INDEPENDENT AUDITORS' REPORT

To the Members of Zenotech Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Zenotech Laboratories Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and Profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Key audit matters	**Auditor's Response**
Revenue	
The Company solely depends on its holding company for its Revenue as stated below: 1. All the manufacturing job work is done as per their	Our Audit Procedures included: ▪ Validating appropriate approval process for the agreements with related party and verifying that the job work charges invoiced are aligned with the agreements.

requirements at the agreed conversion charges. 2. Revenue is earned by leasing out its biotech facility & equipment In view of the significance of the dependence on holding company for revenue, it represented a key audit matter in the audit	▪ Validating comprehensiveness of revenue recognition through testing of transactions and production records ▪ Cut off procedures performed. ▪ Carrying out analytical procedures and identifying reasons for significant variance. ▪ Confirming with the balance confirmation received from external parties. ▪ Evaluating the disclosures made with requirements under the Accounting Standards and the Companies Act, 2013

Information Other than the Standalone Financial Statements and Auditors' Report There on

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

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

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

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone 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 Indian Accounting Standards (Ind AS) prescribed 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 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 Match 2022 on its financial position in its financial statements – Refer Note 31 to the standalone financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022; and

iv. (a) The management has represented that, to the best of its knowledge and belief,as detailed in Note 38(g) , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief, as detailed in Note 38(h) , no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

v. The Company has not declared any dividend during the year.

vi. 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 is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Viswanadh Kuchi
Partner
Membership No. 210789
UDIN :

Place of Signature:
Date: 28-04-2023

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Zenotech Laboratories Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2023.

(i) In respect of the Company's fixed assets:

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

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

(c) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(d) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties disclosed in the financial statements are held in the name of the Company as at Balance Sheet date.

(e) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets / Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year and hence this clause is not applicable to the Company.

(f) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)

a. The company does not have any inventory and hence reporting under clause (ii) of the order is not applicable

b. Based on our audit procedures & according to the information and explanation given to us, the Company has not been sanctioned loan in excess of five crore rupees from banks or financial institution on the basis of security of current assets and hence the question of filing quarterly returns or statements by the company with such banks or financial institutions does not arise. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) Based on our audit procedures & according to the information and explanation given to us, the Company has neither given any loan, guarantees and security nor made any investment during the year covered under section 185 and 186 of the Act. Therefore paragraph 3(iv) of the Order is not applicable to the Company.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable with the appropriate authorities**.**

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31 March 2023 for a period of more than six months from the date they became payable.

(b)

According to the information and explanations given to us and based on our examination of the records of the Company, there are no statutory dues referred to in sub-clause (a) as at 31 March 2023, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

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

Income Tax Act, 1961	Income Tax Dues	20479	-	20479	A.Y 2020-21	Commissioner of Income-tax (Appeals)	

* AY – Assessment year, FY – Financial year

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

(ix)

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

(b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.

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

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

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

(f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.

(x)

(a) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year and hence the question of whether money raised were applied for the purposes for which those are raised does not arise. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi)

(a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were received during the year by the Company.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the Indian accounting standard Related Party Disclosures (Ind AS 24)

(xiv)

(a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the reports of the Internal Auditors for the period under audit.

(xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

(a) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).

(b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.

(c) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on our audit procedures and according to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

(xix) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) a. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in schedule VII to the companies act in compliance with the second proviso to sub section (5) of section 135 of the Companies Act, 2013.

b. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub-section 6 of section 135 of the Act.

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

Signature
Viswanadh Kuchi
Partner
Membership No. 210789
UDIN:

Place of Signature:
Date: 28th April 2023

Annexure B

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

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

We have audited the internal financial controls with reference to standalone financial statements of Zenotech Laboratories Limited ("the Company") as of 31 March 2023 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 and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

We have audited the internal financial controls with reference to financial statements of Zenotech Laboratories Limited (“the Company”) as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

Signature
Viswanadh Kuchi
Partner
Membership No. 210789
UDIN:

Place of Signature:
Date: 28th April 2023

Zenotech Laboratories Limited
CIN: L27100TG1989PLC010122
Standalone Balance Sheet as at March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Particulars	**Note No.**	**As at 31 March 2023**	**As at 31 March 2022**
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3	653,848	709,091
(b) Capital Work-In-Progress	3	49,787	2,790
(c) Financial Assets			
(i) Investments	4(a)	-	-
(ii) Others	4(b)	13,493	7,821
Deferred Tax Assets (net)	5	93,576	122,746
Income Tax Assets (net)		33,872	21,970
(d) Other Non-current Assets	6	1,506	2,671
Total Non - Current Assets		846,082	867,089
Current Assets			
(a) Inventories	7	-	608
(b) Financial Assets			
(i) Trade Receivables	8(a)	33,235	39,282
(ii) Cash and Cash Equivalents	8(b)	111,424	24,148
(iii) Other Financial Assets	8(c)	6,755	1,575
(c) Other Current Assets	9	11,234	8,134
Total Current Assets		162,648	73,747
Total Assets		**1,008,730**	**940,836**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	610,306	610,306
(b) Other Equity	11	212,395	96,095
Total Equity		822,701	706,401
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12 (d)	-	60,000
(ii) Other financial liabilities	12 (c)	7,324	6,615
(b) Other Non Current Liabilities	13 (b)	2,458	3,214
(c) Provisions	14 (a)	10,177	8,851
Total Non - Current Liabilities		19,959	78,680
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprises	12 (a)	1,672	1,552
(b) Total outstanding dues other than Micro and Small Enterprise	12 (a)	33,096	19,110
(ii) Other financial liabilities	12 (b)	37,410	40,398
(b) Other Current Liabilities	13 (a)	11,153	11,817
(c) Provisions	14 (b)	82,739	82,878
Total Current Liabilities		166,070	155,755
Total Equity and Liabilities		**1,008,730**	**940,836**

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

Summary of Significant accounting policies 1 & 2

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

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

Viswanadh VNSS Kuchi
Partner
Membership No.: 210789
UDIN: 23210789BGYTBT2185

Azadar Hussain Khan
Chairman
DIN:01219312

Kavita R. Shah
Director
DIN:02566732

Devendra Chandrakant S. Kenkre
Chief Executive Officer

Poly K.V.
Chief Financial Officer

Abdul Gafoor Mohammad
Company Secretary

Place: Hyderabad
Date: April 28, 2023

Place: Delhi
Date: April 28, 2023

Place: Mumbai
Date: April 28, 2023

Place: Hyderabad
Date: April 28, 2023

Zenotech Laboratories Limited
CIN: L27100TG1989PLC010122
Statement of Profit and Loss for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

