding five years at a time.

The executive directors may be paid remuneration either by way of a monthly payment or at a specified percentage of net profits of the company or partly by one way and partly by other. The Board may approve payment of commission on the profits of the company subject to the overall limits provided into the act.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, etc. shall be decided and approved by the board on the recommendation of the committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to managing or whole-time director, the committee shall inter alia; have regard to the following matters:

Financial and operating performance of the company Relationship between remuneration and performance

Industry/ sector trends for the remuneration paid to executive directors

6. <u>Remuneration to Non-Executive / Independent Director:</u>

The Non-Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof and are eligible for reimbursement of expenses for participation in board and other meetings. Based on recommendation of committee, the board may decide the sitting fees payable to Non-executive directors provided that such fees shall not exceed the maximum permissible limit under the Companies act, 2013.

7. <u>Nomination and Remuneration of KMP & SMP:</u>

The Executive management of a company is responsible for the day-to-day management of a company. The Companies Act, 2013 has used the term "Key Managerial Personnel" to define the executive management.

The KMP is point of first contact between the company and its stakeholders. While the Board of Directors responsible for providing the oversight, it is Key Managerial Personnel and the senior management who are responsible for not just laying down the strategies as well as its implementation.

Among the KMP, remuneration of a Managing Director and Whole Time Director, shall be governed by the Section 178 of the Companies Act, 2013 dealing with "Remuneration of Managing Director and Whole Time Director".

Apart from the directors, the remuneration of all the other KMP such as the Chief Financial Officer and Company Secretary and any other officer that may be prescribed under the statute from time to time shall be determined by the committee of the company in consultation with the Managing Director and the Whole Time Director.

The Remuneration determined for all Senior Management Personnel shall be in line with the Company's philosophy to provide fair compensation to Key- Executive officer based on their performance and contribution to the company and to provide incentives.

8. Criteria for evaluation of Board

The evaluation of board shall be carried out annually as per the provisions of the Companies Act, 2013 and rules thereof

Performance evaluation of each Director will be based on the criteria as laid down from time to time by the Nomination and Remuneration Committee.

Criteria for performance evaluation shall include aspects such as attendance for the meetings, participation and independence during the meetings, interaction with Management, Role and accountability to the Board, knowledge and proficiency and any other factors as may be decided by the Nomination and Remuneration Committee.

Further, performance evaluation of an Executive Director will also base on business achievements of the company.

ANNEXURE - 4

Particulars of Employees Information as required under Rule 5 (2) & Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the Financial Year ended March 31, 2024.

Sr. no.	Name of the Director	Age	Designation	Name of the Last employment	Amount (annually (Rs. In Lakhs)	Qualification	Experience in years	Date of joining	Particulars of previous employment
1	Surender Kumar Ajmani	84 Years	Chairman cum Managing Director	D.Kumar Consulting Engg. Pvt. Ltd.	227.76	B.Sc Engineering	62 Years	07/08/1989	D.Kumar Consulting Engg. Pvt. Ltd.
2	Dr. Paras Nath Pandey	74 Years	Managing Director	Cephon Laboratories Ltd	814.91	Phd in Chemistry	52 Years	07/08/1989	Cepham Laboratories Ltd

Date: 30.08.2024
Place: New Delhi

For and on behalf of the Board of Directors
PENAM LABORATORIES LTD.

Vikas Pandey
Whole Time Director
DIN: 08836156
Add:C-1041, ANSAL ESENCIA, SECTOR 67, GURGAON-122001

Surender Kumar Ajmani
Chairman cum Managing Director
DIN: 00466908
Add:F-223, NEW RAJINDER NAGAR, NEW DELHI-110060

Annexure – 5

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: **N.A.**

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts/arrangements/transactions

(d) Salient terms of the contracts or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

(f) date(s) of approval by the Board

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship:

(i) Raj Impex, Relation with Woman Director Raj Rani Ajmani of the Company.

(b) Nature of contracts/arrangements/transactions:

(i) Sale of the material with Raj Impex.

(c) Duration of the contracts/arrangements/transactions:

(i) Ongoing.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(i) Value for sale Rs. 14.63 Lakhs of the material with Raj Impex.

(e) Date(s) of approval by the Board, if any:

(i) Raj Impex on 24.06.2023

(f) Amount paid as advances, if any: N.A.

ANNEXURE - 6

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

(Pursuant to clause (m) of sub-section (3) of section 134 of the Act and Rule 8(3) of the Companies (Accounts) Rules, 2014)

(A) CONSERVATION OF ENERGY: -

(1) Steps Taken or impact on Conservation of energy: -

(i) Replacement of old electrical motors by new energy efficient motors in phased manner.

(ii) Installation of LEDs.

(iii) Used APFC (Automatic Power Factor Controller) to improve power factor.

(iv) Used VFD (Variable Frequency Drive) on bigger motors to save power.

(v) Policy of regular service of heating and cooling equipment.

(vi) Replacement of old air conditioners with new ones

(vii) Gas connection has been installed thereby reducing coal consumption

(viii) Used Bio Mass Briquettes

(2) Steps taken by the Company for utilizing alternate sources of energy: - Usage of Solar Power.

(3) Capital investment made on energy saving equipment: - NIL.

(B) TECHNOLOGY ABSORPTION: -

(1) The efforts made towards technology absorption: -

In Pharmaceuticals technology upgrading is a way of life and our company is not different. Technologies are continuously developed and implemented without changing critical parameters. The Company has successfully deployed yield improvement technologies developed by in house R&D.

(2) The benefits derived like product improvement, cost reduction, product development or import substitution: -

(i) Reduction of Power Cost.

(ii) Higher worker's outrun resulting in reduced cost of production.

(3) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): -

(i) The details of technology imported: - NIL

(ii) The Year of Import: - NIL

(iii) Whether the technology have been fully absorbed: - NIL

(iv) If not fully absorbed areas where absorption has not taken place and the reason thereof: - NIL

(4) Expenditure incurred on Research and Development: -

The Company has incurred Rs. 61.01 lakhs (Previous Year Rs. 27.31 lakhs).

Foreign Exchange Earnings and Outgo: -

(Rs. in Lakhs)

Earnings	For the Year ending 31.03.2024	For the Year ending 31.03.2023
Export earning Direct Exports (FOB Value)	19,497.14	16,536.30

Outgo: -

S.No.	Particulars	For the financial year ending 31.03.2024	For the financial year ending 31.03.2023
1.	Raw Materials (CIF Value)	33,084.14	31,504.65
2.	Capital Goods	Nil	Nil
3.	Commission	196.40	132.45
4.	Foreign Travelling	2.49	3.49

ANNEXURE - 7

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs Proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs:

Brief outline of the company's CSR policy

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking.

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

(v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(vi) Measures for the benefit of armed forces veteran, war widows and their dependents Central Armed Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) Training to promote rural sports nationally recognized sports and Olympic sports;

(viii) Contribution to the Prime Minister's National Relief Fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM Cares Fund)]or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and

(ix) (a) Contributions to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

(x) Rural development projects.

