

Independent Auditor's Report

To the Members of IIL BIOLOGICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

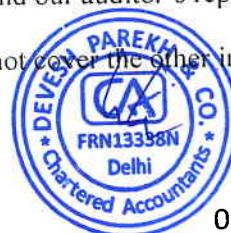
Key Audit Matter

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

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

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



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

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

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

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

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

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



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

In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year under consideration.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any



manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:

- c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended 31.03.2024 which has a feature of recording audit trail (edit log) facility and the same is operated during the year for all relevant transactions recorded in the software. Further, during our audit we did not come across any instance of the audit trail feature being tampered with.

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

For **Devesh Parekh & Co.**
Chartered Accountants
Firm’s registration number: 013338N



Devesh Parekh
Partner
Membership number: 092160
UDIN: 24092160BKDFVG1236

Place: New Delhi
Date : 17th May 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of IIL Biologicals Limited of even date)

To the best of our information and according to the explanations provided to us by the company and the books of accounts and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's property, plant & equipment:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- (B) The company is not having any intangible assets. Therefore, the provisions of Clause (i)(a)(B) of paragraph 3 of the order are not applicable to the company.
- (b) The Property, Plant and Equipment and right-of-use assets have been physically verified by the management according to the program of periodical verification in phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The company does not have any immovable properties. Therefore, the provisions of Clause (i)(c) of paragraph 3 of the order are not applicable to the company.
- (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) during the year.
- (e) Based on the information and explanation provided to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a) We have been explained by the management that the inventory has been physically verified at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. According to information and explanations given to us, the material discrepancies, if any, noticed on such physical verification of inventory as compared to book records were properly dealt within the books of accounts. Discrepancies of 10% or more in the aggregate for each class of inventory were not noticed.

b) The company has not been sanctioned working capital limits at any point of time during the year, from banks or financial institutions. Accordingly, the provisions of clause 3(ii)(b) of the Order are not applicable.

iii. The Company has during the year, not made investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) (a) to (c) of the Order are not applicable.



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- iv. According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and belief, the provisions of sub-section (1) of Section 148 of the Act, for maintenance of cost records are not applicable to the company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and any other material statutory dues with the appropriate authorities to the extent applicable and further there were no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2024.
- (b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of excise, duty of custom and value added tax that have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. The Company has no borrowing, including debt securities during the year. Accordingly, the provisions of clause 3(ix) (a) to (f) of the Order are not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has issued shares under Right issue and the requirement of section 62 of the Companies Act, 2013 have been complied with and according to information and explanations given to us, the amount raised have been used for the purposes for which the funds were raised.
- xi. (a) According to the information and explanation given to us, no material fraud by the company or no material fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of audit report.
- (c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company and up to the date of audit report.
- xii. The Company is not a Nidhi company; accordingly, provisions of the Clause 3(xii) of the Order is not applicable to the company:
- xiii. According to the information and explanations given to us, we are of the opinion that all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements etc., as required by the Accounting Standards and the Companies Act, 2013.



- xiv. According to the information and explanations given to us, the company is not required to have any internal audit system as per the provisions of Section 138 of the Companies Act 2013.
- xv. According to the information and explanations given to us, we are of the opinion that the company has not entered any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.
- xvi. (a) According to the information and explanation given to us and based on our examination of records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a) of the Order is not applicable.
- (b) According to the information and explanation given to us and based on our examination of records, the company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi) (b) of the Order is not applicable.
- (c) According to the information and explanation given to us and based on our examination of records, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi) (b) of the Order is not applicable.
- (d) According to the information and explanation given to us and based on our examination of records, there are no core investment companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

For **Devesh Parekh & Co.**

Chartered Accountants

Firm's registration number: 013338N


Devesh Parekh

Partner

Membership number: 092160

UDIN: 24092160BKDFVG1236

Place: New Delhi

Date : 17th May 2024



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of IIL Biologicals Limited of even date)

Report on the Internal Financial Controls over Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone financial statements of **IIL BIOLOGICALS LIMITED** (“the Company”) as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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. 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 respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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



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Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone 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.

For **Devesh Parekh & Co.**

Chartered Accountants

Firm's registration number: 013338N




Devesh Parekh

Partner

Membership number: 092160

UDIN: 24092160BKDFVG1236

Place: New Delhi

Date : 17th May 2024

IIL Biologicals Limited
Balance Sheet as at March 31, 2024

(All amounts in INR in 'Lacs', unless mentioned otherwise)