	Particulars	Note No.	For the Year ended 31 March 2023	For the Year ended 31 March 2022
	Income			
I	Revenue from Operations	15 (a)	383,529	324,937
II	Other Operating income	15 (b)	40,714	40,714
III	Other income	16	10,837	6,293
IV	**Total Income (I+II+III)**		**435,080**	**371,944**
V	**Expenses**			
	Cost of materials consumed	17	608	11
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	17	-	-
	Employee benefits expense	18	78,761	70,952
	Finance costs	19	1,122	12,152
	Depreciation and amortisation expense	3	71,727	69,735
	Other expenses	20	137,839	120,081
	Total Expenses (V)		**290,057**	**272,931**
VI	Profit / (Loss) before exceptional items and tax (IV-V)		**145,023**	**99,013**
VII	Exceptional item		-	-
VIII	Profit / (Loss) before tax (VI+VII)		**145,023**	**99,013**
IX	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax	22	29,170	(122,746)
X	Profit / (Loss) for the year (VIII-IX)		**115,853**	**221,759**
XI	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss		-	-
	Gain/(loss) on Remeasurement of employee benefits obligations	14(c)	447	560
	Income Tax on above		(112)	-
XII	Total Comprehensive Income for the year (X+XI)		**116,188**	**222,319**
XIII	Earning per equity share	23		
	(face value per equity share Rs 10 each)			
	(1) Basic (Rs.)		1.90	3.63
	(2) Diluted (Rs.)		1.90	3.63

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

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

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

Viswanadh VNSS Kuchi
Partner
Membership No.: 210789
UDIN: 23210789BGYTBT2185

Azadar Hussain Khan
Chairman
DIN:01219312

Kavita R. Shah
Director
DIN:02566732

Devendra Chandrakant S. Kenkre
Chief Executive Officer

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Chief Financial Officer

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Place: Hyderabad
Date: April 28, 2023

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Zenotech Laboratories Limited
CIN: L27100TG1989PLC010122
Statement of changes in equity for the year ended 31 March, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Particulars	Equity Share Capital	Reserves and Surplus		Total equity
		Securities premium	Retained earnings	
Balance as at 1st April 2021	**610,306**	**2,095,431**	**(2,221,655)**	**484,082**
Changes in accounting policy or prior period errors	-	-	-	-
Restated Balance as at April 1st,2021	610,306	2,095,431	(2,221,655)	484,082
Additions during the year	-	-	-	-
Profit/(Loss) for the year	-	-	221,759	221,759
Other comprehensive income- Remeasurement of defined benefit obligations	-	-	560	560
Total comprehensive income for the year	-	**-**	**222,319**	**222,319**
Balance as at 31st March 2022	**610,306**	**2,095,431**	**(1,999,336)**	**706,401**
Balance as at 1 April 2022	**610,306**	**2,095,431**	**(1,999,336)**	**706,401**
Changes in accounting policy or prior period errors	-	-	-	-
Restated Balance as at April 1st,2022	610,306	2,095,431	(1,999,336)	706,401
Profit/(Loss) for the year	-	-	115,853	115,853
Other comprehensive income- Remeasurement of defined benefit obligations	-	-	447	447
Total comprehensive income for the year	**-**	**-**	**116,300**	**116,300**
Balance as at 31st March 2023	**610,306**	**2,095,431**	**(1,883,036)**	**822,701**

Nature and purpose of reserves:

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

As per our Report of even date attached
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Firm Registration Number: 003990S/S200018

Viswanadh VNSS Kuchi
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for and on behalf of the Board of Directors of
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Date: April 28, 2023

Zenotech Laboratories Limited

CIN: L27100TG1989PLC010122

Standalone Cash flow statement for the Year ended March 31, 2023

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

	For the Year ended 31 March 2023	For the Year ended 31 March 2022
A. Cash flows from operating activities		
Profit/(Loss) before taxation	**145,023**	**99,013**
Adjustments for:		
Depreciation and amortisation	71,727	69,735
Amounts written back	(200)	(779)
Unrealised foreign exchange loss, net	6	27
Profit on sale of Property , Plant and Equipment	(388)	-
Interest expenses	1,122	12,152
Interest income	(3,685)	(986)
Exceptional items	-	-
Operating cash flows before working capital changes	**213,605**	**179,162**
Changes in Working Capital:		
(Increase)/decrease in trade receivables	6,047	(1,250)
(Increase)/decrease in inventories	608	11
(Decrease)/ increase in trade payables	14,306	2,222
(Increase)/decrease in other financial assets	(5,180)	(161)
(Increase)/decrease incurrent non financial assets	-	-
(Increase)/decrease in non-current financial assets	(5,672)	-
(Increase)/decrease in non-current assets	-	-
(Increase)/decrease in other current assets	(3,100)	683
(Decrease)/increase in provisions for non current liabilities	1,726	915
(Decrease)/increase in provisions for current liabilities	(139)	(1,172)
(Decrease)/increase in other financial liabilities	(2,987)	5,560
(Decrease)/increase in other current liabilities	(670)	744
Cash generated/(used) in operations	**218,544**	**186,714**
Income taxes paid/ TDS (net)	(11,902)	(10,040)
Net cash generated/(used) in operating activities (A)	**206,642**	**176,674**
B. Cash flows from investing activities		
Payment for Purchase of property plant equipment (Including Capital advance & Work in Progress)	(62,317)	(19,375)
Proceeds from sale of Property , Plant and Equipment	388	-
Deposits towards margin money	-	-
Interest income received	3,685	986
Net cash provided by/ (used in) investing activities (B)	**(58,244)**	**(18,389)**
C. Cash flows from financing activities		
Repayment of long-term borrowings	(60,000)	(146,562)
Interest paid	(1,122)	(12,152)
Net cash provided by/(used in) financing activities (C)	**(61,122)**	**(158,714)**
Net increase/ (decrease) in cash and cash equivalents during the year (A+B+C)	**87,276**	**(429)**
Cash and cash equivalents at the beginning of the year	24,148	24,577
Cash and cash equivalents at the end of the year (refer Note 7 (b))	**111,424**	**24,148**

Note 1: Cash and cash equivalents does not include restricted cash balance (Margin money) of Rs 1,000 (previous year: Rs 1,000).
Note 2: Cash flow statements has been prepared under " Indirect Method" on Statement of Cash flows in accordance with the Ind AS standard.
Note 3: Please refer Net Debt Reco annexed

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

for and on behalf of the Board of Directors of
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Zenotech Laboratories Limited
Standalone Cash flow statement for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