(xi) Slum area development

(xii) Disaster management, including relief, rehabilitation and reconstruction activities

2. **The Composition of the CSR Committee (as on 31st March, 2024):**

Sr. no.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the Year
1	Mr. Narinder Mohan Jhanji	Chairman/Independent Director	4	4
2	Mr. Surender Kumar Ajmani	Member/Chairman cum Managing Director	4	4
3	Dr. Paras Nath Pandey	Member/Managing Director	4	4

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:**

Composition of the Committee: www.penam.in

CSR Policy: www.penam.in

CSR Projects: www.penam.in

4. **Provide the details of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set- off for the financial year, if any (in Rs.)
Not Applicable			

6. **Average net profit of the company as per Section 135(5):** Rs. 6160.78 Lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5): Rs. 123.22 Lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 123.22 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	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 (in Rs.)	Date of transfer	Name of the fund	Amount (in Rs.)	Date of transfer
153.81 Lakhs	-	-	-	-	

   (b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project (State and District)	Project duration	Amount allocated for the project (Rs. in Lakhs)	Amount spent in the current financial year (Rs. in Lakhs)	Amount transferred to unspent CSR account for the project as per Section 135(6) (Rs. in Lakhs)	Mode of implementation Direct (yes/No)	Mode of implementation – Through Implementnting Agencies	Mode of Implementation through implementing Agencies	
											Name	CSR Registration No.
1	Construction of School Building	Promotion of Education	Yes	New Delhi, (State-Delhi)	3Years	30.59	30.59	0	Yes	-	-	-
	Total					30.59	30.59	0				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project (State and District)	Amount spent for the project (in Lakhs)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through implementing agency	
							Name	CSR Registration no.
1.	**Primary Education** Construction of School Building	Promotion of Education	Yes	New Delhi, (State-Delhi)	55.36	Yes		
2.	**Primary Education** For Nutrition, Computer, School Fees etc.	Promotion of Education	Yes	New Delhi, (State-Delhi)	1.68	Yes	-	-
3	**Primary Education** For School Buildings Nutrition, Computer, School Fees etc.	Promotion of Education	Yes	New Delhi, (State-Delhi)	2.89	No	Arya Kanya Gurukul	CSR00011350
4	**Old Age Home:** Building Fund	Building Fund	Yes	New Delhi, (State-Delhi)	4.50	No	Arya Mahila Ashram	CSR00013333
5	**Primary Health** Health Care Activities	Promotion of Health Care	Yes	New Delhi, (State-Delhi)	0.40	Yes		
6	**Rural Transformation**	Promoting Rural Development	Yes	Dharuhera, Rewari (State-Haryana)	32.19	Yes		
7	**Eradicating Hunger and malnutrition**	providing food packets and ration kits	Yes	New Delhi, (State-Delhi) Dharuhera, Rewari (State-Haryana)	26.20	Yes		
	Total				123.22			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the financial year (8b+8c+8d+8e) : Rs. 153.81 Lakhs

(g) Excess amount for set off, if any: Nil

Sr. no.	Particular	Amount (in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	123.22
(ii)	Total amount spent for the financial year	153.81
(iii)	Excess amount spent for the financial year [(ii)-(i)]	30.59
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in the reporting 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 years. (in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
1	Upto F.Y. 2019-20		-	-	-	-	79.16

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable, as the concept of 'ongoing projects' has been introduced in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, relevant from fiscal year 2021. Details of amount spent on all ongoing projects during fiscal year 2024 are covered in point 8(b) above.

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** N.A.

(a) Date of creation or acquisition of the capital asset(s): Date of Registration: NA

(b) Amount of CSR spent for creation or acquisition of capital asset: NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable**

Mr. Narender Mohan Jhanji
Chairman of CSR Committee

Mr. Surender Kumar Ajmani
Chairman Cum Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS' OF PENAM LABORATORIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying financial statements of **Penam Laboratories Limited**("*the Company*"), which comprise the Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss(including other comprehensive income),the Statement of Changes in Equity and the statement of cash flow for the year then ended, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "*the standalone financial statements*")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the **Companies Act, 2013** as amended ('Act') in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and its cash flows for the year ended on that date.

2. Basis for opinion

We conducted our audit of the financial statements in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

3. Key audit matters

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

4. Information other than the standalone financial statements and auditors' 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 Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

5. Management's Responsibility for the Standalone Financial Statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors is also responsible for overseeing the Company's financial reporting process.

6. Auditor's responsibilities for the audit of the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the 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.

7. **Report on Other Legal and Regulatory Requirements**

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of Section 197 in excess of limits laid down under this section with the approval of the company in the general meeting by a special resolution. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon.

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

3. 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 and the statement of profit and loss (including other comprehensive income), the Statement of Changes in Equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone 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 March 31, 2024 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company does not have any pending litigations as at 31st March 2024 which would impact its financial position;

ii. The Company has made provision, as required under the applicable law or accounting standards, material foreseeable losses, if any, on long term contract including derivative contracts. And

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2024.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

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

v. The dividend has not been declared or paid during the year by the Company

vi. Based on the audit procedures performed in terms of Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility with effect from 1st April 2023, we report that the Company has maintained the books of accounts in the software which has a feature of recording audit trail of transactions entered in the software.

For and on behalf of
SUBODH JAIN & CO.
Chartered Accountants
Firm's Regn. No.: 002992N

(S. K. Jain)
Partner
Membership No: 080784
New Delhi
30th August, 2024
UDIN: 24080784BKCJVT8496

"Annexure A" to the Independent Auditors' Report of even date on the Standalone Financial Statements of Penam Laboratories Limited

Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2024:

i. (a) (A) In our opinion and according to the information and explanation given to us during the course of audit, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any intangible assets. Consequently, clause (i)(a)(B) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanation given to us during the course of audit, property, plant and equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) According to the information and explanation given to us and on the basis of records examined by us, the title deeds of all the immovable properties are held in the name of the company.

(d) According to the information and explanation given to us and on the basis of records examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, clause (i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under during the year. Consequently, clause (i)(e) of the Order is not applicable to the Company.

ii. (a) In our opinion and according to the information and explanation given to us, the management has conducted the physical verification of inventory at reasonable intervals having regard to the size of the company and the coverage and procedure of such verification by the management is appropriate (10% or more in the aggregate for each class of inventory). As informed to us, no material discrepancies were noticed on such physical verification as compared to books of accounts.

(b) According to the information and explanation given to us and on the basis of records examined by us, no working capital limits has been sanctioned to the company at any point of time during the year. Consequently, clause (ii)(b) of the Order is not applicable to the Company.

iii. In our opinion and according to the information and explanation given to us during the course of audit, the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the Company, the company has not entered into any transaction in respect of loans, investments, guarantees, and security covered under the section 185 and 186 of the Companies Act. Accordingly, the provisions of clause 3 (iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. As informed to us, and on the basis of our examination of the records of the Company, pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2024 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no statutory dues referred to in sub clause (a) above outstanding on account of any dispute.

viii. According to the information and explanation given to us, and on the basis of our examination of the books of account and records, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

ix. (a) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the books of account and records, the Company has not defaulted in the repayment of dues to any lender. The Company has not taken any loan from any lender, accordingly, the provisions of clause 3 (ix) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed any term loan during the period. Consequently, clause (ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the funds raised on short term basis have not been utilized for long term purposes. Consequently, clause (ix)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any subsidiary, associate or joint venture. Consequently, clause (ix)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any subsidiary, associate or joint venture. Consequently, clause (ix)(f) of the Order is not applicable to the Company.

x. (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable to the Company and hence not commented upon.

(b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of clause 3(x)(b) of the Order are not applicable to the Company and hence not commented upon.

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

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

(c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us by the management and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act. Where applicable, the details of such transactions have been disclosed in the financial statements, etc., as required by the applicable accounting standards.

xiv. (a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;

(b) The report of the Internal Auditor for the year were considered by us for statutory audit purposes.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as referred in section 192 of the Companies Act. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi. According to the information and explanations given to us by the management and based on our examination of the records of the company, in our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

xvii. According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;

xviii. There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, the Company has fully spent the amount required to be spend during the year under section 135 of the Companies Act, 2013. Consequently, clause (xx) of the Order is not applicable to the Company.

