

**BOARD’S REPORT**

To,  
The Members,  
Bionees India Private Limited

Your directors take immense pleasure in presenting the 16<sup>th</sup> Board Report together with the Audited Financial Statements of BIONEEDS INDIA PRIVATE LIMITED (“the Company”) for the financial year ended 31<sup>st</sup> March, 2023.

**FINANCIAL PERFORMANCE:**

The salient features of the Financial Results of the Company for the year under review is as follows:

<b>Particulars</b>	<b>(INR in Millions)</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>
Revenue from Operations	1,134.52	932.05
Other Income	14.71	12.71
EBITDA	467.07	322.85
Interest and financial charges	85.52	81.86
Depreciation	132.15	100.91
Profit / (Loss) before taxes	249.40	140.08
Current Tax	66.35	34.69
Adjustment of tax related to earlier years	(3.05)	-
Deferred Tax	4.20	6.70
Profit / (Loss) for the year	181.90	98.69

**DIVIDEND**

With a view to conserve resources for the future growth of the Company, your Directors do not recommend any dividend on equity shares for the year ended on 31<sup>st</sup> March, 2023.

However, the Company has created provision for the dividend of 0.001 % on Optionally Convertible Cumulative Redeemable Preference Shares, as per the terms of issue, for the year ended on 31<sup>st</sup> March, 2023 amounting to INR2,333/-.

**RESERVES**

The Company has not transferred any amount to Reserve during the year under review.

**BRIEF DESCRIPTION OF THE COMPANY’S WORKING DURING THE YEAR**

Your Directors are delighted to inform that your Company has stabilized the expansion program implemented during last financial year. The Company is now envisaging next capital expenditure program to enhance the current service offerings as well as extending the test systems.

**MAJOR EVENT OCCURRED DURING THE YEAR INCLUDING CHANGES IN SHARE CAPITAL**

During the period under review, the Company has allotted 2,38,096 fully paid up Equity Shares of face value of INR10/- each at a premium of INR410/- per share for an aggregate consideration of INR10,00,00,320 as per the terms of the Amendment to the Investment agreement. The details are as under:

**BIONEEDS INDIA PRIVATE LIMITED****CIN – U01409KA2007PTC042282**

Total Equity Share Capital before the Offer	INR7,14,28,830/-
Date of Board Resolution	23 <sup>rd</sup> May 2022
Date of Shareholder Resolution, if any	23 <sup>rd</sup> May 2022
No. of shares issued	2,38,096
No. of shareholders to whom the shares were issued	01 (One)
Face value of shares	INR10/-
Price per share	INR420/-
Total amount raised through Private Placement	INR10,00,00,320/-
Total Equity Share Capital after the Offer	INR7,38,09,790/-

Except the above there are no other changes in the share capital of the Company during the year.

**STATE OF COMPANY'S AFFAIRS & GENERAL REVIEW**

The Company today is an integrated OECD GLP certified, USFDA audited, ISO and AAALAC accredited Pre-Clinical Contract Research Organization (CRO). The Company provides its services to multiple industry segments like Pharmaceutical, Biopharma, Agro Chemicals, Industrial chemicals, Medical devices etc., by carrying out research & development in these respective areas. Your Company has best-in-class infrastructure equipped with state-of-the-art facilities with vivarium rooms built as per international standards with recent recognition by OLAW, USA also. Over the years, your Company has established an enviable track record catering to various industries with high quality services and stringent timelines with over 16,000 GLP submitted to regulatory bodies globally.

Data generated at Bionees is accepted by USFDA, EMA, RCGM, DCGI, EPA, EU REACH, K REACH, TURKISH REACH, ANVISA, CIBRC & other global regulatory bodies. Company has developed rich experience in handling diverse type of substances – generics, NCEs, vaccines, biologics, complex UVCB substances, combination products, implantation devices etc.

Multidisciplinary Scientific professionals with rich industry experience have been adopting a customer oriented & collaborative approach with strict adherence to quality & compliance with quick scalability. Data integrity and data security policies followed bring about huge value proposition to our sponsors.

Company has also chalked out expansion plans in the pre-clinical and chemistry services space.