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

	31 March 2023	31 March 2022
Cash and cash equivalents	111,424	24,148
Liquid Investments	-	-
Current borrowings (Including interest accrued)	-	-
Non-current borrowings	-	(60,000)
Net debt	**111,424**	**(35,852)**

	Other assets		Liabilities from financing activities			
	Cash and bank	Liquid Investments	Finance lease obligations	Non-current borrowings	Current borrowings	Total
Net debt as at 1 April 2021	24,577	-	-	(206,562)	-	**(181,985)**
Cash flows	(429)	-	-	146,562	-	**146,133**
Interest expenses	-	-	-	-	(12,152)	**(12,152)**
Interest paid	-	-	-	-	12,152	**12,152**
Net debt as at 31 March 2022	**24,148**	**-**	**-**	**(60,000)**	**-**	**(35,852)**
Cash flows	87,276	-	-	60,000	-	**147,276**
Interest expenses	-	-	-	-	(1,122)	**(1,122)**
Interest paid	-	-	-	-	1,122	**1,122**
Net debt as at 31 March 2023	**111,424**	**-**	**-**	**0.00**	**-**	**111,424**

1.1 Corporate information

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

1.2 Going concern

The Company is well placed to meet the cash burn requirements in the coming periods as per the projections prepared by the Company. Hence the Company's financials have been prepared on a going concern basis.

1.3 Consolidated Financial Statements

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

2. Significant accounting policies

2.1 Statement of compliance

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

Basis of preparation and presentation

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

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

Functional and Presentation currency

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

IND AS 27 Separate financial statements

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

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

The investments in subsidiaries is recognised at deemed cost

2.2 Summary of significant accounting policies

a. 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 twelve 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Considering the nature of activity, the Company has determined the operating cycle as twelve months.

b. Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

> Exchange differences arising on monetary items that forms part of a reporting entity's net investment and Loans & Advances in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity as appropriate.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using the exchange rate prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

c. Use of estimates and judgement

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

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

i) Useful life of PPE

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

ii) Measurement of defined benefit plan obligation

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

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

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

iii) Impairment of non-financial assets

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

iv) Write down in value of inventories

Inventory write downs are accounted considering the nature of inventory, ageing, liquidation plan and net realisable value. Any changes in these estimates will impact upon the write down value of inventories.

v) Estimation for litigations

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

vi) Estimation of uncertainties relating to the global health pandemic from COVID-19

The World Health Organisation had declared COVID-19 as a pandemic in March, 2020. The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position and based on management's review of current indicators and economic conditions there is no material impact on its financial statements as at March 31, 2023. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of financial statements. The Company will continue to monitor any material changes to future economic conditions.

d. Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

e. Revenue recognition

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

Rendering of Services:

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

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

Income from leasing of assets:

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

Interest income

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

f. Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

g. GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the GST paid, except:

> When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

> When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from or payable to the taxation authority, is included as part of receivables or payables in the balance sheet.

h. Property, plant and equipment

Freehold land is carried at historical cost.

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

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

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

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

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

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

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

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

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

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Inventories

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

i) Raw materials, Packing materials, Stores and spares - First - in - First Out method.

ii) Finished goods and Work-in-process - Weighted average method, which comprises direct material costs and appropriate overheads.

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

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

k. Impairment of non-financial assets

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

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

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

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

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

l. Provisions, contingent Liabilities & contingent Assets

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

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

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

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

m. Retirement and other employee benefits

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

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

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

n. Earnings per share:

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events such as bonus issue that have changed the number of shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o. 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.

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

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

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

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

Equity investments

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

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

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

Derecognition

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

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

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

Impairment of financial assets

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

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

> Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

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

> Trade receivables or contract revenue receivables; and

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

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

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

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

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

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

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

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

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

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

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

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

> **Financial liabilities at amortised cost**
After initial recognition financial liabilities if any are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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

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

p. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.
Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year is classified by operating, investing and financing activities.

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 3: Property, Plant and Equipment.

	Freehold Land	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	EDP Equipment	Total
Gross Block at Cost/ Deemed Cost								
As at 31st March 2021	**10,831**	**210,148**	**763,075**	**6,477**	**3,371**	**3,251**	**17,614**	**1,014,768**
Adjustments:	-	-	-	-	-	-	-	-
Additions	-	1,815	33,798	65	248	-	586	36,512
As at 31st March 2022	**10,831**	**211,963**	**796,873**	**6,542**	**3,619**	**3,251**	**18,201**	**1,051,279**
Adjustments:	-	-	-	-	-	-	-	-
Additions	-	-	14,691	56	38	-	1,701	16,485
Disposals	-	-	-	-	-	-	-	-
As at 31st March 2023	**10,831**	**211,963**	**811,564**	**6,598**	**3,657**	**3,251**	**19,901**	**1,067,764**
Accumulated Depreciation and Impairment								
As at 31st March 2021	**-**	**45,701**	**210,983**	**5,031**	**1,426**	**2,215**	**7,100**	**272,456**
Adjustments:		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge during the year		9,759	53,386	305	700	186	5,400	69,735
As at 31st March 2022	**-**	**55,460**	**264,369**	**5,336**	**2,126**	**2,401**	**12,500**	**342,192**
Adjustments:		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge during the year		9,786	55,816	232	619	186	5,088	71,727
Disposals	-	-	-	-	-	-	-	-
As at 31st March 2023	**-**	**65,246**	**320,185**	**5,568**	**2,744**	**2,587**	**17,588**	**413,919**
Net Book Value								
As at 31st March 2023	**10,831**	**146,717**	**491,379**	**1,030**	**913**	**664**	**2,314**	**653,848**
As at 31st March 2022	10,831	156,505	532,505	1,206	1,493	850	5,701	709,091

Note

1. Plant & Equipment as at the year end includes assets given on operating lease: Cost Rs. 187,083 (PY: Rs.187,083); Accumulated depreciation Rs 36,822 (PY: Rs. 26,521) and carrying value as at the reporting date of Rs. 150,262 (Previous year Rs 160,562).
2. Vehicles disposed as scrap during the year having zero carrying value.
3. For details of the assets pledged for TDB loan, refer Note 32 of the financial statements.