	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	1.a	18.16	-
(b) Capital work-in-progress	1.b	71.59	-
(c) Investment Property	2	87.85	86.84
(d) Right-of-use asset	3	40.64	-
(e) Intangible assets under development	4	2.50	2.50
(f) Financial assets			
(i) Other financial assets	5	0.10	0.10
(g) Deferred tax assets (net)	25	11.92	0.17
Total non-current assets		232.77	89.61
2 Current assets			
(a) Inventories	6	46.18	-
(b) Financial Assets			
(i) Cash and cash equivalents	7	17.07	24.50
(ii) Trade receivables	8	53.51	-
(c) Income tax assets (net)	9	0.04	-
(d) Other current assets	10	33.22	1.02
Total current assets		150.03	25.51
Total assets		382.80	115.13
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	200.00	118.00
(b) Other Equity	12	(64.39)	(6.11)
Total equity		135.61	111.89
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	13	35.15	-
Total non-current liabilities		35.15	-
2 Current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	13	6.15	-
(ii) Trade Payables	14		
(A) total outstanding due of micro enterprises and small enterprises; and		52.43	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		51.98	0.73
(iii) Other financial liabilities	15	98.99	2.25
(b) Other current liabilities	16	2.48	0.25
Total current liabilities		212.03	3.23
Total equity and liabilities		382.80	115.13

For DEVESH PAREKH & CO.
Chartered Accountants

Devesh Parekh

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N



For and on Behalf of the Board
IIL Biologicals Limited
CIN: U01100DL2022PLC401834

Rajesh
Rajesh Kumar Aggarwal
Director
DIN: 0576872



Sanskar
Sanskar Aggarwal
Director
DIN: 09675297

Place : Delhi

Date: 17.05.2024

UDIN: 24092160BKDFVG1236

Sanskar

IIL Biologicals Limited**Statement of Profit and Loss for the year ended March 31, 2024**

(All amounts in INR in 'Lacs', unless mentioned otherwise)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	17	45.35	-
Total Income		45.35	-
Expenses			
Cost of raw material and components consumed	18	41.60	-
Changes in inventories of finished goods	19	-	-
Employee benefits expense	20	11.08	-
Finance Costs	21	1.49	-
Depreciation and amortization expense	22	3.24	-
Other expenses	23	57.97	1.00
Total expenses		115.38	1.00
Profit before tax		(70.03)	(1.00)
Tax Expenses			
- Current Tax		-	-
- Deferred Tax	25	(11.75)	(0.17)
Total Tax Expenses		(11.75)	(0.17)
Profit for the period		(58.28)	(0.83)
Total comprehensive income for the period (net of tax)		(58.28)	(0.83)
Earnings per equity share			
Basic earnings per share	26	(2.88)	(0.16)
Diluted earnings per share		(2.88)	(0.16)

For DEVESH PAREKH & CO.
Chartered AccountantsFor and on Behalf of the Board
IIL Biologicals Limited
CIN: U01100DL2022PLC401834DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N
Rajesh Kumar Aggarwal
Director
DIN: 0576872
Sanskar Aggarwal
Director
DIN: 09675297Place : Delhi
Date: 17.05.2024
UDIN: 24092160BKDFVG1236

IIL Biologicals Limited
Statement of Cash Flow for the year ended March 31, 2024
 (All amounts in INR in 'Lacs', unless mentioned otherwise)

	Year ended March 31, 2024	Year ended March 31, 2023
(A) Cash Flow From Operating Activities		
Net profit/(loss) before tax	(70.03)	(1.00)
Adjustment on account of		
- Depreciation	3.24	-
- Interest on lease liabilities	1.49	-
Operating Profit Before Working Capital Changes	(65.30)	(1.00)
Adjustments for		
- (Increase)/Decrease in other financial assets	-	(0.10)
- (Increase)/Decrease in inventories	(46.18)	-
- (Increase)/Decrease in other current assets	(32.21)	(1.02)
- Increase/(Decrease) in trade receivables	(53.51)	-
- Increase/(Decrease) in trade payables	103.68	0.73
- Increase/(Decrease) in other financial liabilities	96.74	2.25
- Increase/(Decrease) in other current liabilities	2.23	0.25
Cash generated from operations	5.45	1.12
Less: Income tax paid	(0.04)	-
Net Cash Flow from Operating Activities (A)	5.41	1.12
(B) Cash Flow From Investing Activities		
- Purchase of investment properties	(1.01)	(86.84)
- Purchase of property, plant and equipment	(89.92)	-
- Addition to Intangible asset under development	-	(2.50)
Net Cash Flow used in Investing Activities (B)	(90.93)	(89.34)
(C) Cash Flow From Financing Activities		
- Proceeds from issue of share capital, net of transaction cost	82.00	112.72
- Repayment of lease liabilities	(3.90)	-
Net Cash Flow (used in) / from Financing Activities (C)	78.10	112.72
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	(7.42)	24.50
Cash and Cash Equivalents at the beginning of the period	24.50	-
Cash and Cash Equivalents at the end of the period	17.07	24.50

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	Year ended March 31, 2024	Year ended March 31, 2023
Balances with banks		
On current accounts	17.07	24.50
Total cash and cash equivalents	17.07	24.50

For DEVEESH PAREKH & CO.
Chartered Accountants

Dev Par

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N



Place : Delhi
Date: 17.05.2024
UDIN: 24092160BKDFVG1236

Rajesh
Rajesh Kumar Aggarwal
Director
DIN: 0576872



For and on Behalf of the Board
IIL Biologicals Limited
CIN: U01100DL2022PLC401834