**CHANGE IN NATURE OF BUSINESS, IF ANY**

During the year under review, there has been no change in the nature of business of the Company.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT**

The Board of Directors at their meeting held on 17<sup>th</sup> July, 2023 approved the sale of Biopharma division to the Holding Company i.e. Veeda Clinical Research Limited. The details are as under:

Date of Board Resolution	17 <sup>th</sup> July, 2023
Date of Shareholder Resolution, if any	25 <sup>th</sup> July 2023
Amount of Transaction	Up to INR 20 Crores

Except the above, there are no other material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL**

During the year under review, No significant and material orders have been passed by any Regulators or Courts or Tribunals which can have an impact on the going concern status and the Company's operations in future.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control systems in place and has reasonable assurance on authorizing, recording and reporting transactions of its operations in all material respects and in providing protection and safeguard against misuse or loss of assets of the Company. The Company has in place, well documented procedures covering critical financial and operational functions commensurate with the size and complexities of the organization. Some of the salient features of the internal control system in place are: -

1. Adherence to applicable Accounting Standards and Policies.
2. Preparation of annual budget for operation and service functions and monitoring the same with actual performance at regular intervals.
3. Ensuring that assets are properly recorded and procedures have been put in place to safeguard against any loss or unauthorized use or disposal.

In addition, the Company uses the services of an external audit firm (acting as Internal Auditor) to periodically review various aspects of the internal control system to ensure that such controls are operating in the way expected and whether any modification is required.

The Company's internal financial controls are deployed through an internally evolved framework that addresses material risks in the Company's operations and financial reporting objectives, through a combination of Entity Level Controls (including Enterprise Risk Management, Legal Compliance Framework and Anti-fraud Mechanisms such as an Ethics Framework, Code of Conduct, Whistle Blower Policy, Anti Money Laundering Policy, Anti-Bribery and Anti-Corruption Policy, etc.), Process Controls, Information Technology based controls, period end financial reporting and closing controls and Internal Audit.

**INVESTOR EDUCATION AND PROTECTION FUND**

During the year, there were no amount required to transfer into Investors Education Protection Fund.

**PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE**

There are no such proceedings or appeals pending under Insolvency and Bankruptcy Code, 2016 during the year and at the end of the financial year even up to the date of this report.

**EMPLOYEES**

Bionees is a Company which provides equal employment opportunity and follows principles of fair and equitable treatment, non-discriminating and nurtures young talents to shape themselves into value added future employees.

Bionees has managed to attract top industry talents as team leads, who through their experience an industrial exposure, impart relevant trainings technically, ethically and in sync with current practices and specifically emphasis on quality aspects to create robust talent engines for the multiple verticals those are offered as services.

As a part of socialization and encouraging team sprits within and across divisions, programs such as social gatherings to celebrate birthdays, project success certifications, team outings and annul day celebrations are routine at Bionees.

Trainings are an integral part of activities and a centralized training team looks into the training needs with respect to new technologies, systems, regulatory guidelines etc. The trainings are also imparted through external sources/experts in different area of science, systems, IT, social awareness and safety.

As an overall corporate policy, employee empowerment, environment of enthusiasm and to enthuse moods are paramount and a culture is in placed to ensure and encourage cross function activity based on specific requirements.

#### **PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE**

There are no such proceedings or appeals pending under Insolvency and Bankruptcy Code, 2016 during the year and at the end of the financial year even up to the date of this report.

#### **THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**

No such instance of One-time settlement or valuation was done while taking or discharging loan from the Banks/ Financial institutions occurred during the year.

#### **STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

The Board is of the opinion that the independent director appointed is having good integrity and possess the requisite expertise and experience (including the proficiency). The independent director has confirmed that he is not aware of any circumstances or situation which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the independent directors, the Board has confirmed that they meet the criteria of independence and that they are independent of the management.

#### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Company has one wholly owned subsidiary Company as on 31.03.2023 namely ‘Amthera Life Sciences Private Limited’. However, being a step-down subsidiary, the annual financial statements of Amthera Life Sciences Private Limited have been consolidated with the annual financial statements of Veeda Clinical Research Limited (Ultimate holding Company). Financial performance of the said subsidiary is covered in Form AOC -1 attached as “Annexure A” to this report. The Company has no associate companies and joint venture Companies.