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

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

B. Capital Work in Progress

As at 1st April 2021	**21,825**
Provision for Impairment	**103,156**
Additions during the year	15,763
Gross Capital Work In Progress	**140,744**
Less: Transferred to Property, Plant and Equipment during the year	34,798
Provision for Impairment	(103,156)
Net CWIP as at 31 March, 2022	**2,790**
As at 1st April 2022	**2,790**
Provision for Impairment	103,156
Additions during the year	63,483
Gross Capital Work In Progress	**169,428**
Less: Transferred to Property, Plant and Equipment during the year	16,485
Provision for Impairment	(103,156)
Net CWIP as at 31 March, 2023	**49,787**

Capital work in progress ageing

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

Capital work in progress ageing

Particulars	Amount in CWIP as at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,790	-	-	-	2,790
Projects temporarily suspended					-
Total	**2,790**	**-**	**-**	**-**	**2,790**

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

Note 4: Financial Assets

4(a). Non-current investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in equity shares of Subsidiaries# at Deemed cost		
Unquoted		
Zenotech Farmaceutica Do Brasil Ltda* 39,600 (previous year: 39,600) shares of Reais 10 each	-	-
Zenotech Laboratories Limited, Nigeria* 9,99,000 (previous year: 9,99,000) Ordinary shares of Naira 1 each	-	-
Zenotech Inc., USA 10,00,000 (previous year: 10,00,000) shares of USD 0.10 each	-	-

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

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

4(b). Other Non-current Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with Government, public bodies		
-Considered good	12,493	6,821
-Credit Impaired	211	211
Margin Money deposits	1,000	1,000
Others	-	-
Total	**13,704**	**8,032**
Less : Provision for doubtful assets	211	211
Total Other Non-current Financial Assets	**13,493**	**7,821**

Note 5: Deferred tax assets /(liabilities)
The balances comprises temporary differences attributable to :

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Asset on account of:		
Provision for Gratuity	1,458	1,262
Provision for Leave Encashment	786	-
Carry Forward Business Losses and Unabsorbed Depreciation	168,723	202,806
Total Deferred tax assets(A)	**170,968**	**204,068**
Deferred Tax Liability on account of:		
- Depreciation	77,391	81,322
Total Deferred tax Liability (B)	**77,391**	**81,322**
Total deferred tax assets/(Liabilities) (net) (A-B)	**93,576**	**122,746**

Note : In accordance with the Ind AS 12 - The deferred tax asset arising from timing differences are recognised and carry forwarded only if it is probable that taxable profit will be available against which the deductable temporary difference can be utilised. In view of this, deferred tax asset (net) is recognised to the extent of Rs.93,576/- in the current year

Note 6: Other Non Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good except stated other wise)		
Deposits with Government, public bodies*	447	447
Capital Advances	1,059	2,224
Others	-	-
Total Other Non Current Assets	**1,506**	**2,671**

** Includes amount deposited under protest*

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and Packing materials	-	608
Work-in-progress	-	-
Total Inventories	**-**	**608**

** Inventory write downs are accounted considering the nature of inventory, ageing, liquidation plan and net realisable value. The changes in write downs are recognised as an expense in statement of Profit & Loss. Write downs of inventory during the current year amounted to Rs.608/- (Previous year Rs. Nil).*

Note 8(a): Trade receivables- Current

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good-Secured	-	-
Trade receivables considered good-Unsecured*	33,235	39,282
Trade receivables which have significant increase in credit risk	-	-
Trade receivables-credit impaired	-	-
Total	**33,235**	**39,282**
Less : Allowance for credit impaired	-	-
Total Trade Receivables	**33,235**	**39,282**

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

Note 8(b): Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- in current accounts	11,393	24,146
Cash on hand	31	2
Other Bank Balances		
- Deposits with original maturity of less than 3 months	100,000	-
Cash and Bank Balances (A)	**111,424**	**24,148**
Bank Balances other than above		
- Margin Money deposits	1,000	1,000
Less: Margin Money Deposit with Bank maturing after 12 months from the balance sheet date classified as Non-Current (Note 4(b))	1,000	1,000
Bank Balances other than above (B)	**-**	**-**
Total cash and cash equivalents (A+B)	**111,424**	**24,148**

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured considered good		
Interest accrued but not due	2,530	1,575
Biotech Facility Expenses Receivable	4,225	-
Total Other Financial Assets (Current)	**6,755**	**1,575**

Note 9: Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered doubtful		
Excess Remuneration paid, recoverable from an erstwhile managing director	-	7,980
Less : Provision for excess remuneration paid, recoverable	-	(7,980)
Unsecured, considered good		
Balance with Statutory authorities	7,705	3,492
Advance for supply of goods and services	239	739
Prepaid expenses	2,981	3,840
Advance to employees	309	63
Total Other Current Assets	**11,234**	**8,134**

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 8(a): Trade receivables- Current

Table 1: (Balances which have specified due date) - Below table will capture ageing for balances from due date of receipt

External Trade Receivable	As at March 31, 2023							
	Outstanding for following periods from due date of receipt							
	Not due	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	33,235	-	-	-	-	-	-	**33,235**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Total external trade receivables	**33,235**	**-**	**-**	**-**	**-**	**-**	**-**	**33,235**

External Trade Receivable	As at March 31, 2022							
	Outstanding for following periods from due date of receipt							
	Not due	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	39,282	-	-	-	-	-	-	**39,282**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	**-**
Total external trade receivables	**39,282**	**-**	**-**	**-**	**-**	**-**	**-**	**39,282**

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

Note 10: Equity

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Value	No. of shares	Value
Authorised				
Equity shares of Rs.10/- each	100,000,000	1,000,000	100,000,000	1,000,000
	100,000,000	**1,000,000**	**100,000,000**	**1,000,000**
Issued, Subscribed and Fully Paid-up				
Equity shares of Rs.10/- each	61,030,568	610,306	61,030,568	610,306
TOTAL	**61,030,568**	**610,306**	**61,030,568**	**610,306**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Value	No. of shares	Value
Equity shares				
At the beginning of the year	61,030,568	610,306	61,030,568	610,306
Issued during the year	-	-	-	-
Outstanding at the end of the year	**61,030,568**	**610,306**	**61,030,568**	**610,306**

(b) Terms/rights attached to equity shares

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

(c) Shares held by holding company - Promoters

Particulars	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of shares	Value	No. of shares	Value	
Equity shares of Rs. 10/- each (Held by Sun Pharmaceutical Industries Limited)	42,014,578	420,145,780	42,014,578	420,145,780	0.00%
	42,014,578	**420,145,780**	**42,014,578**	**420,145,780**	

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

Particulars	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class	
Sun Pharmaceutical Industries Limited*	42,014,578	68.84%	42,014,578	68.84%	0.00%
Padmasree Chigurupati	3,209,982	5.26%	3,209,982	5.26%	0.00%

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

During the year ended March 31, 2023, the amount of per share dividend recognised as distribution to equity shareholders was NIL (Previous year: NIL)

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

Note 11: Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Reserves & Surplus		
Securities premium	2,095,431	2,095,431
Retained Earnings	(1,883,036)	(1,999,336)
Total Reserves & Surplus	**212,395**	**96,095**
Securities Premium		
Opening Balance	2,095,431	2,095,431
Rights issue	-	-
Closing Balance	**2,095,431**	**2,095,431**
Retained Earnings		
Opening balance	(1,999,336)	(2,221,655)
Net profit / (loss) for the period	115,853	221,759
Remeasurements of post-employment benefit obligation, net of tax (OCI)	447	560
Closing Balance	**(1,883,036)**	**(1,999,336)**
Total Reserves & Surplus	**212,395**	**96,095**

Nature and purpose of each reserve

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013
Retained Earnings -This reserve represents undistributed accumulated earnings of the company as on balance sheet date.