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

For and on behalf of
SUBODH JAIN & CO.
Chartered Accountants
Firm's Regn. No.: 002992N

(S. K. Jain)
Partner
Membership No: 080784

New Delhi
30th August, 2024

UDIN: 24080784BKCJVT8496

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Penam Laboratories Limited

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 Penam Laboratories Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls 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 March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
SUBODH JAIN & CO.
Chartered Accountants
Firm's Regn. No.: 002992N

(S. K. Jain)
Partner
Membership No: 080784

New Delhi
30th August, 2024

UDIN: 24080784BKCJVT8496

PENAM LABORATORIES LTD.

BALANCE SHEET AS AT 31st MARCH, 2024

(₹ in lakhs)

PARTICULARS	NOTE No.	AS ON 31st March, 2024	AS ON 31st March, 2023
I. ASSETS			
1. NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**2,629.93**	2,452.92
(b) Capital work-in-progress	4	**153.99**	218.43
(c) Financial assets			
Other Financial assets	5	**232.51**	6,377.66
(d) Other non-current assets	6	**514.36**	16.56
		3,530.79	9,065.57
2. CURRENT ASSETS			
(a) Inventories	7	**9,697.31**	9,621.37
(b) Financial Assets			
(i) Investments	8	**1,610.99**	1,544.32
(ii) Trade Receivables	9	**16,415.60**	15,456.24
(iii) Cash and Cash Equivalents	10	**7,050.42**	10,963.50
(iv) Bank Balances other then (iii) above	11	**20,363.30**	6,791.01
(v) Loans	12	**20.87**	12.88
(vi) Other Financial Assets	5	**1,249.47**	804.85
(c) Other Current Assets	6	**1,323.22**	1,775.51
		57,731.19	46,969.69
TOTAL ASSETS		**61,261.98**	56,035.26
II. EQUITY & LIABILITIES			
1. EQUITY			
(a) Equity Share Capital	13	**516.72**	516.72
(b) Other Equity	14	**45,141.76**	39,780.59
		45,658.47	40,297.30
2. LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities		**-**	-
(b) Provisions	15	**116.98**	96.77
(c) Defered Tax Liabilities (Net)	17	**200.88**	200.85
(d) Other Non Current Liabilites		**-**	-
		317.86	297.61
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payable	18		
a) Total Outstanding dues of Micro and small enterprises		**52.87**	1.10
b) Total Outstanding dues of creditors Other then Micro and small enterprises		**13,422.97**	13,757.30
(ii) Other Financial Liabilities	19	**237.00**	237.00
(b) Other Current Liabilities	20	**1,488.48**	1,322.23
(c) Provisions	15	**22.40**	22.07
(d) Current Tax Liabilities (Net)	16	**61.92**	100.66
		15,285.65	15,440.34
TOTAL EQUITY AND LIABILITIES		**61,261.98**	56,035.26
SIGNIFICANT ACCOUNTING POLICIES	2		

(Accompanying Notes form an integral part of Financial Statements)

As per our separate report of even date attached

For Subodh Jain & Co.
Chartered Accountants
Firm Registration No. 002992N

For and on behalf of Board of Directors

New Delhi
30th August, 2024

(S.K. Jain)
Partner
M. No. 080784

S. K. Ajmani
Chairman cum Managing Director
DIN-00466908

Vikas Pandey
Whole Time Director
DIN-08836156

PENAM LABORATORIES LIMITED

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2024

(₹ in lakhs)

PARTICULARS		NOTE No.	FOR THE YEAR ENDED 31st March, 2024	FOR THE YEAR ENDED 31st March, 2023
CONTINUING OPERATIONS				
I. Revenue from Operations		21	**53,182.50**	50,804.69
II. Other Income		22	**2,097.37**	1,097.09
III. Total Income (I+II)			**55,279.87**	51,901.78
IV. EXPENSES :				
Cost of Materials Consumed		23	**43,476.29**	41,599.27
Changes in Inventories of finished goods, stock in trade and work-in-progress		24	**(741.78)**	(566.69)
Employees Benefit Expense		25	**954.72**	836.54
Finance Costs		26	**26.31**	44.87
Depreciation and amortisation expenses		3	**195.21**	190.28
Other Expenses		27	**4,057.76**	3,788.35
Total Expenses			**47,968.50**	45,892.61
V. Profit Before Tax			**7,311.37**	6,009.17
VI. Tax Expense				
a. Current Tax			**1,915.00**	1,580.00
b. Tax relating to earlier years			**27.86**	16.29
c. Deferred Tax			**(1.80)**	0.96
VII. Profit from continuing operations			**5,370.31**	4,411.91
VIII. Other Comprehensive Income				
Item that will not reclasified to Profit or Loss				
Re-measurement Gain/(Loss) of defined benefit plan			**(7.30)**	12.72
Income Tax on above			**1.84**	3.20
Other Comprehensive Income/(loss)			**(9.14)**	9.52
IX. Total Comprehensive Income for the year			**5,361.17**	4,421.43
Earnings per Equity Share of Rs. 10/- each				
For continuing operations	- Basic		**103.75**	85.57
	- Diluted		**103.75**	85.57
SIGNIFICANT ACCOUNTING POLICIES (Accompanying Notes form an integral part of Financial Statements)		1		

As per our separate report of even date attached

For Subodh Jain & Co.
Chartered Accountants
Firm Registration No. 002992N

For and on behalf of Board of Directors

New Delhi
30th August, 2024

(S.K. Jain)
Partner
M. No. 080784

S. K. Ajmani
Chairman cum Managing Director
DIN-00466908

Vikas Pandey
Whole Time Director
DIN-08836156

PENAM LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Statement of Change in Equity

(A) Equity Share Capital

(₹ in lakhs)

Particulars	Number of Shares	Amount
At 1st April, 2023	**51,67,157**	**516.72**
Change in Equity Share Capital during the Year	-	-
At 31st March, 2024	**51,67,157**	**516.72**
At 1st April, 2022	**51,67,157**	**516.72**
Change in Equity Share Capital during the Year	-	-
At 31st March, 2023	**51,67,157**	**516.72**

(B) Other Equity

Particulars	Reserve and Surplus	
	Retained Earning	Total
Balance as At 1st April, 2023	**39,780.59**	**39,780.59**
Profit for the year	**5,361.17**	**5,361.17**
Balance as At 31st March, 2024	**45,141.76**	**45,141.76**
Balance as At 1st April, 2022	**35,359.15**	**35,359.15**
Profit for the year	**4,421.43**	**4,421.43**
Balance as At 31st March, 2023	**39,780.59**	**39,780.59**

As per our separate report of even date attached
For Subodh Jain & Co.
Chartered Accountants
Firm Registration No. 002992N