#### **PUBLIC DEPOSITS**

During the year under review, the Company has not invited or accepted any deposits from the public in terms of the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

### **STATUTORY AUDITORS & AUDITORS' REPORT**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. S R B C & CO LLP, Ahmedabad (Firm Registration No. 324982E/E300003) was appointed as Statutory Auditors of the Company to hold office up to the conclusion of the 20<sup>th</sup> Annual General Meeting to be held in the year 2027.

The auditor's report does not contain any adverse observation or qualification requiring explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013 except with respect to the qualification or adverse remarks provided in Annexure 1 Company (Auditor's Report Order) to Independent Auditor's Report for which your directors explanation is provided "**Annexure B**".

### **FRAUD REPORTING**

The Company has adopted best practices for fraud prevention and it follows confidential, anonymous reporting about fraud or abuse to the appropriate responsible officials of the Company. No fraud on or by the Company has been reported by the Statutory Auditors.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to and in compliance with the provisions of section 92(3) read with section 134(3)(a) of the Act, Annual Return for the Financial Year ended on March 31, 2023, in prescribed Form No. MGT-7 is available on the website of the Company at <https://www.bionees.in/wp-content/uploads/2023/08/Form-MGT-9.pdf>

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company is committed to energy conservation and adheres to good laboratory practice especially in terms of safety, health, environment, pollution control etc. The Company also carries the accreditations of National GLP Compliance Monitoring Authority (NGCMA), Dept. of Science and Technology, Government of India, DTL i.e. Govt. approved Drug Testing Laboratory, OECD GLP Certified i.e. Organization for Economic Co-operation & Development ('OECD'), Good Laboratory Practice ('GLP'), AAALAC Certified i.e. Association for Assessment and Accreditation of Laboratory Animal Care, CPCSEA Certified i.e. Committee of the purpose of control and Supervision of Experiment on Animal & ISO10993-certified for Biological evaluation of Medical Devices.

Adequate measures have been taken to ensure the use of energy efficient computers, air conditioners and other office equipment as may be required for current operations of the Company.

The Company has not bought any technology for absorption.

During the year under review, foreign exchange earnings and outgo are as follows –

(INR In million)

Foreign Exchange Earning	1005.20
Foreign Exchange Outgo	57.15

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted the Corporate Social Responsibility (CSR) Committee on 20<sup>th</sup> March 2018. The objective of the Committee is to ensure implementation and monitoring of CSR Policy in accordance with the provisions of Section 135 of the Companies Act, 2013 and as well as Schedule VII of the said section. The CSR Policy is available on the Company's website at: <http://www.bionees.in>.

The composition of CSR Committee as on 31<sup>st</sup> March, 2023 is as under:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1	Mr. Nitin Jagannath Deshmukh	Chairman
2	Dr. Shankarappa Nagaraja Vinaya Babu	Member
3	Mr. Chirag Mahesh Sachdev	Member

During the year under review, the Company has spent an amount of INR15,85,667/- (INR Fifteen Lakhs Eighty Five Thousands Six Hundred Sixty six Only) on CSR activities as mentioned in Schedule VII of Section 135 of the Companies Act, 2013. The annual report on CSR activities are annexed herewith and marked as “Annexure C” to this Report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **A) CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, the Company has appointed;

1. Mr. Nitin Jagannath Deshmukh (DIN: 00060743) as an Independent Director of the Company w.e.f. 1<sup>st</sup> August 2022.
2. Mr. Pavagada Nanjaraja Gupta Naresh as a Chief Financial Officer (CFO) of the Company w.e.f. 1<sup>st</sup> August 2022

### **B) DECLARATION BY AN INDEPENDENT DIRECTOR(S)**

The Company has received a declarations of independence under sub-section (7) of section 149 of the Companies Act, 2013 from both the Independent Directors of the Company confirming the eligibility criteria mentioned in section 149(6) of the Companies Act, 2013.

### **C) RETIREMENT BY ROTATION**

Pursuant to and in compliance with the provisions of section 152(6) of the Act and in terms of the Articles of Association of the Company, Mr. Paramesh Kumar Kiran (DIN: 01264160), non-Executive Director, will retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

### **D) KEY MANAGERIAL PERSONNEL**

The following persons are the Key Managerial Personnel (“KMP”) as on March 31, 2023:

1. Dr. S.N. Vinaya Babu, Managing Director
2. Mr. Naresh P.N., Chief Financial Officer
3. Mr. Prasanna Bhat, Company Secretary

### **E) FORMAL ANNUAL EVALUATION**

Pursuant to provisions of the Act and Rules made thereunder and as provided in Schedule IV of the Act, the formal annual evaluation is not applicable to the Company.