Zenotech Laboratories Limited
Statement of changes in equity for the year ended 31 March, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

A. Equity Share Capital

(1) Current reporting period: As at 31.03.2023

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
610,306	-	-	-	610,306

(2) Previous reporting period As at 31.03.2022

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
610,306	-	-	-	610,306

B. Other Equity
(1) Current reporting period

	Reserves and Surplus													
	Share application money pending allotment	Equity component of compound financial instruments	Capital Total Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income(specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period	-	-	-	2,095,431	-	(1,999,336)	-	-	-	-	-	-	-	96,095
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-	-	-	-	-	-	-			-
Dividends	-													-
Transfer to retained earnings														-
Profit/(Loss) for the year						115,853								115,853
Other comprehensive income-Remeasurement of defined benefit obligations						447								447
Balance at the end of the current reporting period	-	-	-	2,095,431	-	(1,883,036)	-	-	-	-	-	-	-	212,395

(2) Previous reporting period

	Reserves and Surplus													
	Share application money pending allotment	Equity component of compound financial instruments	Capital Total Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income(specify nature)	Money received against share warrants	Total
Balance at the beginning of the current reporting period	-	-	-	2,095,431	-	(2,221,655)	-	-	-	-	-	-	-	(126,224)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the previous year	-	-	-	-	-	-	-	-	-	-	-			-
Dividends	-													-
Transfer to retained earnings														-
Profit/(Loss) for the year						221,759								221,759
Other comprehensive income-Remeasurement of defined benefit						560								560
Balance at the end of the previous reporting period	-	-	-	2,095,431	-	(1,999,336)	-	-	-	-	-	-	-	96,095

Note : Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognized as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the Notes or shall be shown as a separate column under Reserves and Surplus

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 12: Financial liabilities

(a) Trade payables

Table 1 (Balances which have specified due date)
Below table will capture ageing for balances from due date of payment

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

External trade Payable	As at March 31, 2022					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
MSME	1,552	-	-	-	-	1,552
Others	14,873	94	437	3,341	365	19,110
Disputed dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total Trade payables	**16,425**	**94**	**437**	**3,341**	**365**	**20,662**

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

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,672	1,552
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) Interest remaining due and payable to supplier disallowable as deductible expenditure under Income tax Act, 1961 for the current year	-	-
(vii) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

(b) Other financial liabilities- Current

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued and due	27,645	27,645
Payable to employees	3,513	1,409
Expenses payables	6,252	11,344
Total other current financial liabilities	**37,410**	**40,398**

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

(c) Other financial liabilities - Non Current

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Rental Deposit - Biotech Facility	7,274	6,615
Security Deposit - Others	50	-
Total other non current financial liabilities	**7,324**	**6,615**

(d) Non Current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand		
Secured	-	-
Unsecured - amortised cost		
Loan from holding Company	-	60,000
Total non current borrowings	**-**	**60,000**
Less: Interest accrued	-	-
Non current borrowings	**-**	**60,000**

Terms:

Loan from related party is availed with interest at the rate of 9% per annum on the principal amount outstanding. The interest shall be paid at the last day of every calendar quarter. However, any interest remaining unpaid at the end of financial year shall be added to the principal amount. Total Loan or any portion of the Loan amount shall be repayable at the option of the Company at any time or from time to time during the Loan Period (i.e., 3 years calculated from 24th Feb, 2021 (Effective Date)). During the current year the company entirely repaid the balance loan of Rs. 60,000/- along with an interest of Rs.1,122/-

Note 13 (a): Other Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	6,040	6,704
Advance Rent Received SPIL	4,357	4,357
Advance Rent Biotech Facility	756	756
Total Other current liabilities	**11,153**	**11,817**

Note 13(b): Other Non Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Rent Biotech Facility	2,458	3,214
Total other non current liabilities	**2,458**	**3,214**

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 14 (a): Provisions - Long Term

Particulars	As at March 31, 2023	As at March 31, 2022
	Non-Current	Non-Current
Provision for Compensated Leave absences (Refer Note 14(c))	4,921	4,333
Provision for Gratuity (Refer Note 14(c))	5,256	4,518
Total	**10,177**	**8,851**

Note 14 (b): Provisions - Short Term

Particulars	As at March 31, 2023	As at March 31, 2022
	Current	Current
Provision for indirect taxation (Refer footnotes below)	80,901	80,901
Provision for Compensated Leave absences (Refer Note 14(c))	1,286	1,053
Provision for Gratuity (Refer Note 14(c))	536	498
Provision for Corporate Social Responsibility (Refer Note 20(ii))	-	426
Other Provisions	16	-
Total	**82,739**	**82,878**

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

i) Information about individual provisions and significant estimates.

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Customs (EPCG Duty)	80,901	80,901
Provision for AP VAT	-	-
Total	**80,901**	**80,901**

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

Particulars	Towards Customs duty	Towards AP VAT
As at 1st April, 2022	80,901	-
Charged/(credited) to profit or loss		
-additional provisions recognised	-	-
Amounts used during the year	-	-
As at 31 March, 2023	**80,901**	**-**

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

Particulars	Towards Customs duty	Towards AP VAT
As at 1st April, 2021	80,901	2,587
Charged/(credited) to profit or loss		
-additional provisions recognised	-	-
Amounts used during the year	-	(2,587)
As at 31 March, 2022	**80,901**	**-**

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

Note 14 (c):

a) Employee Benefits

Particulars	As at March 31, 2023	As at March 31, 2022
Amount recognised as expense in the statement of Profit and Loss - Provident Fund Contribution	3,563	3,167

b) Leave Obligation

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current Liability	1,286	1,053
Non-Current Liability	4,921	4,333
Total	**6,207**	**5,386**

c) Gratuity (Unfunded)