For and on behalf of Board of Directors

New Delhi
30th August, 2024

(S.K. Jain)
Partner
M. No. 080784

S. K. Ajmani
Chairman cum Managing Director
DIN-00466908

Vikas Pandey
Whole Time Director
DIN-08836156

PENAM LABORATORIES LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

		Current Year 31st March, 2024 (₹ in lakhs)		Previous Year 31st March, 2023 (₹ in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/ (Loss) before tax and extraordinary items		7,311.37		6,009.17
Adjustments				
Interest Income	(1,543.07)		(1,092.17)	
Profit on sale of investments	(85.76)		(1.04)	
Loss/(Profit) on Sale/discard of Fixed Assets	1.17		-	
Depreciation of Property, plant & equipment	195.21	(1,432.46)	190.28	(902.93)
Operating Profit before working capital changes		5,878.92		5,106.23
Adjustments				
Decrease/(increase) Trade & other Receivable	(959.36)		(3,620.14)	
Decrease/(increase) Inventories	(75.94)		(5,284.34)	
Decrease/(increase) Other Current Financial Assets	(452.61)		239.07	
Decrease/(increase) Other Current Assets	452.29		(622.10)	
Decrease/(increase) Bank Balance Other Then Cash & Cash Equivalents	(13,572.29)		(1,712.27)	
Decrease/(increase) Other Non Current Financial Assets	6,145.15		335.76	
Decrease/(increase) Other Non Current Assets	(497.80)		(1.55)	
Increase/(Decrease) Trade Payable	(282.56)		4,410.45	
Increase/(Decrease) Other Current Financial Liabilities	-		(30.00)	
Increase/(Decrease) Other Current Liabilities	127.52		383.46	
Increase/(Decrease) Provisions	13.25	(9,102.36)	7.25	(5,894.41)
Cash generated from operation		(3,223.44)		(788.18)
Income Tax		1,915.00		1,580.00
Cash flow before extra ordinary item		(5,138.44)		(2,368.18)
Income Tax Provision for earlier year		27.86		16.29
Net Cash From Operating Activity	(A)	(5,166.31)		(2,384.47)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, plant & equipment Including Building WIP		(313.83)		(295.73)
Purchase/Redemption of Other Investments		(66.67)		(72.66)
Proceeds for sale of Property, plant & equipment		4.90		-
Profit on sale of investments		85.76		1.04
Interest Income		1,543.07		1,092.17
Net Cash Used In Investing Activities	(B)	1,253.23		724.83
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(Repayment) of Long Term Borrowings				-
Proceeds/(Repayment) of Short Term Borrowings				-
Net Cash Used in Financing Activities	(C)			-
Net Increase in Cash and Cash Equivalents (A+B+C)		(3,913.08)		(1,659.64)
Cash and Cash Equivalents as at (Opening Balance)		10,963.50		12,623.14
Cash and Cash Equivalents as at (Closing Balance)		7,050.42		10,963.50

Notes:

1. The Above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

As per our separate report of even date attached
For Subodh Jain & Co.
Chartered Accountants
Firm Registration No. 002992N

For and on behalf of Board of Directors

New Delhi
30th August, 2024

(S.K. Jain)
Partner
M. No. 080784

S. K. Ajmani
Chairman cum Managing Director
DIN-00466908

Vikas Pandey
Whole Time Director
DIN-08836156

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

1. Corporate Information

Penam Laboratories Limited is registered with ROC, New Delhi, under Registration No. 55-37287 dated 07th August, 1989. Old registration number has been converted into new corporate identification number (CIN) U24231DL1989PLC037287. Registered office of the Company is situated at F-223, New Rajinder Nagar, New Delhi-110060. The Company is manufacturer of Pharmaceuticals products.

2.1 Significant accounting policies

(a) Basis of preparation

Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in INR and all values are rounded to the nearest lakhs with two decimal places, except when otherwise indicated.

(b) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in these notes.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

iii) The event of insolvency or bankruptcy of the Company and/or its counterparties

(c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated 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 three months after the reporting period All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is 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. The Company has identified twelve months as its operating cycle.

(d) Foreign currencies

(i) Functional and presentation currency

The Company's functional currency is Indian Rupee and the financial statements are presented in Indian Rupee .

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange differences regarded as an adjustment to borrowing cost are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

(e) Revenue recognition

The Company recognises revenue from contracts with customers based on a five-step model as set out in IND AS 115

Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met

(a) The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date

(b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Sale of goods:

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from sales are recognised at single point of time when each performance obligation is satisfied,i.e, when the control of goods are transferred to the buyer as per the terms of contract.

Sale of services:

Revenues from the sale of services are recorded at single point of time when the performance obligation as per contract has been satisfied.

Interest Income

Interest is recognised using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of financial instrument (for example, prepayment, extension, charges, call and similar options) but does not consider expected credit losses.

Duty drawback and export incentives:

Income from duty drawback and export incentives is recognized on an accrual basis.

Dividend:

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

As a Lessee

The Company accounts for each lease component within the contract as a lease separately from nonlease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

(h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used. Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

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

Intangible assets with indefinite useful lives are tested for impairment annually at the end of the financial year at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(i) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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

(j) Trade receivables

Trade receivables are the amount due from customers for goods or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are initially recognise at fair value plus transaction cost. Trade receivables are measured at amortized cost using effective interest method less any necessary write downs.

(k) Inventory

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material and traded goods comprise cost of purchase and is determined after rebate and discounts. Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

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

(l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income in statement of profit and loss using the EIR method.

Debt instrument at FVPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Derecognition

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

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions.

d) Loan commitments which are not measured as at FVTPL

e) Financial guarantee contracts which are not measured as at FVTPL

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. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability. Debt instruments measured at FVTOCI: For debt instruments measured at FVOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the 'accumulated impairment amount'.

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, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings and other payables.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Off setting 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.

(m) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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 takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuer's are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

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

(n) Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads.

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful life
Building	30 -60 years
Plant & machinery, factory equipments	8, 15 & 20 years
Furniture & fixtures	10 years
Office equipment	10 years
Computers	3 years
Vehicles*	10 years
Technical knowhow fees	4 years

*Useful life of these assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those has been determined based on an assessment performed by the management of expected usage of these assets. The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

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

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

Intangible assets

Intangible assets are acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful life for amortization adopted is:

Assets	Useful life
Software	3 years

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenevr there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as on April 1, 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(o) Provisions and contingent liabilities

Provisions

Provisions for legal claims, product warranties and make good obligations are recognised when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(p) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Provident Fund & Employee State Insurance

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The company recognizes contribution payable to the provident fund scheme as expenditure in the statement of profit and loss, when an employee renders the related service.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is not funded.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognised immediately in income.

(q) Dividends

The Management of the Company shall advice the board of Directors of the company any amount to be recommended as final Dividend. Accordingly, the Board of Directors may recommend / Propose final dividend payable to shareholders in its meeting after considering various other parameters. The dividend proposed by the board to be approved by Shareholders in the Annual General Meeting before distributed to the shareholders.

Unit of dividend declaration: The dividend shall be declared on per share basis only.

The dividend distribution are subject to applicable provision of "Companies Act 2013" on dividend distribution.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.2 Critical estimates and judgements

The presentation of a financial statements require the use of accounting estimates, which by definition, will seldom equal the actual results. Management also needs to exercise judgements in applying the companys accounting policies.

This note provides an overview of all the areas that are involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in financial statements

The areas involving critical estimates and judgements are:

- Estimation of current tax expenses and payable
- Estimated of fair value of unlisted securities
- Estimated useful life of intangible assets
- Estimation of defined benefit obligation

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have financial impact on the company and that are believed to be reasonable under the circumstances.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, there are no significant judgements established by the management.