### **F) NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy on selection and appointment of Directors, Senior Management and their remuneration.

**G) PECUNIARY RELATIONSHIP**

During the year under review, except those disclosed in the Audited Financial Statements, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

**BOARD MEETINGS**

During the financial year ended 31<sup>st</sup> March, 2023, the Board of Directors met 6 (Six) times in terms of the provisions of the Companies Act, 2013 and rules framed thereunder. The details are as follows:

<b>Sr. No.</b>	<b>Date of the meeting</b>	<b>Directors present</b>
1	05.05.2022	All directors were present
2	23.05.2022	All directors were present except Mr. P. Kiran Kumar
3	10.06.2022	All directors were present except Mr. P. Kiran Kumar
4	29.07.2022	All directors were present
5	18.10.2022	All directors were present except Mr. P. Kiran Kumar
6	15.02.2023	All directors were present except Mr. Nitin Jagannath Deshmukh

Details of Committee Meetings held during the financial year ended 31<sup>st</sup> March, 2023 is as below;

<b>Sr. No.</b>	<b>Date</b>	<b>Committee</b>	<b>Member Present</b>
1	18.10.2022	Audit Committee	All members were present
2	19.12.2022	Audit Committee	All members were present
3	23.01.2023	Audit Committee	All members were present
4	23.01.2023	Nomination and Remuneration Committee (NRC)	All members were present except Mr. Chirag Sachdev
5	17.03.2023	Corporate Social Responsibility Committee (CSR)	All members were present

**PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

Particulars of the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered into by the Company during the year under review with related party(ies) are prescribed in **Form AOC-2** which is attached as “**Annexure D**” and forms part of this report.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition & redressal of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules there under. The said policy is available at <http://www.bionees.in>.

During the financial year 2022-23, the Company has not received any complaints from any employee under the said policy.

**PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS UNDER SECTION 186**

During the financial year, except to the Wholly Owned Subsidiary Company i.e. Amthera life Sciences Private Limited, the Company has not given any loan, provided any guarantee/ security in connection with any loan.

Details of the loan given to the Amthera life Sciences Private Limited are as follows;

<b>Sl.No.</b>	<b>Particulars</b>	<b>Other details</b>
<b>1</b>	Amount of loan granted	INR1,20,00,000/-
<b>2</b>	Amount outstanding as at the end of the year	Nil
<b>3</b>	Date of transaction	15.06.2022, 20.6.2022 and 14.11.2022
<b>4</b>	Date of Board approval	18.10.2022
<b>5</b>	Date of shareholder's approval, if any	N.A.
<b>6</b>	Salient terms and conditions	Its is an interest free Loan
<b>7</b>	Repayment terms etc.	Repayment should be on or before 31.03.2024

#### **DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES:**

There are no employees receiving remuneration more than 1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum and /or INR 8,50,000/- (Rupees Eight Lakhs Fifty Thousand only) per month. Therefore, statement/disclosure pursuant to Sub Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

#### **MAINTENANCE OF COST RECORDS**

As per sub-section (1) of section 148 of the Companies Act, 2013, the Company is not required to maintain cost records as specified by the Central Government, during the year under review.

#### **RISK MANAGEMENT**

The Company has an adequate Risk Management system considering its size which aims at enhancing shareholders' value and providing an optimum risk reward tradeoff. The risk management approach is based on a clear understanding of the various risks that are associated with the business model in which the Company operates coupled with the disciplined risk monitoring, measurement, continuous risk assessment and mitigation measures. The major risks have been identified by the Company and its mitigation process have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company confirms that:

- i in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2023.
- iii proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv the annual accounts of the Company have been prepared on a going concern basis;
- v proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENT**

Your Directors place on record their sincere appreciation for the valuable contributions and continued co-operations received by the Company from its employees, bankers, investors, Statutory Authorities and other business associates of the Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**