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

Changes in defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Projected benefit obligation at the beginning of the year	5,016	4,282
Current Service Cost	1,198	1,117
Interest Cost	336	264
Actuarial (gain)/ loss on obligation	(447)	(560)
Benefits paid	(312)	(86)
Projected benefit obligation at the end of the year	**5,791**	**5,016**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current Liability	536	498
Non-Current Liability	5,256	4,518
Total	**5,792**	**5,016**

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Expense recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31, 2022
Service Cost	1,198	1,117
Interest Cost	336	264
Net Gratuity Costs	**1,535**	**1,381**

Summary of Actuarial Assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.45%	7.05%
Salary escalation rate	7.00%	7.00%

Mortality

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

Maturity profile of the defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Weighted average duration of defined benefit obligation (in years)	9.92	9.92
Expected benefit payments for the year ending		
Not later than 1 year	536	498
Later than 1 year and not later than 5 years	1,733	1,192
Later than 5 year and not later than 10 years	993	1,386
Above 10 years	10,369	8,661

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

Particulars	As at March 31, 2023	As at March 31, 2022
Remeasurement for the period - Obligation (gain)/loss arising from		
− change in demographic assumptions	-	-
− change in financial assumptions	(225)	(424)
− experience variance	(222)	(136)
Amount recognised in OCI	**(447)**	**(560)**

Sensitivity analysis of significant actuarial assumptions

Particulars	Gratuity Liability	
	Discount Rate	Salary Escalation rate
31st March 2023		
Increase/(decrease) on plus 50bps	5529.55	6075.25
Increase/(decrease) on minus 50bps	6075.39	5527.28
31st March 2022		
Increase/(decrease) on plus 50bps	4776.66	5273.87
Increase/(decrease) on minus 50bps	5274.99	4775.47

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 15 (a): Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services	383,529	324,937
Total*	**383,529**	**324,937**

**Refer note 21 for further details*

Note 15(b): Other Operating Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Facility Lease Charges - Biotech	21,788	21,788
Machinery Lease Charges - Biotech	17,427	17,427
Machinery Lease Charges - Other than Biotech	743	743
Notional Income on Advance Rent Biotech	756	756
Total	**40,714**	**40,714**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from bank deposits at amortised cost	3,685	986
Liabilities no longer required written back*	200	779
Profit on Sale of Asset	388	-
Miscellaneous income	6,564	4,528
Total	**10,837**	**6,293**

** includes unclaimed balances of creditors ageing more than 3 years*

Note 17: Cost of materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw materials and Packing materials at the beginning of the year	608	619
Add : Purchases	-	-
Less : Raw materials and Packing materials at the end of the year	-	608
Total cost of materials consumed	**608**	**11**

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

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 18: Employee benefits Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	71,540	64,229
Contribution to provident fund and other funds	4,851	4,228
Staff welfare expenses	2,370	2,495
Total	**78,761**	**70,952**

Note 19: Finance Costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Term Loan - SPIL	1,122	12,152
Others	-	-
Total	**1,122**	**12,152**

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 20: Other Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel	37,941	32,547
Repairs and maintenance		
- Buildings	1,534	3,369
- Plant and machinery	23,102	22,408
- Others	4,100	4,693
Contract manpower expenses	12,489	9,878
Other manufaturing expenses		
- Analytical Charges	525	346
- Quality Control Cost	12,069	9,733
- Consumables	22,517	15,448
Advertisement	231	229
Communication	122	87
Rates and taxes	2,737	3,575
Insurance	6,588	5,498
Legal and professional fees	2,120	2,492
Remuneration to Auditors (Refer note(i) below)	864	856
Printing & Stationery	897	579
Office and general maintenance	396	709
Security charges	2,679	2,378
Net gain/(loss) on foreign currency transactions	6	27
Miscellaneous Balance Written off	0	-
Travelling and conveyance	3,803	3,370
Corporate Social Responsibilty	1,301	426
Miscellaneous Expenses	1,818	1,433
Total	**137,839**	**120,081**

Note (i)
Details of payments to auditors

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payment to auditors		
As Statutory auditor:	500	500
In other capacities:		
Certificates fees	100	100
Tax Audit fees	200	200
Other services	50	50
Out of pocket expenses	14	6
Total payment to auditors	**864**	**856**

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note (ii): Corporate Social Responsibility Expenditure:

Particulars	As at March 31, 2023	As at March 31, 2022
i. Amount required to be spent by the company during the year	1,298	426
ii. Amount of expenditure incurred	1,298	-
iii. Shortfall at the end of the year	-	-
iv. Total of previous years shortfall	-	-
v. Reason for shortfall	NA	Company is planning to spend it in the current year
vi. Nature of CSR activities	Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage	Disaster Relief, Education, Skilling, Employment, Entrepreneurship, Health, Wellness and Water, Sanitation and Hygiene, Heritage
vii. Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
viii. where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

Note 21: Customer contracts

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract with customers Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.		
Revenue from operations		
Revenue from contract with customers		
a) Sale of Oncology Products	-	-
b) Sale of Services- Contract Manufacturing)	383,529	324,937
c) Lease rental income	40,714	40,714
Total Income	**424,243**	**365,651**
Disaggregate Revenue The Company derives its revenue from sale of goods and services related to manufacturing of pharmaceutical products to its only one customer i.e. Sun Pharmaceutical Industries Limited in India		
Contract balances Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards sales/Services. Revenue is recognised once the performance obligation is met.		
As at 31 March, 2023	**-**	

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 22:

Income Tax
The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statement of Profit and Loss:		
Income Tax	-	-
Deferred Tax	29,170	(122,746)
Income tax expense reported in the statement of profit & loss	**29,170**	**(122,746)**

Reconciliation of tax expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax (a)	145,023	99,013
Income Tax Rate (b)	25.17%	25.17%
Calculated taxes based on above without any adjustments for deductions [(a) x (b)]	36,502	24,922
Adjustments		
Effect of Expense that are not deductable	303	68
DTA reversed on account of setoff carry forward losses	(7,635)	-
On account of past losses where DT is recognised on reasonable certainty of realisation		(147,736)
On account of other items	-	-
Income tax expense reported in the statement of profit & loss	**29,170**	**(122,746)**

Reconciliation of deferred tax asset (net)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance as of April 1, 2022	(122,746)	-
Tax income / (expense) during the year recognised in profit or loss	(29,170)	122,746
Closing Balance as at 31 March, 2023	**(93,576)**	**(122,746)**