Sanskar
Sanskar Aggarwal
Director
DIN: 09675297

Sanskar

ILL Biologicals Limited
Statement of Changes in Equity for the year ended March 31, 2024
 (All amounts in INR in 'Lacs', unless mentioned otherwise)

(A) Equity share capital

(1) Current reporting period

Particulars	Balance at the beginning of the current reporting period 01-04-2023	Changes in Equity share Capital due to prior period items	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 31-03-2024
Equity share capital	118.00	-	118.00	82.00	200.00

(B) Other equity (Refer note 12)

Particulars	Reserves and surplus	
	Retained earnings	Total Other Equity
Balance at April 1, 2022	-	-
Profit for the year	(0.83)	(0.83)
Transaction Cost of Issued Share Capital	(5.28)	(5.28)
Total comprehensive income for the period	(6.11)	(6.11)
Balance at March 31, 2023	(6.11)	(6.11)
Balance at April 1, 2023	(6.11)	(6.11)
Profit for the year	(58.28)	(58.28)
Total comprehensive income for the period	(58.28)	(58.28)
Balance at March 31, 2024	(64.39)	(64.39)

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No. - 013338N



Place : Delhi
Date : 17.05.2024

Sanskar

For and on Behalf of the Board
ILL Biologicals Limited
CIN: U01100DL2022PLC401834

Rajesh Kumar Aggarwal
Director
DIN: 0576872



Sanskar Aggarwal
Director
DIN: 09675297

III Biologicals Limited
Notes to financial statements for the year ended March 31, 2024
 (All amounts in INR in 'Lacs', unless mentioned otherwise)

1.a Property, Plant and Equipment

Description	Gross Block			Accumulated Depreciation			Net Block				
	Opening	Additions	Disposals	Assets held for sale	Closing	Opening	Additions	Disposals	Closing	As at March 31, 2024	As at March 31, 2023
Plant & Machinery	-	18.33	-	-	18.33	-	0.17	-	0.17	18.16	-
Total	-	18.33	-	-	18.33	-	0.17	-	0.17	18.16	-

All title deeds of immovable properties are held in the name of Company.
 The Company has not recognised any amount in statement of profit and loss for investment properties.

Fair Value:
 The fair value of investment property has been determined by the management using market prevailing rates applicable to the same location.

1.b Capital Work In Progress

Cost	Amount
As at April 1, 2022	-
Additions	-
Capitalised during the year	-
As at March 31, 2023	-
As at April 1, 2023	-
Additions	71.59
Capitalised during the year	-
As at March 31, 2024	71.59

CWIP Aging Schedule:

As at March 31, 2024	Amount in CWIP for a period of			Total
	Less than 1 yr.	1-2 yrs.	2-3 yrs. More than 3 yrs.	
CWIP	-	-	-	71.59
Projects in Progress	71.59	-	-	-
Projects temporarily Suspended	-	-	-	-

b) Capital work-in-progress - Capital work-in-progress comprises of plant and machinery at Chopanki Plant.



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III. Biologicals Limited
Notes to financial statements for the year ended March 31, 2024
 (All amounts in INR in 'Lacs', unless mentioned otherwise)

2 Investment Properties

Description	Gross Block			Accumulated Depreciation			Net Block		
	Opening	Additions	Disposals	Closing	Opening	Additions	Disposals	As at March 31, 2024	As at March 31, 2023
Land	86.84	1.01	-	87.85	-	-	-	87.85	86.84
Total	86.84	1.01	-	87.85	-	-	-	87.85	86.84

All title deeds of immovable properties are held in the name of Company.
 The Company has not recognised any amount in statement of profit and loss for investment properties.

Fair Value:

The fair value of investment property has been determined by the management using market prevailing rates applicable to the same location.



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III Biologicals Limited
Notes to financial statements for the year ended March 31, 2024
 (All amounts in INR in 'Lacs', unless mentioned otherwise)

3 Right-of-Use Assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Description of Assets	GROSS CARRYING AMOUNT		ACCUMULATED AMORTISATION			NET CARRYING AMOUNT	
	Balance as at April 01, 2023	Balance as at March 31, 2024	Disposal / Derecognition during the year	Depreciation expense	Disposal / Derecognition during the year	Balance as at March 31, 2024	Balance as at March 31, 2023
Factory premises	-	43.72	-	3.08	-	3.08	-
Total	-	43.72	-	3.08	-	3.08	40.64



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III. Biologicals Limited
Notes to financial statements for the year ended March 31, 2024
 (All amounts in INR in 'Lacs', unless mentioned otherwise)

4 Intangible assets under development

Cost	Amount
As at April 1, 2022	-
Additions Capitalised during the year	2.50
As at March 31, 2023	2.50
As at April 1, 2023	2.50
Additions Capitalised during the year	-
As at March 31, 2024	2.50

Intangible Assets under Development Aging Schedule:

As at March 31, 2024		Amount in CWIP			Total
Intangible Assets under Development	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in Progress temporarily Suspended	-	2.50	-	-	2.50

Intangible Assets under Development Aging Schedule:

As at March 31, 2023		Amount in CWIP			Total
Intangible Assets under Development	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
Projects in Progress temporarily Suspended	2.50	-	-	-	2.50