Estimates and adjustments

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful life of property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Fair valuation of unlisted securities

When the fair value of unlisted securities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iii) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

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

NOTE - 3 PROPERTY, PLANT AND EQUIPMENT **(₹ in lakhs)**

As at 31st March, 2024

	Gross Carrying Amount				Depreciaton and Amortisation				Net Carrying Amount
Particulars	As at 01-04-23	Additions	Deduction	As at 31.03.24	Upto 01-04-23	For The year	Deduction	Upto 31.03.24	As at 31.03.24
TANGIBLE									
LAND	160.36	-	-	160.36	-	-	-	-	160.36
BUILDING	916.49	261.76	-	1,178.25	293.32	24.16	-	317.48	860.77
PLANT & EQUIPMENT	2,887.72	72.30	-	2,960.02	1,256.94	160.53	-	1,417.46	1,542.56
OFFICE EQUIPMENTS	4.49	0.52	-	5.01	3.67	0.12	-	3.79	1.22
FURNITURE & FIXTURES	14.71	1.08	-	15.79	10.98	0.61	-	11.59	4.20
VEHICLES	71.66	40.14	15.53	96.28	41.18	8.08	9.46	39.80	56.48
COMPUTERS	27.61	2.47	-	30.09	24.04	1.70	-	25.75	4.34
TOTAL >	4,083.05	378.28	15.53	4,445.80	1,630.12	195.21	9.46	1,815.87	2,629.93

As at 31st March, 2023

	Gross Carrying Amount				Depreciaton and Amortisation				Net Carrying Amount
Particulars	As at 01-04-22	Additions	Deduction	As at 31.03.23	Upto 01-04-22	For The year	Deduction	Upto 31.03.23	As at 31.03.23
TANGIBLE									
LAND	160.36	-	-	160.36	-	-	-	-	160.36
BUILDING	831.75	84.74	-	916.49	271.67	21.65	-	293.32	623.17
PLANT & EQUIPMENT	2,743.11	144.61	-	2,887.72	1,096.99	159.95	-	1,256.94	1,630.79
OFFICE EQUIPMENTS	3.82	0.66	-	4.49	3.34	0.33	-	3.67	0.82
FURNITURE & FIXTURES	13.82	0.89	-	14.71	10.48	0.50	-	10.98	3.73
VEHICLES	71.66	-	-	71.66	34.42	6.75	-	41.18	30.48
COMPUTERS	26.11	1.51	-	27.61	22.94	1.11	-	24.04	3.57
TOTAL >	3,850.63	232.42	-	4,083.05	1,439.84	190.28	-	1,630.12	2,452.92

NOTE - 4 CAPITAL WORK-IN-PROGRESS AGEING SCHEDULE FOR THE YEAR ENDED **(` in Lakhs)**

31ST MARCH, 2024	**Amount in CWIP for a period of**				
PARTICULARS	Less then 1 year	1-2 Years	2-3 Years	More Then 3 Years	Total
Projects in progress	84.72	13.65	55.62	0.00	153.99
Projects temporarily Suspended	-	-	-	-	-

31ST MARCH, 2023	**Amount in CWIP for a period of**				
PARTICULARS	Less then 1 year	1-2 Years	2-3 Years	More Then 3 Years	Total
Projects in progress	63.31	93.98	33.15	27.99	218.43
Projects temporarily Suspended	-	-	-	-	-

Note : Projects in progress figures are in respect of yearly expenditure on the projects

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

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
NOTE - 5. OTHER FINANCIAL ASSETS		
Non Current		
In Fixed Deposit Account with original maturity more then 12 months	232.51	6,377.66
	232.51	6,377.66
Current		
Advance recoverable in cash or kind (Unsecured Considered Goods}	-	-
Interest accrued on Deposits	1,249.47	804.76
Margin with Banks	0.00	0.10
	1,249.47	804.85
NOTE - 6. OTHER ASSETS		
Non Current		
Capital advances	514.36	16.56
	514.36	16.56
Current		
Security Deposits	64.34	64.34
Prepaid Expenses	30.69	29.67
Balance with Statutory/Government authorities	1,204.18	1,656.16
Advance to suppliers	24.01	25.34
	1,323.22	1,775.51
NOTE - 7. INVENTORIES		
(Valued at lower of cost and net realisable value)		
Raw Material	7,324.69	7,975.89
Work In Progress	279.58	176.21
Finished Goods	1,781.63	1,029.77
Semi-Finished Goods	260.65	374.09
Consumables Stores	33.86	51.08
Packing Material	16.91	14.32
	9,697.31	9,621.37
NOTE - 8. INVESTMENT		
Current Investment		
Investment In Mutual funds Unquoted, at Lower of cost and Fair Value.	1,610.99	1,544.32
	1,610.99	1,544.32
Aggregate amount of unquoted investments	1,610.99	1,544.32
Impairment in value of investments, if any, is already accounted for through Statement of Profit and Loss as Diminution in value of Investment	-	11.49

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

(₹ in Lakhs)

		As at 31st March, 2024	As at 31st March, 2023
NOTE - 9. TRADE RECEIVABLES			
i)	Trade Receivables, Considered Good-Secured	-	-
ii)	Trade Receivables, Considered Good-Unsecured	16,415.60	15,456.24
iii)	Trade Receivables, which have significant increase in credit risk: and	-	-
iv)	Trade Receivables, credit impaired	-	-
		16,415.60	15,456.24
Trade Receivables ageing schedule			
Particulars			
(i)	Undisputed Trade receivables (Considered Good)		
	Less then six months	16,307.61	15,128.23
	6 months - 1year	23.80	39.17
	1-2 years	21.18	264.80
	2-3 years	13.05	4.22
	More then 3 years	0.15	0.00
	Total	**16,365.79**	15,436.42
(ii)	Undisputed Trade receivables (Considered doubtful)		
	Less then six months	-	-
	6 months - 1year	-	-
	1-2 years	-	-
	2-3 years	-	-
	More then 3 years	-	-
	Total	**-**	-
(iii)	Disputed Trade receivables (Considered Goods)		
	Less then six months	-	-
	6 months - 1year	-	-
	1-2 years	25.90	-
	2-3 years	-	-
	More then 3 years	23.92	19.82
	Total	**49.81**	19.82
(iv)	Disputed Trade receivables (Considered doubtful)		
	Less then six months	-	-
	6 months - 1year	-	-
	1-2 years	-	-
	2-3 years	-	-
	More then 3 years	-	-
	Total	**-**	-
	Total (i+ii+iii+iv)	**16,415.60**	15,456.24
NOTE - 10. CASH AND CASH EQUIVALENTS			
Cash and Cash equivalents consist of the following			
i)	Balance With Bank		
	In Current Account	4,451.37	8,664.74
	In Fixed Deposit Account with original maturity upto 3 months	2,592.36	2,291.42
ii)	Cash on Hand	6.69	7.34
		7,050.42	10,963.50

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

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
NOTE - 11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
In Fixed Deposit Account with original maturity more then 3 months and Less Then 12 Months	20,175.58	4,769.93
Earmarked Fixed Deposit	187.72	2,021.08
	20,363.30	6,791.01
NOTE - 12. LOANS		
Short Term Loans		
Loan and advance to Employees	20.87	12.88
	20.87	12.88
NOTE - 13. SHARE CAPITAL		
Authorised Share Capital		
10,000,000 (P.Y. 10,000,000) Equity Shares of Rs. 10/- each.	1,000.00	1,000.00
1,000,000 (P.Y. 1,000,000) Cumulative Convertible Preference share of Rs. 10/- each	100.00	100.00
	1,100.00	1,100.00
Issued ,Subscribed and paid up.		
5,167,157 (P.Y. 5,167,157) Equity Shares of Rs. 10/- each fully paid up	516.72	516.72
	516.72	516.72