**Mr. Nitin Deshmukh**  
**Chairman of the Board**

**Place:** Ahmedabad

**Date:** 5<sup>th</sup> September 2023

**FORM NO. AOC.1**  
**Statement containing salient features of the financial statement of**  
**Subsidiaries/associate companies/joint ventures**  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of  
Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**  
(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	Name of the subsidiary	Amthera Life Sciences Private Limited
2	The date since when subsidiary was acquired	21-10-2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	Not Applicable
5	Share capital	1,00,000
6	Reserves & surplus	7,87,618
7	Total assets	6,43,696
8	Total Liabilities	2,88,157
9	Investments	0
10	Turnover	0
11	Profit before taxation	90,14,069
12	Provision for taxation	3,01,704
13	Profit after taxation	87,12,365
14	Proposed Dividend	0
15	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: N.A.
- Names of subsidiaries which have been liquidated or sold during the year: N.A.

**Part "B": Associates and Joint Ventures**  
There are no Associates or Joint Venture Companies.

For Bioneds India Private Limited



Mr. Nitin Deshmukh  
Chairman of the Board

Place: Ahmedabad

Date: 5<sup>th</sup> September 2023

**Explanation to the observations of the Auditor mentioned in the ‘Annexure 1’ of the Independent Auditor’s report:**

**1. Clause (i)(a)(A):**

The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment except asset identification number and quantitative details for certain assets of earlier years.

**Explanation: The Company is in the process of compiling the pending Tagging details for the property, plant and equipment which were acquired before April 01, 2018. The quantum of the same is approx. 3% of total carrying amount as on March 31, 2023. Moreover, w.e.f. April 01, 2018, all the items of property, plant and equipment are appropriately tagged and will be tagged in future as well in compliance with the policies of the Company.**

**2. Clause (iii)(b):**

The terms and condition of loans granted by the Company to the aforesaid subsidiary company are prejudicial to the Company’s interest on account of the fact that the loans provided are interest free. Also, loan given to aforesaid subsidiary company of Rs 8.34 million has been written off in the financial statement of the Company.

**Explanation: The Company has granted loan in compliance with Section 186 of the Companies Act, 2013 by taking requisite Board Approval dated 19<sup>th</sup> September 2019 and Shareholders Approval dated 22<sup>nd</sup> September 2021 of the Company. The qualification stated by the auditor is solely with reference to the Loan being interest free in nature which is considered as prejudicial to the Company. In explanation to the said remarks, your directors hereby state that as on 31<sup>st</sup> March 2023, Amthera Lifesciences Private Limited is wholly owned (100%) subsidiary company of the company. Hence, in opinion of the directors it is not considered as prejudicial to the interest of the company. Further, pursuant to non-recoverability of the loan granted to Amthera Lifesciences Private Limited - Subsidiary Company of the Company, the management of the Subsidiary Company of the Company has decided to write off the said loan along with interest.**

**3. Clause (iii)(c):**

The Company has granted loan to aforesaid subsidiary company, where the schedule of repayment of principal has been stipulated. However, these loans are interest free and hence recovery of the same is not applicable. Moreover, the principal amount on the aforesaid loan has been written off during the year.

**Explanation: The Company has written off the loan amount receivable from its subsidiary company because there is no certainty in revenue generation and thereby repayment of loan by its Subsidiary company.**

**4. Clause (iv):**

There are no loans, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable and hence not commented upon.

The Company has given loan to one company which is not in compliance to the provisions of section 186 of the Companies Act 2013 and are detailed in the table below:

Non-Compliance of Section 186 of the Act:

S.No.	Name of the Company	Nature of non-compliance	Maximum amount outstanding	Balance as at Balance sheet date
1	Amthera Lifesciences Private Limited	Loan given is interest free and hence below the market prevailing rate of interest.	Rs. 8.34 million	Rs. Nil

Further, in our opinion and according to the information and explanations given to us, there are no guarantees and securities given during the year in respect of which provision of 186 of the Act are applicable and hence not commented upon.