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5 Non-current financial assets			
Particulars	As at		
	March 31, 2024	March 31, 2023	
Measured at amortised cost (Unsecured, considered good unless otherwise stated)			
Security deposits	0.10	0.10	
Total	0.10	0.10	

6 Inventories			
Particulars	As at		
	March 31, 2024	March 31, 2023	
At the lower of cost and net realisable value			
Raw Material*	45.93	-	
Packing material	0.25	-	
Total	46.18	-	

* It includes raw material stock-in-transit for INR 37.10 lacs as at March 31, 2024

7 Financial assets - current			
Cash and cash equivalents			
Particulars	As at		
	March 31, 2024	March 31, 2023	
Balances with banks			
On current accounts	16.23	24.50	
Cash in hand*	0.84	-	
Total	17.07	24.50	

* It includes topup card in USD

8 Trade Receivables			
Particulars	As at		
	March 31, 2024	March 31, 2023	
Trade receivables			
- related parties*	53.51	-	
Less: Provision for expected credit losses	-	-	
Total	53.51	-	

*refer note 28

Breakup of Trade Receivables			
Unsecured, considered good	53.51	-	
Credit Impaired	-	-	
Subtotal	53.51	-	
Provision for expected credit losses	-	-	
Total	53.51	-	

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

- Trade or Other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

- Trade receivables are non-interest bearing and are generally on terms of 45 days.

Trade receivable aging schedule

As at March 31, 2024	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
		(i) Undisputed Trade receivables- considered good	-	53.51	-	-	
(ii) Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-	
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	
Gross carrying amount	-	53.51	-	-	-	53.51	
Provision for expected credit losses	-	-	-	-	-	-	
Net carrying amount	-	53.51	-	-	-	53.51	

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

9 Income tax assets (net)			
Particulars	As at		
	March 31, 2024	March 31, 2023	
Advance income tax	0.04	-	
Total	0.04	-	

10 Other Current Assets			
Particulars	As at		
	March 31, 2024	March 31, 2023	
(Unsecured, considered good unless otherwise stated)			
Capital advances	-	-	
to others	0.25	1.01	
Advances other than Capital Advances	-	-	
Balances with government authorities	32.97	0.01	
Total	33.22	1.02	



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11 Equity share capital

Authorised share capital
 Equity shares of INR 10 each
 Increase/(decrease) during the year
 Closing balance

	As at March 31, 2024	As at March 31, 2023
	500.00	-
	-	500.00
	500.00	500.00

Issued equity share capital
 Equity shares of INR 10 each issued, subscribed and fully paid
 Right shares issued during the year
 Closing balance

	118.00	118.00
	82.00	-
	200.00	118.00

The Board of Directors at its meeting held on 25th September 2023, has considered and approved the rights issue of 8.2 lacs fully paid-up Equity Shares at Rights issue price of INR 10/- per equity share for the amount aggregating up to INR 82.00 lacs. The Company has successfully completed the Rights Issue of INR 82.00 lacs on 25th September, 2023.

(a) Rights, preferences and restrictions attached to shares :

The company has only one class of equity shares having face value of INR 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their shareholding.

(b) The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	% Held	Number of Shares	% Held
Insecticides (India) Limited	20.00	100.00%	11.80	100.00%

**Details of shares held by promoters*
 As at March 31, 2024**

Promoter Name	No. of Shares at the beginning of the period	Change during the period	No. of Shares at the end of the period	% of total Shares	% Change during the period**
Insecticides (India) Limited	11.80	8.20	20.00	100.00%	69.49%
	11.80	8.20	20.00	100.00%	

**Details of shares held by promoters*
 As at March 31, 2023**

Promoter Name	No. of Shares at the beginning of the period	Change during the period	No. of Shares at the end of the period	% of total Shares	% Change during the period**
Insecticides (India) Limited	-	11.80	11.80	100.00%	-
	-	11.80	11.80	100.00%	

*Promoter here means promoter as defined in the Companies Act, 2013.

** percentage change shall be computed with respect to the number at the beginning of the period or if issued during the period for the first time then with respect to the date of issue.



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12 Other equity
Reserves and surplus

Particulars	As at	
	March 31, 2024	March 31, 2023
Retained earnings	(6.11)	-
Opening balance	(58.28)	(0.83)
Loss for the year	-	(5.28)
Transaction Cost of Issued Share Capital	-	-
Closing balance	(64.39)	(6.11)

Nature and purpose of reserves

Retained earnings - Retained earnings is used to represent the accumulated net earnings of the Company after accounting for dividends or other distributions to the investors of the Company as per the provisions of the Companies Act, 2013.