Reconciliation of number of shares	**As at 31.03.2024**		**As at 31.03.2023**	
	No. of Share	**Rs. In Lakhs**	**No. of Share**	**Rs. In Lakhs**
Outstanding at the begining of year	51,67,157	516.72	51,67,157	516.72
Issued / allotted during the year	0	0	0	0
Outstanding at the end of year	51,67,157	516.72	51,67,157	516.72

Terms/Right attached to euity shares

The company has one class of equity shares having a per value of Rs. 10/ per share. Each holder of equity share is entiled to one vote per share. In the event of liquidation of the company, the holderss of equity share will be entitled to receive remaing assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of Equity shares held by shareholders holding more than 5% of the aggregate shares in the company

	As at 31.03.2024		As at 31.03.2023	
Name of Shareholder	**No. of Share**	**% of Holding**	No. of Share	**% of Holding**
Surender Kumar Ajmani	14,81,484	28.67	14,81,484	28.67
Sampark Overseas Pvt. Ltd.	9,61,630	18.61	9,61,630	18.61
Raj Rani Ajmani	8,65,800	16.76	8,65,800	16.76
Sampark Fine Chem Pvt. Ltd.	5,74,715	11.12	5,74,715	11.12
Paras Nath Pandey	4,68,640	9.07	4,68,640	9.07
Ashish Ajmani	2,70,336	5.23	2,70,336	5.23

Shares held by promoters at the end of the year	As at 31.03.2024		As at 31.03.2023		As At 31.03.2024	As At 31.03.2023
Promoter Name	No. of Shares	% of total shares	No. of Shares	% of total shares	% change during the	% change during the
Surinder Kumar Ajmani	14,81,484	28.67	14,81,484	28.67	-	-
Sampark Overseas Pvt. Ltd.	9,61,630	18.61	9,61,630	18.61	-	-
Raj Rani Ajmani	8,65,800	16.76	8,65,800	16.76	-	-
Sampark Fine Chem Pvt. Ltd.	5,74,715	11.12	5,74,715	11.12	-	-
Paras Nath Pandey	4,68,640	9.07	4,68,640	9.07	-	-
Ashish Ajmani	2,70,336	5.23	2,70,336	5.23	-	-
Abha Pandey	1,64,801	3.19	1,64,801	3.19	-	-
S.K. Ajmani (HUF)	60,800	1.18	60,800	1.18	-	-
Vikas Pandey	76,050	1.47	72,650	1.40	0.07	0.01

Notes to the financial statements for the year ended March 31, 2024 (₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
NOTE - 14. OTHER EQUITY		
Retained Earning		
Opening Balance	39,780.59	35,359.15
Profit For the year	5,361.17	4,421.43
Closing Balance	45,141.76	39,780.59
NOTE - 15. PROVISIONS		
Provisions consists as follows:		
LONG TERM PROVOSIONS		
Provision for Gratuity	100.80	83.40
Provision for Leave Encashment	16.18	13.37
	116.98	96.77
SHORT TERM PROVOSIONS		
Provision for Gratuity	20.39	19.49
Provision for Leave Encashment	2.01	2.58
	22.40	22.07
NOTE - 16. CURRENT TAX LIABILITIES		
Direct Taxes Liabilities (Net of Provisions)	61.92	100.66
	61.92	100.66
NOTE - 17. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Property, Plant and Equipments	236.55	231.91
Deferred Tax Assets		
Gratuity and other Employees Benefit	35.67	31.07
	200.88	200.85
NOTE - 18. TRADE PAYABLE		
A) Total outstanding dues of micro enterprises and small enterprises	52.87	1.10
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	13,422.97	13,757.30
	13,475.84	13,758.40
Trade payable ageing schedule		
Particulars		
(i) MSME		
Less then one year	52.87	1.10
1-2 years	-	-
2-3 years	-	-
More then 3 years	-	-
Total	52.87	1.10
(ii) Others		
Less then one year	13,413.58	13,743.91
1-2 years	0.27	9.72
2-3 years	0.01	0.00
More then 3 years	9.12	3.67
Total	13,422.97	13,757.30
Total (i+ii)	13,475.84	13,758.40
NOTE - 19. FINANCIAL LIABILITIES		
Other Financial Current Liabilites		
Loan from related parties: Directors	237.00	237.00
	237.00	237.00
NOTE - 20. OTHER CURRENT LIABILITIES		
Statutory Dues	396.78	327.42
Other Payable	1,091.70	994.81
	1,488.48	1,322.23

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

(₹ in Lakhs)

	As at 31st March, 2024	As at 31st March, 2023
NOTE 21. REVENUE FROM OPERATIONS		
Sales of products	53,164.52	50,735.52
Export Incentives and Duty Draw Back	17.98	69.17
Revenue from operations (Gross)	53,182.50	50,804.69
NOTE 22. OTHER INCOME		
Interest received	1,543.07	1,092.17
Misc Income	0.00	0.26
Foreign Exchange Gain/(Loss) (net)	468.54	3.62
Net Gain on sale of investments	85.76	1.04
	2,097.37	1,097.09
NOTE 23. COST OF MATERIALS CONSUMED		
Opening Stock of Raw material	7,975.89	3,254.43
Add: Purchases & Processing Charges	42,825.09	46,320.73
	50,800.97	49,575.16
Less: Closing Stock	7,324.69	7,975.89
	43,476.29	41,599.27

Imported and Indigenous Raw Materials Consumed

	2024	%	2023	%
Imported*	35928.39	82.46%	34683.70	83.38%
Indigenous	7547.90	17.36%	6915.57	16.62%
	43476.29	100.00%	41599.27	100.00%

* Imported Raw Material includes the material imported through third party and purchase under High Sea Sale arrangement.

Details of Raw Material Consumed

	As at 31st March, 2024	As at 31st March, 2023
6-AMINO PENICILLANIC ACID	34,326.51	29,838.26
Others	9,149.78	11,761.01
Total	43,476.29	41,599.27
NOTE 24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	1,029.77	451.87
Semi-Finished Goods	550.31	561.51
	1,580.08	1,013.38
Closing Stock		
Finished Goods	1,781.63	1,029.77
Semi-Finished Goods (including WIP)	540.22	550.31
	2,321.86	1,580.08
Net Increase / (Decrease)	741.78	566.69
NOTE 25. EMPLOYEE BENEFIT EXPENSE		
Salaries and Wages	825.56	722.02
Employer's Contribution to Provident Fund	37.28	31.93
Employer's Contribution to ESI	6.73	6.39
Staff Welfare	35.65	34.18
Bonus	24.20	20.55
Leave Encashment	3.96	3.52
Gratuity	21.35	17.94
	954.72	836.54
NOTE 26. FINANCE COST		
Interest expense :		
- On LC Discounting	0.00	15.70
- On Others	26.31	29.16
	26.31	44.87

Notes to the financial statements for the year ended March 31, 2024 (₹ in Lakhs)