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 23: Earnings Per Share

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

a) Basic Earnings Per Share	**Year ended March 31, 2023**	**Year ended March 31, 2022**
From continuing operations attributable to the equity shareholders of the company	1.90	3.63
From Discontinued Operations	-	-
Total basic earnings per share attributable to the equity shareholders	**1.90**	**3.63**
b) Diluted Earnings Per Share		
From continuing operations attributable to the equity shareholders of the company	1.90	3.63
From Discontinued Operations	-	-
Total diluted earnings per share attributable to the equity shareholders	**1.90**	**3.63**

c) Reconciliation of earnings used in calculating earnings per share	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Basic Earnings Per Share		
Profit attributable to the equity shareholders		
From continuing operations	115,853	221,759
From discontinued operations	-	-
Profit attributable to the equity shareholders of the company used in calculating basic earnings per share:	**115,853**	**221,759**
Diluted Earnings per share		
Profit attributable to the equity shareholders		
From continuing operations	115,853	221,759
From discontinued operations	-	-
Profit attributable to the equity shareholders of the company used in calculating diluted earnings per share	**115,853**	**221,759**
d) Weighted average number of shares used as denominator	**No. of Shares**	**No. of Shares**
Weighted average number of shares used as denominator in calculating basic earnings per share	61,030,568	61,030,568
Adjustments:	-	-
Weighted average number of shares and potential equity shares used as denominator in calculating diluted earnings per share	**61,030,568**	**61,030,568**

Note 24(a): Fair Value Measurements

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

	31 March 2023			**31 March 2022**		
	FVTPL	**FVTOCI**	**Amortised Cost**	**FVTPL**	**FVTOCI**	**Amortised Cost**
Financial Assets						
Trade Receivables			33,235			39,282
Cash and cash equivalents and Bank Balances			111,424			24,148
Other Financial Assets - Non Current			13,493			7,821
Other Financial Assets - Current			6,755			1,575
Total Financial Assets			**164,907**			**72,826**
Financial Liabilities						
Borrowings	-		-	-		60,000
Trade payables			34,768			20,662
Other Financial liabilities- Current			37,410			40,398
Other Financial liabilities- Non Current			7,324			6,615
Total Financial Liabilities			**79,502**			**127,675**

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

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

Note 24(b): Fair Value Hierarchy

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

Note 25: Financial Risk Management

A) Credit Risk

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

B) Liquidity Risk

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

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

i) Financial Arrangements NIL

ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.
There are no derivatives financial liabilities for the company.

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

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

Contractual Maturities as at 31st March, 2022	Due in 1st year	Due in 2nd to 5th year	Due in 6th to 7th year	Total
Non derivatives				
Borrowings	-	60,000	-	60,000
Obligations under finance lease	-	-	-	-
Trade payables	20,662	-	-	20,662
Other financial liabilities	40,398	-	-	40,398
Other Financial liabilities- Non Current	-	-	10,893	10,893
Total non-derivative liabilities	**61,060**	**60,000**	**10,893**	**131,953**

C) Market Risk

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

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

Note 26 (a) Operating Lease

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

Maturity analysis of operating lease payments:

Year	As at March 31, 2023	As at March 31, 2022
Year 1	39,958	39,958
Year 2	39,958	39,958
Year 3	39,958	39,958
Year 4	39,685	39,685
Year 5	39,215	39,215
Year 6	39,215	39,215
Year 7	9,804	9,804
Total	**247,793**	**247,791**

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Lease income on operating leases (refer note 15 (b)	39,958	39,958
Therein lease income relating to variable lease payments that do not depend on an index or rate	-	-

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

Note 26 (b): Capital Management

The company's objectives when managing capital are to:
> Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
> Maintain an optimal capital structure to reduce the cost of capital.

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

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt (total borrowings net of cash and cash equivalents)	-	35,852
Total equity (as shown in the balance sheet, including non-controlling interests).	822,701	706,401
Gearing Ratio (Net debt to equity ratio**)**	**0%**	**5%**

Note 27: Operating Segment Disclosure

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

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

Major Customer Dependency

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

Note 28: Interests in other entities

a) Subsidiaries

The Company's subsidiaries as at 31 March 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the company. The country of incorporation or registration is also their principal place of business

Name of the Entity	Place of the business/country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31.03.2023	31.03.2022	31.03.2023	31.03.2022	
		%	%	%	%	
Zenotech Farmaceutica Do Brasil Ltda	Brazil	66.39	66.39	33.61	33.61	NA
Zenotech Laboratories Nigeria Limited	Nigeria	NA*	NA*	NA*	NA*	NA
Zenotech Inc	USA	100	100	0	0	NA

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

b) Interest in Associates and Joint Ventures- Nil

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 29: Related party transactions

(A) Holding Company:

Name	Type	Place of incorporation	Ownership interests	
			31.03.2023	31.03.2022
Sun Pharmaceutical Industries Limited	Immediate and ultimate parent entity	India	68.84%	68.84%

(B) Key managerial personnel:

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

(C) Transactions and balances with related parties:

Particulars	Name of Entity	For the year ended March 31, 2023	For the year ended March 31, 2022
i). Operating transactions/balances with holding Company/group Company			
Sales*	Sun Pharmaceutical Industries Limited	-	-
Conversion Charges*		383,529	324,937
Repayment of long term loan		60,000	146,562
Interest on borrowing		1,122	12,152
Trade Receivables (Balances as at)**		33,235	39,282
Rental and Hire Charges Received*		743	743
Biotech Facility Lease Charges*		21,788	21,788
Biotech Facility Machinery Rental and Hire Charges*		13,070	13,070
Receipt towards reimbursement of expenses**		47,623	42,573
Payment towards reimbursement of expenses**		5,009	-
Biotech Facility Lease Security Deposit - (6 months rentals)		10,894	10,894
Biotech Equipment's Lease (3 months advance rentals)		4,357	4,357
Borrowings (Balances as at)		-	60,000

*excluding taxes
** Including GST & net of TDS

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a). Loans from Sun Pharmaceutical Industries Limited		
Beginning of the year	60,000	206,562
Loans advanced/ received	-	-
Loans repayment received/ made	(60,000)	(146,562)
Interest charged (net of TDS)	1,010	10,937
Interest paid (net of TDS)	(1,010)	(10,937)
End of the year	**-**	**60,000**
b). Trade Receivables from Sun Pharmaceutical Industries Limited		
Beginning of the year	(39,282)	(38,032)
Adjusted with sales/services	(527,687)	(460,439)
Receipts against bills	533,734	459,189
End of the year	**(33,235)**	**(39,282)**

(D) Key management personnel compensation:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short- term employee benefits	6,980	6,702

Notes:

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

Note 30:

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

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

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

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

Accordingly, based on the steps taken by the Company and evidence available so far, any financial impact on the results of the Company is likely to be significantly low

b) Investment in subsidiaries:

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

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 31: Contingent assets and liabilities