Financial Liabilities - Current

13 Lease liabilities*

Particulars	As at	
	March 31, 2024	March 31, 2023
Current	6.15	-
Non-current	35.15	-
Total	41.31	-

*refer note 28

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	As at	
	March 31, 2024	March 31, 2023
Balance at April 1	-	-
Accretion of interest	1.49	-
Addition in lease liability	43.72	-
Repayment of lease liability	(3.90)	-
Balance at March 31	41.31	-

The maturity analysis of the lease liability is included in the refer note 30,

The effective interest rate for lease liabilities is 8.5%, with maturity between 2021-2030

14 Trade payables

Particulars	As at	
	March 31, 2024	March 31, 2023
Trade payables	104.41	0.73
- to others	-	-
Total	104.41	0.73

Particulars	As at	
	March 31, 2024	March 31, 2023
(A) total outstanding due of micro, small & medium enterprises; and	52.43	-
(B) total outstanding dues of creditors other than micro enterprises, small & medium enterprises	51.98	0.73
Total	104.41	0.73

Trade payables Ageing Schedule

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	52.43	-	-	-	52.43
Total outstanding dues of creditors other than micro enterprises and small enterprises	51.67	0.31	-	-	51.98
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	104.10	0.31	-	-	104.41

Trade payables Ageing Schedule

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.73	-	-	-	0.73
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	0.73	-	-	-	0.73

15 Other financial liabilities

Particulars	As at	
	March 31, 2024	March 31, 2023
Financial liabilities at amortised cost	-	-
Creditors for capital expenditure	94.96	2.25
Employee Payables	4.03	-
Total	98.99	2.25

16 Other current Liabilities

Particulars	As at	
	March 31, 2024	March 31, 2023
Statutory dues	2.48	0.25
Total	2.48	0.25



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IIL Biologicals Limited

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

(All amounts in INR in 'Lacs', unless mentioned otherwise)

17 Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products		
Finished goods*	45.35	-
Total Revenue from operations	45.35	-

*refer note 28

a) Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

Revenues by Geography

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Within India	45.35	-
Total	45.35	-

Timing of revenue recognition

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
At a point in time		
Sale of finished goods	45.35	-
Total	45.35	-

18 Cost of raw material and components consumed

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Raw Material		
Inventory at the beginning of the year	-	-
Add: Purchases	84.40	-
Less: inventory at the end of the year	45.93	-
Cost of raw material consumed	38.47	-
Packing Material		
Inventory at the beginning of the year	-	-
Add: Purchases	3.38	-
Less: inventory at the end of the year	0.25	-
Cost of packing material consumed	3.13	-
Total Cost of raw material and components consumed	41.60	-

19 (Increase)/Decrease in inventories

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the end of the year		
Finished goods	-	-
Inventories at the beginning of the year		
Finished goods	-	-
Total (Increase)/Decrease in inventories	-	-

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20	Employee benefit expenses	Year ended March 31, 2024	Year ended March 31, 2023
	Particulars		
	Salaries, wages and bonus	10.45	-
	Contribution to provident and other funds	0.62	-
	Staff welfare expenses*	0.00	-
	Total employee benefit expenses	11.08	-
	* represents amount INR 449		
21	Finance costs	Year ended March 31, 2024	Year ended March 31, 2023
	Particulars		
	Interest on lease liabilities	1.49	-
	Total Finance costs	1.49	-
22	Depreciation and amortization expense	Year ended March 31, 2024	Year ended March 31, 2023
	Particulars		
	Depreciation on property, plant & equipment	0.17	-
	Depreciation of right-of-use assets	3.08	-
	Total other expenses	3.24	-
23	Other expenses	Year ended March 31, 2024	Year ended March 31, 2023
	Particulars		
	Administrative & General Expenses :		
	Audit fees {refer note 23(a)}	0.50	0.30
	Rates and taxes	0.28	0.24
	Legal and Professional Fees	0.85	0.22
	Research & Development Expenses	53.00	-
	Fees and Subscriptions	1.00	-
	Travelling and conveyance	1.26	-
	Power and fuel	0.80	-
	Printing and Stationary	0.05	-
	Exchange difference (net)	0.00	-
	Miscellaneous Expenses	0.23	0.24
	Total other expenses	57.97	1.00
23 (a)	Details of payment to auditors (excluding taxes)	Year ended March 31, 2024	Year ended March 31, 2023
	Particulars		
	Statutory Audit Fees	0.50	0.30
	Total	0.50	0.30
24	Research & Development Expenditure	Year ended March 31, 2024	Year ended March 31, 2023
	Particulars		
	(i) Revenue Expenditure :		
	(a) Consultancy charges	53.00	-
	Total	53.00	-



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25 Income tax expense

This note provides an analysis of the Company's income tax expense, shows how the tax expense is affected by non-assessable and non-deductible items.