NOTE 27. OTHER EXPENSES

	As at 31st March, 2024	As at 31st March, 2023
Power and Fuel	1,157.10	1,189.00
Consumption of Stores	52.86	94.40
R & D and Testing Expenses	61.01	27.31
Packing Material Consumed	249.57	246.40
Insurance	27.78	24.10
Repair and Maintenance		
- Vehicle	11.00	11.06
- Building	36.60	6.11
- Plant & Machinery	197.51	131.23
Travelling Expenses	6.02	5.46
Conveyance Expenses	1.99	2.42
Bad Debts Written Off	0.00	11.91
Printing and Stationery	7.38	7.48
Donation	201.18	1.54
Penalties & Fine	18.30	1.15
Miscellaneous Expenses	17.38	19.56
Postage ,Telex and Telephone	6.15	5.38
Rates, Fee and Taxes	9.88	11.40
Directors' Remuneration	1,121.86	960.25
Directors' sitting fees	0.32	0.30
Auditors Remunerations (Refer details below)	4.00	4.00
Professional and Legal Charges	9.88	11.89
Bank Charges	39.00	34.09
Security Expenses	0.00	0.70
Books and Periodicals	0.06	0.50
Custom/Vat Demands	0.00	16.04
Diminution in value of Investment	0.00	11.49
Loss on Sale of Assets	1.17	0.00
Rent	12.00	11.96
Corporate Social Responsibility (CSR) Expenses	153.81	182.36
Export Expenses	169.64	201.19
Commission on sales	363.14	426.89
Freight (Outwards)	112.08	116.62
Business Promotion Expenses	9.06	14.15
	4,057.76	3,788.35
Payment to Auditors		
As auditor:		
-Audit Fees	4.00	4.00
	4.00	4.00

NOTE 28. EARNING PER SHARE

a)	**Basic**		
	Net profit after tax available for equity shareholders	5,361.17	4,421.43
	Weighted average number of equity shares used to compute basic earnings per share	51,67,157	51,67,157
	Basic earnings per share (in ₹)	**103.75**	**85.57**
b)	**Diluted**		
	Net profit after tax available for equity shareholders	5,361.17	4,421.43
	Weighted average number of equity shares used to compute diluted earnings per share	51,67,157	51,67,157
	Diluted earnings per share (in ₹)	**103.75**	**85.57**

Notes to the financial statements for the year ended March 31, 2024 (₹ in Lakhs)

NOTE 29. RATIO

Particulars		March 31, 2024	March 31, 2023	% of Change	Reason
1)	Current Ratio	3.777	3.042	24.16%	-
2)	Debt Equity Ratio	0.005	0.006	-11.74%	-
3)	Debt Service Coverage Ratio	260.116	214.995	20.99%	-
4)	Return on Equity	11.76%	10.95%	7.43%	-
5)	Inventory turnover ratio	5.504	7.270	-24.29%	-
6)	Trade Receivable turnover ratio	3.337	3.723	-10.36%	-
7)	Trade payables turnover ratio	3.145	4.009	-21.56%	-
8)	Net capital turnover ratio	125.30%	161.13%	-22.24%	-
9)	Net profit ratio	10.08%	8.70%	15.83%	-
10)	Return on Capital Employed	15.92%	14.82%	7.43%	-
11)	Return on investment	22.13%	0.36%	6047.22%	Due to Market Fluctuation

Methodology:

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ratio = Total Debt / Shareholder's Equity
3. Debt Service Coverage Ratio = Earning available for debt sercives/Debt Sercives
4. Return on Equity Ratio = Profit After Tax / Shareholder's Equity
5. Inventory Turnover Ratio = Sales/Average Inventory
6. Trade Receivable Turnover Ratio = Revenue from operations/Average Trade receivable
7. Trade Payable Turnover Ratio = Purchase / Average Trade Payable
8. Net Capital Turnover Ratio = Revenue from Operations / (Current Asset - Current Liability)
9. Net Profit Ratio = Profit After Tax / Net Sales
10. Return on Capital Employed = Earning before interest and taxes/(Total Equity + Total Debt+Deferred tax liability)
11. Return on Investment = Net income on investment / Cost of Investment

NOTE 30. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The gross amount required to be spent by the Company on Corporate Social Responsibility ("CSR") as per section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 during the year is Rs. 123.22 lakhs (Previous Year: Rs. 152.85 lakhs) The Company has spent an amount of Rs. 153.81 lakhs (Previous year: Rs. 182.36 lakhs) towards the CSR obligation of the Company of the current year and previous years. Shortfall at the end of year is Nil (Previous Year NIL). Total of previous year's shortfall is Rs. 79.16 lakhs (Previous Year 109.75). Reason for previous year's shortfall being that some of the approved programmes in education and other areas are multi year projects, and expenditure is being defrayed in a systematic manner which may require some more time. However, the Company defrayed funds on approved projects in the current financial year also. Company is carring out CSR activity in promotion of education, primary healthcare, old age home, rural transformation, eradicating hunger and malnutrition, contributation to public funded university and IIT's. Above spend includes CSR expenditure of Rs. NIL (Previous Year Rs. 79.42) through Penam Foundation, a trust setup by the company for carrying out CSR activities.

NOTE 31. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

I. Change in Present Value of Obligation:

Particulars	31st March, 2024		31st March, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of Obligation as at beginning of the year	102.88	15.95	105.20	19.11
Current Service Cost	13.63	2.76	10.58	2.19
Interest Cost	7.72	1.20	7.36	1.34
Acturial (Gain)/Loss on Obligation	6.74	0.56	(8.13)	(4.60)
Benefit Paid	(9.78)	(2.27)	(12.13)	(2.09)
Present Value of Obligation as at end of the year	121.19	18.19	102.88	15.95

II. The amount recognized in balance sheet:

Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of Obligation as at end of the year	121.19	18.19	102.88	15.95
Fair Value of Plan Assets at the end of the year	-	-	-	-
Net Liability recoginised in Balance Sheet	121.19	18.19	102.88	15.95

Notes to the financial statements for the year ended March 31, 2024 (₹ in Lakhs)

III. Amount recoginsed in Profit & Loss Statement:				
Current Service Cost	13.63	2.76	10.58	2.19
Interest Cost	7.72	1.20	7.36	1.34
Component of defined benefit cost recognised in statement of Profit and Loss	**21.35**	**3.96**	**17.94**	**3.52**
Net Actuarial (Gain)/Loss recognised in the year	6.74	0.56	(8.13)	(4.60)
Component of defined benefit cost recognised in other comprehensive income	**6.74**	**0.56**	**(8.13)**	**(4.60)**
Total	28.09	4.52	9.81	(1.07)
IV. The assumptions used in determining gratuity for the Company Plans:				
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Discount Rate	7.25% p.a.	7.25% p.a.	7.50% p.a.	7.50% p.a.
Growth Rate	7.50% p.a.	7.50% p.a.	7.50% p.a.	7.50% p.a.
Withdrawal Rate	6.00% p.a.	6.00% p.a.	6.00% p.a.	6.00% p.a.
V. Sensitivity Analysis:				
Discount Rate Up by 1%	6%	7%	6%	6%
Discount Rate Down by 1%	7%	8%	7%	7%
Growth Rate Up by 1%	7%	7%	7%	7%
Growth Rate Down by 1%	6%	7%	6%	6%
Withdrawal Rate Up by 1%	0%	0%	0%	0%
Withdrawal Rate Down by 1%	0%	0%	0%	0%

The Company's gratuity and leave encashment are not funded. The above table sets out the status of the gratuity plan and leave Encashment as per Actuarial Valuation, as required under Ind AS 19 "Employees Benefit" and the reconciliation of opening balance of the value of the defined obligation.

The estimatates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employments market.