**Explanation: The Company has granted loan in compliance with Section 186 of the Companies Act, 2013 by taking requisite Board Approval dated 19<sup>th</sup> September 2019 and Shareholders Approval dated 22<sup>nd</sup> September 2021 of the Company. The qualification stated by the auditor is solely with reference to the Loan being interest free in nature which is considered as prejudicial to the Company. In explanation to the said remarks, your directors hereby state that as on 31<sup>st</sup> March 2023, Amthera Lifesciences Private Limited is wholly owned (100%) subsidiary company of the company. Hence, in opinion of the directors it is not considered as prejudicial to the interest of the company.**

**5. Clause (vii)(a):**

Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months:

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Due Date	Date of Payment
IGST Act, CGST Act and SGST Act, 2017	Interest on late filing of Goods and Service tax returns	Rs. 0.15 million	2020-21 and 2021-22	September 14, 2021	Unpaid as at March 31, 2023

**Explanation: The Company has remitted these dues during current financial year I.e. the financial year commencing from 1<sup>st</sup> April 2023.**

**6. Clause (ix)(d):**

According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has used funds raised on short- term basis aggregating to Rs. 16.68 million for long-term purposes.

**Explanation: The Company has ensured the compliance of this clause on a per annum basis. However during the current financial year i.e. the financial year commencing from 1st April 2023, the company has started making remittance for capex procurement from its current account to avoid utilization of funds from cash credit account.**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Mr.Nitin Deshmukh  
Chairman of the Board

Place: Ahmedabad  
Date: 5<sup>th</sup> September 2023

## **ANNEXURE - C**

### **Annual Report on CORPORATE SOCIAL RESPONSIBILITY (CSR) Activities**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Rules made there under, the Board has constituted a Corporate Social Responsibility (CSR) Committee. During the year under review, a meeting of CSR Committee was held on 17<sup>th</sup> March 2023.

The terms of reference of the CSR Committee includes formulating and recommending to the Board, a Corporate Social Responsibility Policy which indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, recommending the amount of expenditure to be incurred on the CSR activities, providing guidance on various CSR activities to be undertaken by the Company and monitoring the CSR Policy of the Company from time to time.

Pursuant to the recommendation of the CSR Committee, the Board has approved a Corporate Social Responsibility (CSR) Plan.

The details required pursuant to Section 135 of the Act are provided in SCHEDULE-I to this Report.

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## SCHEDULE-1

### ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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

#### 1. A brief outline of the company's CSR policy

Pursuant to the requirement of the Companies Act, 2013 and the Rules made thereunder, the Company has framed a CSR Policy.

The Company's CSR vision & mission is to contribute to the social, economic and environmental development of the community in which the Company operates. The Company may undertake any one or more CSR activities as specified in the CSR Policy.

As permitted under Rule 4(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Management of the Company has carried out the CSR activities itself without appointing any implementing agency.

#### 2. The Composition of the CSR Committee

As on the Financial Year ended 31st March, 2023, the composition of CSR Committee is as follow;

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr.Nitin Deshmukh	Independent Director	1	1
2	Dr.S.N.Vinaya Babu	Managing Director	1	1
3	Mr.Chirag Sachdev	Non-executive Director	1	1

#### 3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee: <https://www.bioneds.in/policies/>

CSR Policy: <https://www.bioneds.in/policies/>

CSR projects approved by the Board: <https://www.bioneds.in/policies/>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil.
6. Average net profit of the company as per Section 135(5) of the Companies Act, 2013: Rs.7,90,96,701/-
7. a. Two percent of average net profit of the company as per section 135(5): Rs.15,81,935/-
  - b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
  - c. Amount required to be set off for the financial year, if any: Nil
  - d. Total CSR obligation for the financial year (7a+7b-7c): Rs.15,81,935/-
8. a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs.15,85,667/-	N.A.				

- b. Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the act	Local Area (Yes / No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation – Direct (Yes / No)	Mode of Implementation through Implementation Agency (CSR Registration No.)
N.A.										

- c. Details of CSR Amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the act	Local Area (Yes / No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation – Direct (Yes / No)	Mode of Implementation through Implementation Agency	
				State	District			Name	CSR Registration No.
<b>As per Schedule - 1 attached to this report</b>									

- d. Amount spent on Administrative Overheads: NIL
- e. Amount spent on Impact Assessment, if applicable: N.A.
- f. Total amount spent for the financial year (8b+8c+8d+8e): Rs.15,85,667/-
- g. Excess amount for set off, if any: N.A.