Deferred tax

(Decrease) increase in deferred tax liabilities -
 Decrease (increase) in deferred tax assets (11.75) (0.17)

Total deferred tax expense/(benefit) (11.75) (0.17)

Income tax expense (11.75) (0.17)

(b) Reconciliation of tax expense and the accounting profit multiplied by the Indian statutory income tax rate

	Year ended March 31, 2024	Year ended March 31, 2023
Profit before income tax expense	(70.03)	(1.00)
Tax at the Indian statutory income tax rate of 17.16%	(12.02)	(0.17)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other non-deductible / (taxable) items	0.27	-
Income tax expense	(11.75)	(0.17)

Deferred tax asset / (liability)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2024	As at March 31, 2023
Unabsorbed Losses	11.98	0.14
Lease liabilities	7.09	-
Others	0.03	0.03
Right-of-use asset	(6.97)	-
Property, plant and equipment	(0.21)	-
Net deferred tax asset (liability)	11.92	0.17

Particulars	As at April 1, 2023	Charge/ (credit) to Statement of Profit and Loss	As at March 31, 2024
Deferred tax liabilities			
Property, plant and equipment and intangible assets	-	0.21	(0.21)
Right-of-use asset	-	6.97	(6.97)
Total deferred tax liabilities	-	7.18	(7.18)
Deferred tax assets			
Lease liabilities	-	(7.09)	7.09
Carry forward losses	0.14	(11.84)	11.98
Others	0.03	(0.00)	0.03
Total deferred tax assets	0.17	(18.93)	19.10
Net deferred tax Asset	0.17	(11.75)	11.92

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Particulars	As at July 18, 2022	Charge/ (credit) to Statement of Profit and Loss	As at March 31, 2023
Deferred tax liabilities			
Property, plant and equipment and intangible assets	-	-	-
Right-of-use asset	-	-	-
Total deferred tax liabilities	-	-	-
Deferred tax assets			
Lease liabilities	-	-	-
Carry forward losses	-	(0.14)	0.14
Others	-	(0.03)	0.03
Total deferred tax assets	-	(0.17)	0.17
Net deferred tax Asset	-	(0.17)	0.17

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

Reconciliation of deferred tax assets (net):

	As at March 31, 2024	As at March 31, 2023
Opening balance as at April 1	0.17	-
Tax (income)/expense during the period recognised in profit or loss	(11.75)	(0.17)
Closing balance as at March 31	11.92	0.17

26 Earnings per share

	As at March 31, 2024	Year ended March 31, 2023
Profit for the year	(58.28)	(0.83)
Weighted average number of shares (Face value INR 10/- each)	20,26,885	5,10,778
(a) Basic earnings per share (INR)	(2.88)	(0.16)
(b) Diluted earnings per share (INR)*	(2.88)	(0.16)

*There are no dilutive potential equity shares.

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27 Significant estimates, judgements and assumptions

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

Estimates and assumptions

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

Taxes

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

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 fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset 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 assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Leases - Estimating the incremental borrowing rate

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Revenue recognition - Estimating variable consideration for returns and volume rebates

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as rebates, incentives and cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

The amount of revenue recognised depends on whether the Company act as an agent or as a principal in an arrangement with a customer. The Company act as a principal if the Company controls a promised goods or service before the Company transfers the goods or service to a customer and act as an agent if the Company's performance obligation is to arrange for the provision of goods or service by another party.

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III. Biologicals Limited
Notes to financial statements for the year ended March 31, 2024
(All amounts in INR in 'Lacs', unless mentioned otherwise)

28 Related party transactions

A. Names of related parties and related party relationship:-

- a) Holding Company
1. Insecticides (India) Limited
- b) Key Management Personnel (KMP)
1. Rajesh Aggarwal - Director
2. Rishka Pathak - Director
3. Sanskar Aggarwal - Director

B. Transactions during the year with related parties:-

	Year ended March 31, 2024	Year ended March 31, 2023
Holding Company Insecticides (India) Limited		
Equity share capital issued during the year	82.00	118.00
Sales of Finished Goods*	45.35	-
Lease rent paid	3.90	-

C. Balance outstanding with related parties:-

Insecticides (India) Limited	53.51	-
Trade Receivables		

D. Terms and conditions of transactions with related parties:-

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

* Sale of finished goods is excluding GST of INR 8.16 lacs and total sale including GST will be INR 53.51 lacs

29 Fair value measurements

(i) Financial Instruments by category	Note	As at March 31, 2024			As at March 31, 2023		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
a) Financial assets - Non-current							
Security deposits	5	-	-	0.10	-	-	0.10
b) Financial assets - Current							
Cash and cash equivalents	7	-	-	17.07	-	-	24.50
Trade Receivables	8	-	-	53.51	-	-	-
Total financial assets				70.68			24.60
c) Financial liabilities - Current							
Trade payables	0	-	-	104.41	-	-	0.73
Creditors for capital expenditure	15	-	-	94.96	-	-	2.25
Employee payables	15	-	-	4.03	-	-	-
Total financial liabilities				203.40			2.98

(ii) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	As at March 31, 2024			As at March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Security deposits	-	-	0.10	-	-	0.10

There have been no transfers between Level 1 and Level 2 during the period.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

(iii) Fair value of financial assets and liabilities measured at amortised cost

Financial assets	Note	As at March 31, 2024		As at March 31, 2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Security deposits*	5	0.10	0.10	0.10	0.10

*The management assessed that fair values of above financial instruments is substantially equal to their carrying value due to amortised cost being calculated based on the effective interest rates, which approximates the market rates.

The carrying amounts of cash and bank balances, trade receivables, trade payables, creditors for capital expenditure and other current financial assets and liabilities are considered to be the same as fair value due to their short term maturities.

30 Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets security deposits, trade receivables and cash and cash equivalents.