NOTE 32. INCOME TAX

	As at 31st March, 2024	As at 31st March, 2023
Recognised in Profit and Loss account		
Current Tax		
Current year Tax(Including tax relating to earlier Year)	1,942.86	1,596.29
Deferred Tax		
Current year Tax	(1.80)	0.96
Recognised in Other Comprehensive Income		
Deferred Tax liabilities on employee benefit Expenses	1.84	3.20
Total	1,942.90	1,600.46

NOTE 33. FAIR VALUE MEASUREMENTS

The categories used are as follows

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

The carrying value and fair value of financial assets/ liabilities by categories are as follows:

Particulars	31.03.2024 Amortised Cost	31.03.2023 Amortised Cost
Financial assets		
Investments	**1,610.99**	1,544.32
Trade receivables	**16,415.60**	15,456.24
Cash and cash equivalents	**7,050.42**	10,963.50
Bank balance other then Cash and cash equivalents	**20,363.30**	6,791.01
Loans	**20.87**	12.88
Other financial assets	**1,249.47**	804.85
Total financial assets	**46,710.65**	**35,572.80**

Notes to the financial statements for the year ended March 31, 2024 (₹ in Lakhs)

Financial Liabilities		
Trade payables	13,475.84	13,758.40
Other financial liabilities	237.00	237.00
Total financial liabilities	**13,712.84**	**13,995.40**

NOTE 34. FINANCIAL RISK MANAGEMENT

The company's activities expose it to variety of financial risk viz. credit risk, liquidity risk and market risk. The company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payables. The company's senior management focus is to foresee the unpredictability and minimise the potential adverse effects on the company's financial performance. The company's overall risk, management procedures to minimize the potential adverse effect of the financial market on the company's performance are as follows:

Market risk:

A **Price risk:**

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and consumables used by the Company in its various products. Substantial pricing pressure from major customers to give price cuts and inability to pass on the increased cost to customers may also affect the profitability of the Company.

B **Foreign currency risk:**

The exchange variations in India has mainly impacted the imports, but however the Company has arrangements with its major domestic customers for passing on the exchange impact on import purchase and has considerably increased its export sales during last few years to attain natural hedge.

Particular of unhedged foreign currency exposure as at the reporting date (Net exposure to foreign currency risk) (₹ in Lac)

	31.03.2024	**31.03.2023**
	Payable/ Receivable	Payable/ Receivable
Trade payables (USD)	96.15	124.96
Advance to Supplier (USD)	-	-
Trade receivables (USD)	37.29	39.90
Advace from Customers (USD)	-	-
Balance In EEFC A/c (USD)	17.24	32.79

C **Credit risk:**

The 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 towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major pharmaceuticals manufacturers with good credit ratings. All customers are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian banks. In long term credit ratings these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due. The company has also made short term investment in to rated mutual fund and their performance is monitored regularly.

D **Liquidity risk:**

Liquidity risk is the risk that the company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments. The company manages its liquidity risk by maintaining sufficient bank balance.

NOTE 35. CAPITAL MANAGEMENT

(a) **Risk management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximise the shareholder value and to safeguard the companies ability to remain as a going concern.

The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The current capital structure of the company is equity based with no financing through borrowings. The company is not subject to any externally imposed capital requirement.

No changes were made in the objectives, policies or processes during the year ended March 31, 2024 and March 31, 2023 respectively.

Notes to the financial statements for the year ended March 31, 2024 **(₹ in Lakhs)**

NOTE 36. RELATED PARTY DISCLOSURES

I. **Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below:**

A. **Entities with joint control over the entity** NIL

B. **Associate Company** NIL

C. **Key Managerial Personnel** Mr. S.K. Ajmani-Chairman cum Managing Director
Dr. P.N. Pandey-Managing Director
Mr. Ashish Ajmani-Executive Director
Mr. Vikas Pandey-Whole Time Director

D. **Other Related Parties** Raj Impex (Prop. Smt. Raj Rani Ajmani)
Ecosol Industries Pvt. Ltd.
Continental Manufacturers Pvt. Ltd.
Penam Foundation (a trust setup by Company for CSR Activity)

II. **Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties as mentioned in 36 (I) above:**

	Key Management Personnel		**Other Related Parties**	
Particular	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Purchase of Goods				
Raj Impex			0.00	13.12
Ecosol Industries Pvt. Ltd.			0.00	8.51
Sale of Goods				
Raj Impex			14.63	9.68
Ecosol Industries Pvt. Ltd.			0.00	16.33
Purchase of Fixed Assets				
Continental Manufacturers Pvt. Ltd.			8.20	0.99
Interest Paid				
Mr.Surender Kumar Ajmani	9.42	12.65		
Mr.Ashish Ajmani	16.32	16.32		
Directors Remuneration				
Mr. Surender Kumar Ajmani	227.76	199.14		
Dr. Paras Nath Pandey	814.91	686.11		
Mr. Ashish Kumar Ajmani	41.10	39.00		
Mr. Vikas Pandey	38.10	36.00		
Corporate Social Responsibilty Expenses				
Penam Foundation			0.00	79.42
Balance outstanding as at year end:				
Unsecured Loan from Directors				
Mr.Surender Kumar Ajmani	78.50	78.50		
Mr.Ashish Ajmani	158.50	158.50		
Balance Payable as at year end:				
Raj Impex			0.00	13.12
Continental Manufacturers Pvt. Ltd.			0.00	0.26
Balance Receivable as at year end:				
Ecosol Industries Pvt. Ltd.			0.00	7.82

Notes to the financial statements for the year ended March 31, 2024 (₹ in Lakhs)

NOTE 37. SEGMENT INFORMATION:

Description of segments and principal activities

The Company is primarily in the business of manufacture and sale of Pharmaceuticals Products.

A) Primary Segment (Business Segment)

The Company operates only in the business segment of "Pharmaceuticals Products", and in the opinion of the management the inherent nature of activities in which it is engaged are governed by the same set of risks and rewards. As such the activities are identified as single segment in accordance with the Ind AS 108 issued by the Institute of Chartered Accountants of India.

B) Information about geographical areas:

The following information discloses revenue from external customers based on geographical areas:

Revenue from external customers	**31.03.2024**	**31.03.2023**
India	33,908.19	34,203.89
Outside India	19,256.33	16,531.63
Total	**53,164.52**	**50,735.52**

NOTE 38. CAPITAL AND OTHER COMMITMENTS

Capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2024	**March 31, 2023**
Property, plant and equipment		
Estimated value of contracts in capital account remaining to be executed	2,482.44	33.68
Total	**2,482.44**	**33.68**

NOTE 39. CONTINGENT LIABILITIES:

	March 31, 2024	**March 31, 2023**
a) Bank Guarantees/ Letter of credit	187.72	2,021.08
b) Bill Discounting	0.00	161.52
	187.72	**2,182.61**

The Company does not expect any reimbursements in respect of the above contingent liabilities.

NOTE 40. DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has written to its suppliers to intimate the status as micro, small or medium enterprise in terms of "Micro, Small and Medium Enterprises Development Act 2006" and to provide a copy of their registration certificate. The Company has shown below dues if any to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') and a separate disclosure of the amount due to micro, small and medium enterprises at the end of the year is given in Trade Payables. There is no outstanding with MSME suppliers exept the outstanding with suppliers, which were pending against quality issues. The disclosures pursuant to the said MSMED Act is as follows:

Particulars	March 31, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	52.87	1.10
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

NOTE 41 : Previous year's figures have been regrouped and/or recasted, wherever considered necessary to make them comparable with current year figures.

As per our separate report of even date attached

For Subodh Jain & Co.
Chartered Accountants
Firm Registration No. 002992N

For and on behalf of Board of Directors

New Delhi
30th August, 2024

(S.K. Jain)
Partner
M. No. 080784

S. K. Ajmani
Chairman cum Managing Director
DIN-00466908

Vikas Pandey
Whole Time Director
DIN-08836156

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