Sr. No.	Particular	Amount in Rs.
I	Two percent of the average net profit of the company as per section 135(5)	15,81,935
ii	Total amount spent for the financial year	15,85,667
iii	Excess amount spent for the financial year [(ii) – (i)]	3,732
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set-off in succeeding financial years [(iii)-(iv)]	Nil

9. a. Details of unspent CSR Amount for the preceding three financial years:

Sr. No.	Preceding F. Y.	Amount transferred to unspent CSR Account under Sec. 135(6) (in Rs.)	Amount spent in the reporting F. Y. (in Rs.)	Amount transferred to any fund specified under schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (In Rs.)
				Name of the fund	Amount (In Rs.)	Date of Transfer	
NIL							

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the project	F. Y. in which project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting F. Y. (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed /Ongoing
N.A.								

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

- Date of creation or acquisition of the capital asset(s): N.A.
- Amount of CSR spent for creation or acquisition of capital asset: N.A.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Mr. Nitin Deshmukh  
Chairman of the Board



Dr. S.N. Vinaya Babu  
Managing Director

Place: Ahmedabad

Date: 5<sup>th</sup> September 2023

**SCHEDULE - 2 TO CSR REPORT**

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in Lakh)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number
1	N.A.	Honorarium to Guest Lecturer, Higher Primary School, Devarahosahally, Sompura Hobli, Nelamangala Taluk, Bangalore 562111, Karnataka, India.	yes	Karnataka	Tumkur	N.A	1.68	N.A	Yes	NA	NA
2	N.A.	Auto for waste collection to Agalakuppe Gram Panchayath, Sompura	yes	Karnataka	Tumkur	N.A	6.18	N.A	Yes	NA	NA

		Hobli, Nelamangala Taluk, Bangalore - 562111, Karnataka, India.									
3	N.A.	Ambulance to Siddaganga Hospital, B.H. Road, Tumkur 572102	Yes	Karnataka	Tumkur	N.A	7.63	N.A	Yes	NA	NA
4	N.A.	Computer to Empress Karnataka public school, Ashok Nagar, Tumkur 572103	Yes	Karnataka	Tumkur	N.A	0.36	N.A	Yes	NA	NA
<b>Total</b>							<b>15.86</b>	N.A.	Yes	NA	NA

**Form No. AOC-2**

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**2. Details of contracts or arrangements or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (In Rs.)	Date(s) of approval by the Board	Amount paid as advances, if any
Dr. S N Vinaya Babu (Managing Director)	Land Rent (2023.43 Sq.Mtr.)	FY 2022-23	31,36,318	05.05.2022	Nil
Mrs. Soumya H N (Wife of Dr. S.N.Vinaya Babu, Managing Director)	Land Rent (5258.92 Sq.Mtr.)	FY 2022-23	92,55,484	05.05.2022	Nil
Tumkur Trade Center Pvt Ltd (Common Directorship of Dr. S.N.Vinaya Babu)	Building Rent (4445 Sq.Mtr.)	FY 2022-23	1,81,78,955	05.05.2022	Nil
Mr. K V Paramesh (Father of Mr. P. Kiran Kumar, Director)	Catering Services	FY 2022-23	9,18,801	05.05.2022	Nil

Adita Biosys Private Limited (Indirect Share Holding by Dr. S. N. Vinaya Babu, Managing Director)	Purchase of Animals	FY 2022-23	2,42,78,298	05.05.2022	Nil
Dr. S N Vinaya Babu (Managing Director)	Land Rent (1 Acre 8 Gunta)	1st July 2022 to 30th June 2032	70,56,720	29.07.2022	Nil
Dr. S N Vinaya Babu (Managing Director)	Security Deposit (1 Acre 8 Gunta)	1st July 2022 to 30th June 2032	78,40,800	29.07.2022	Nil
Veeda Clinical Research Limited (Holding Company)	sale or purchase of goods or services	FY 2022-23	3,13,600	29.07.2022	Nil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mr. Nitin Deshmukh  
Chairman of the Board

Place: Ahmedabad  
Date: 5<sup>th</sup> September 2023

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Bioneds India Private Limited

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Bioneds India Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the financial statements).

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

**Basis for Opinion**

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our auditor's report thereon.

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

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



## **Responsibility of Management for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial



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statements in place and the operating effectiveness of such controls.

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

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.