(i). Contingent liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Claims against the Company not acknowledged as debt		
Employee claims towards Gratuity	1,860	1,860
Total (a)	**1,860**	**1,860**
(b) Guarantees		
Bank Guarantees issued on behalf of third parties	-	-
Total (b)	**-**	**-**
(c) Other matters for which the Company is contingently liable		
Income Tax	74,922	5,290
Customs & Central Excise	104,640	104,640
Total (c)	**179,562**	**109,930**

Legal cases filed by/against the Company

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

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

c). Subsequent to Daiichi Sankyo Company Limited (DS) acquiring 63.92% stake in Ranbaxy Laboratories Limited (now Sun Pharmaceutical Industries Limited) in October 2008, DS announced an open offer to acquire 20% share of the Company at Rs. 113.62 per share. Aggrieved by the pricing of the share, erstwhile promoter and one or two other shareholders filed a petition in the Hon'ble High Court of Madras. The Company has been named as Respondent in the said case. An interim injunction in connection with the offer was given by the Hon'ble High Court of Madras and subsequently it was quashed by the Hon'ble Supreme Court based on a petition filed by DS against the said injunction. Meanwhile some of the shareholders (excluding Ranbaxy) including erstwhile promoter of the Company filed a petition with Securities Appellate Tribunal (SAT) with respect to the pricing of the share of the Company against the order of the SEBI turning down erstwhile promoters' complaint. SAT directed DS to price the open offer at Rs 160 per share. DS has filed an appeal against the SAT order in the Supreme Court. The Supreme Court vide its order dated July 8, 2010 has ruled in favour of DS and allowed the open offer to be made at the price of Rs 113.62 per share.
In June 2012, erstwhile promoter has filed a writ petition before Honourable Andhra Pradesh High Court against Foreign Investment Promotion Board and DS challenging acquisition of 20% shares of the Company by DS through an open offer.

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

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

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

g). The demand u/s 271 (1)(c) for the A.Y 2006-07 for Rs. 2,51,40,989/-and for the A.Y 2013-14 for Rs. 2,40,11,400/-was settled in favour of the Company by ITAT, Hyderabad. However, IT department filed a suit against the said order in High Court for the State of Telangana, which is pending for hearing as on 31st March, 2023.
h). Other than those disclosed, the Company has not received any significant claims post 31 March 2011.

(ii) Contingent assets: Nil

Note 32: Assets pledged as security

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

	As at 31 March, 2023	As at 31 March, 2022
Non-current		
Property, plant & equipment's (First charge)	653,848	709,091
Total non-current assets pledged as security	**653,848**	**709,091**
Total assets pledged as security	**653,848**	**709,091**

Zenotech Laboratories Limited
Notes to the Standalone Financial Statements for the Year ended March 31, 2023
(All amounts in thousands of Indian Rupees except share data and where otherwise stated)

Note 33: Unhedged foreign currency exposure

a) There are no outstanding forward exchange contracts as at the year end.

b) Foreign currency exposures as at 31 March 2023 and as at 31 March 2022 that have not been hedged by derivative instruments or otherwise:

Particulars	As at 31 March 2023		As at 31 March 2022	
	(IN USD)	Rs.	(IN USD)	Rs.
Loans and advances to subsidiaries *	584,223	26,086	584,223	26,086
Trade payables	-	-	-	-
Other payables	-	-	-	-

** Provided fully and hence not restated*

Note 34: Capital Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
be executed on capital account and not provided for		
Tangible Assets	27,382	882
Intangible Assets	-	-
Total	**27,382**	**882**

Note 35: Financial Ratios

Ratio	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% variance	Remarks
Current Ratio(times)	Current Assets	Current Liabilities	0.98	0.47	107	Due to increase in revenues from operations and subsequent increase in cash and cash equivalents
Debt -equity Ratio(times)	Total Debt	Shareholder's Equity	-	0.08	(100)	The company has fully repaid its loan from holding company
Debt Service Coverage Ratio(times)	Earnings available for debt service	Debt service	3.10	0.63	390	Decrease in finance costs as the the company has fully repaid its loan during the year
Return On Equity(%)	Net profit after taxes	Average Shareholder's Equity	15.20%	36.97%	(59)	The company has recognised Deffered Tax asset for the first time in FY:2021-22 which resulted in increase of net profit after tax
Inventory Turnover Ratio(times)	Cost of goods sold	Average Inventory	2.00	0.01	13,982	The opening inventory for the year 2022-23 has been written off during the year
Trade Receivables Turnover Ratio(times)	Revenue from operations	Average trade receivables	10.58	8.41	26	Increase in revenues from operations by 18% resulted in the increase in the trade receivables ratio
Net Capital Turnover Ratio	Revenue from operation	Working Capital	(112.07)	(3.96)	2,728	Due to the increase in other current financial liabilities and revenues
Net Profit Ratio(%)	Net Profit for the year	Revenue from operations	30.29%	68.42%	(56)	The company has recognised Deffered Tax asset for the first time in FY:2021-22 which resulted in increase of net profit after tax
Return On Capital Employed	Profit before tax and finance costs	Capital employed	0.18	0.15	22	NA

Note 36:

As at the year end, the Company’s current liabilities have exceeded its current assets by Rs. 3422 primarily on account of provision for indirect tax related cases of Rs.80,901. Management is confident of its ability to generate cash inflows from operations and also raise long term funds to meet its obligations on due date.

Note 37: Other Statutory Information

a). No proceeding have been initiated or pending against the Company under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.

b). The Company has not traded or invested in crypto currency or virtual currency during the financial year.

c). The Company has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person.

d). The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

e). The Company has not been sanctioned working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets.

f). The Company has not been declared wilful defaulter by any bank or financial institution or government or any other government authorities.

g). The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

h). The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

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

j). The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

k). The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies.

l). No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

m). The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

n). The Company has not declared or paid dividend during the year 2022-23.

o). The Company does not hold any investment property and hence the disclosure on fair valuation of investment property is not applicable to the Company.

Note 38:

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

Note 39:

The Standalone financial statements were approved by the board of directors on April 28, 2023.

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

Viswanadh VNSS Kuchi
Partner
Membership No.: 210789
UDIN: 23210789BGYTBT2185

Place: Hyderabad
Date: April 28, 2023

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

Azadar Hussain Khan
Chairman
DIN:01219312

Place: Delhi
Date: April 28, 2023

Kavita R. Shah
Director
DIN:02566732

Place: Mumbai
Date: April 28, 2023

Devendra Chandrakant S. Kenkre
Chief Executive Officer

Poly K.V.
Chief Financial Officer

Abdul Gafoor Mohammad
Company Secretary

Place: Hyderabad
Date: April 28, 2023