The Company has formulated the Risk Management Policy whose objective is to ensure sustainable business expansion with stability, and to promote an upbeat approach in risk management process by eliminating risk. The exposure of the Company to these risks is explained as below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposits, credit limits

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and security deposits.

(i) Credit risk management

a) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical data and ageing of accounts receivable. Individual risk limits are set accordingly. New customers are analysed individually for creditworthiness before the Company's standard payment and delivery terms are offered. Sale limits are established for each customer and reviewed periodically.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- a) Actual or expected significant adverse changes in business, financial or economic conditions that are actual
b) Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the company.

The maximum exposure to credit risk arising from trade receivables is provided in note 8

b) Financial Instruments and cash deposits

Credit risk from balances with banks is managed by the Company's management in accordance with the policy of the Company. Counterparty credit limits are reviewed by the Company's management on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 and March 31, 2023 is the carrying amounts as illustrated in Note 5 and 7.

(ii) Provision for expected credit losses

Category	Description of category	Basis for recognition of expected credit loss provision	
		Security deposits	Trade receivables
High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12-months expected credit loss	Lifetime expected credit losses
Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past		

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(a) Expected credit loss for loans and security deposits

As at March 31, 2024

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of Impairment provision
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	0.10	0%	-	0.10

As at March 31, 2023

Particulars	Category	Description of category	Asset group	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of Impairment
Loss allowance measured at 12 month expected credit losses	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	Security deposits	0.10	0%	-	0.10

B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	< 3 months INR	3 to 12 months INR	1 to 5 years INR	>5 years INR	Total
Year ended March 31, 2024						
Trade payables	104.41	-	-	-	-	104.41
Lease Liabilities	-	2.34	7.02	42.13	-	51.49
Creditors for capital expenditure	94.96	-	-	-	-	94.96
Employee payables	4.03	-	-	-	-	4.03
	<u>298.36</u>	<u>2.34</u>	<u>7.02</u>	<u>42.13</u>	<u>-</u>	<u>349.85</u>

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	< 3 months INR	3 to 12 months INR	1 to 5 years INR	>5 years INR	Total
Year ended March 31, 2023						
Trade payables	0.73	-	-	-	-	0.73
Creditors for capital expenditure	2.25	-	-	-	-	2.25
	<u>2.98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.98</u>

31 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the manufacturing activities organic and biological farming fertilizers, bio-pesticides, bio-control agents or any other allied products for agriculture and carrying on Research, development, training and consultancy relating to all or any of above trade, hence there is one operating segment.

Entity wide disclosures as applicable to the Company are mentioned below:-

a) Information about geographical areas:

Revenue from customers	Year ended March 31, 2024	Year ended March 31, 2023
Within India	45.35	-
Total revenue	<u>45.35</u>	<u>-</u>

b) Revenue from Major Customers: Revenue from Insecticides India Limited is amounting to 10% or more of Company's total revenue.

32 Leases

The Company has lease contracts for factory premises. The factory premises have lease terms between 1 to 10 years.

a) Amounts recognized in profit and loss

Depreciation expense of right-of-use assets (Refer Note 22)
Interest expense on lease liabilities (Refer Note 21)
Total

	Year ended March 31, 2024	Year ended March 31, 2023
	3.08	-
	1.49	-
	<u>4.57</u>	<u>-</u>

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33 Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2024 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company:

	As at March 31, 2024	As at March 31, 2023
i Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	-	-
Interest	-	-
ii The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with amounts of the payments made to the supplier beyond the appointed day during each accounting year.		
Principal Paid during FY	-	-
Interest Paid during FY	-	-
iii The amount of interest due and payables for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.		
	-	-
iv The amount of interest accrued and remaining unpaid at the end of each accounting year.		
Accounting year ended 31st March 2024	-	-
Accounting year ended 31st March 2023	-	-
v The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible enterprise under section 23 of the MSMED Act, 2006.		
	-	-

34 Contract assets

The following table provides information about trade receivables:

Particulars	As at	
	March 31, 2024	March 31, 2023
Trade Receivables (refer note 8)	53.51	-
Total trade receivables	53.51	-

35 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. These amendments had no impact on the financial statements of the Company.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements of the Company.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. These amendments had no impact on the financial statements of the Company.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

(b) Standards issued but not yet effective

There are no such standards or amendment issued which are not effective as on date.

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Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	% Change	Remarks
Current Ratio	Current assets	Current liability	0.71	7.89	-91%	There is increase in current assets and current liabilities of the Company due to operations started from current year
Debt-Equity Ratio	Total debt	Total Shareholders' Equity	-	-	-	Not applicable since the Company has no debts.
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (Depreciation & amortisation) + Finance costs	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	Not applicable since the Company has no debts.
Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	-47.10%	-0.70%	6597%	Profit is declined and consequential share capital increased during the year
Inventory turnover Ratio	Cost of goods sold	Average Inventory	1.80	-	100%	There was no operation during the previous year
Trade Receivables turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	1.69	-	100%	There was no operation during the previous year
Trade payables turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.67	-	100%	There was no operation during the previous year
Net capital turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	(0.73)	-	100%	There was no operation during the previous year
Net profit Ratio	Net Profit	Net sales = Total sales - sales return	(1.29)	-	100%	There was no operation during the previous year
Return on capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-50.54%	-0.85%	5854%	Profit is declined and consequential share capital increased during the year
Return on investment	OCI Income	Investment	-	-	-	Not applicable since the Company has no Investments

37 Other Amendments as per Sch III of the Companies Act, 2013

- (i) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company does not have any number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (iv) The Company does not have any undisclosed income which is not recorded in the books of account 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).
- (v) The Company has not traded or invested in Cryptocurrency or Virtual Currency during the financial year.

For DEVESH PAREKH & CO.
Chartered Accountants

DEVESH PAREKH
Partner
Membership No.- 092160
Firm Registration No.- 013338N



Rajesh Kumar Aggarwal
Director
DIN: 0576872



For and on Behalf of the Board
BIL Biologicals Limited
CIN: U00100DL2022PLC401834

Sanshar Aggarwal
Director
DIN: 09675297

Place : Delhi
Date: 17.05.2024
UDIN: 24092160BKDFVG1236

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1. Corporate Information

IIL Biologicals Limited ("The Company") (CIN: U01100DL2022PLC401834) is a public Company domiciled in India and incorporated under the provisions of the Companies Act. The registered office of the Company is located at 407-408, Lusa Tower, Azadpur Commercial Complex, Delhi, 110033. The Company is engaged in the manufacturing activities organic and biological farming fertilizers, bio-pesticides, bio-control agents or any other allied products for agriculture and carrying on Research, development, training and consultancy relating to all or any of above trade.

The financial statements were authorised for issue in accordance with a resolution of the directors on **May 17, 2024**.

2. Material accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act 2013 ("the Act") as amended thereafter and other relevant provision of the Act.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency, and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2. Summary of material 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

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) 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:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

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(b) Revenue recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is stated exclusive of Goods and Service Tax (GST).

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 27

The specific recognition criteria described below must also be met before revenue is recognised.

Sales of goods

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on shipment. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (k) financial instruments.

(c) Property, plant and equipment

Items of property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred. In respect of additions to /deletions from the property, plant and equipment, depreciation is provided on pro-rata basis with reference to the month of addition/ deletion of the assets.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation on remaining items of property, plant & equipment has been provided on Straight Line Method based on useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. . Furthermore, the Company considers climate-related matters, including physical and transition risks. Specifically, the Company

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determines whether climate-related legislation and regulations might impact either the useful life or residual values.

Estimated useful lives of the assets are as follows:

Nature of Tangible Assets	Useful Life (years)
Plant & Equipments	10 – 15

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

(d) Investment Properties

Investment properties are properties held for rental income, capital appreciation or the purpose of future use is not yet determined by the management as of the reporting date. Investment properties are measured initially at cost, including transaction costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company. All other repair and maintenance costs are recognized in Statement of profit and loss as incurred.

Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Though the Company measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes. Fair values are determined based on the evaluation performed by the management based on the acceptable valuation method.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognized in the Statement of profit and loss in the period of de-recognition.

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

(e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite life are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(f) 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:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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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:

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

(g) 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) net selling price and its value in use. The 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. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

The Company assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

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(h) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company has lease contracts for various items of land, office premises, warehouses and vehicles.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Nature of Right-of-use assets	Depreciation period
Factory premises	3-10 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in **section (g)** Impairment of non-financial assets.

The Right-of-use assets are presented as separate line item in the balance sheet.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

The lease liabilities are presented as separate line item in the balance sheet under financial liabilities.

(i) Inventories

The items of inventories are measured at cost after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and appropriate portion of variable and fixed proportion overheads and such other costs incurred in bringing them to their respective present location and condition. Fixed production overheads are based on normal capacity of production facilities.

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Packing materials and raw materials are valued at lower of cost or net realisable value. However, the aforesaid items are not valued below cost if the finished products in which they are to be incorporated are expected to be sold at or above cost.

Cost of raw material, process chemicals, stores and spares packing materials, trading and other products are determined on weighted average basis.

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

(j) Provisions, contingent liabilities and 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. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

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

(k) 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. All trade receivables do not contain a significant financing component and are measured at transaction price.

Subsequent measurement

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

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

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- d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

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

Derecognition

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

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

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

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

(I) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss, payables, as appropriate.

All financial liabilities are recognised initially at fair value.

The Company's financial liabilities include trade and other payables and other financial liabilities.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

(m) Cash and cash equivalents

Cash and cash equivalent 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.

(n) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 liabilities are recognised for all taxable temporary differences, except:

- a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- b) In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

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

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

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (in other comprehensive income). Deferred tax items are recognised in correlation to the underlying transaction either in Statement of Profit and Loss or in OCI.

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

(o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividend and attributable taxes by the weighted average number of equity shares outstanding during the period.

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

(p) Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. The Company has identified the Managing Director as the CODM who assesses the financial performance and makes strategic decisions.

(q) Climate-related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.

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