## **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 sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except the back-up of books of account was not kept in servers physically located in India on a daily basis from August 5, 2022 to January 31, 2023.
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors



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is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above.
- (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 21.1 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, 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 persons or entities, 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, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



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- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 23101974BGUFPC5156

Place of Signature: Ahmedabad

Date: September 05, 2023



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**Annexure '1' referred to in Paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date of Bioneds India Private Limited for the year ended March 31, 2023.**

i (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment except asset identification number and quantitative details for certain assets of earlier years.

(a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023. Accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the requirement to report on clause 3(i)(e) of the Order is not applicable to the Company.

ii (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(b) As disclosed in note 34 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

iii (a) During the year the Company has provided loan to one Company as follows:

<b>Particulars</b>	<b>Loans</b>
Aggregate amount granted during the year to Subsidiary (wholly owned subsidiary company w.e.f December 15, 2021)	Rs. 0.20 Million
Balance outstanding as at balance sheet date in respect of above loan to aforesaid Subsidiary	Rs. Nil*



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\* Company has written off outstanding loan balance of Rs 8.34 million as mentioned in Note 4.4 to the financial statement.

Further, the Company has not provided advances in the nature of loans, stood guarantee and provided security to any other companies, firms, Limited Liabilities Partnerships or any other parties.

(b) The terms and condition of loans granted by the Company to the aforesaid subsidiary company are prejudicial to the Company's interest on account of the fact that the loans provided are interest free. Also, loan given to aforesaid subsidiary company of Rs 8.34 million has been written off in the financial statement of the Company.

(c) The Company has granted loan to aforesaid subsidiary company, where the schedule of repayment of principal has been stipulated. However, these loans are interest free and hence recovery of the same is not applicable. Moreover, the principal amount on the aforesaid loan has been written off during the year.

(d) There are no amounts other than the aforesaid loans which has been written off and advances in the nature of loans are granted to companies or any other parties which are overdue for more than ninety days.

(e) There are no amounts of loans and advances in the nature of loans granted to companies or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv There are no loans, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable and hence not commented upon.

The Company has given loan to one company which is not in compliance to the provisions of section 186 of the Companies Act 2013 and are detailed in the table below:

Non-Compliance of Section 186 of the Act:

<b>S.No.</b>	<b>Name of the Company</b>	<b>Nature of non-compliance</b>	<b>Maximum amount outstanding</b>	<b>Balance as at Balance sheet date</b>
1	Amthera Lifesciences Private Limited	Loan given is interest free and hence below the market prevailing rate of interest.	Rs. 8.34 million	Rs. Nil



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Further, in our opinion and according to the information and explanations given to us, there are no guarantees and securities given during the year in respect of which provision of 186 of the Act are applicable and hence not commented upon.

- v The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi The Company is not in the business of sale of any goods or provision of such services as prescribed. Therefore, in our opinion, the provisions of clause 3(vi) of the order is not applicable to the Company.
- vii (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months:

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Due Date	Date of Payment
IGST Act, CGST Act and SGST Act, 2017	Interest on late filing of Goods and Service tax returns	Rs. 0.15 million	2020-21 and 2021-22	September 14, 2021	Unpaid as at March 31, 2023

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	Rs. 28.15 million	2016-17 and 2017-18	Directorate General of Goods and Service tax



# **S R B C & CO LLP**

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- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix (a) The Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has used funds raised on short- term basis aggregating to Rs. 16.68 million for long-term purposes.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. The funds raised, have been used for the purposes for which the funds were raised.
- xi (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii According to information and explanation given by the management on certain transaction entered with related parties being specialized nature, transactions with the related parties are in compliance with sections 177 and 188 of Companies



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Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- xiv (a) The Company has implemented internal audit system on a voluntary basis which is commensurate with the size of the Company and nature of its business though it is not required to have an internal audit system under Section 138 of the Companies Act, 2013.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix On the basis of the financial ratios disclosed in note 32 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable 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.



# **S R B C & CO LLP**

Chartered Accountants

xx (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 25 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 25 to the financial statements.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Sukrut Mehta**

Partner

Membership Number:101974

UDIN: 23101974BGUFPC5156

Place of Signature: Ahmedabad

Date: September 05, 2023



# **S R B C & CO LLP**

Chartered Accountants

**Annexure 2 to the Independent Auditor's report of even date on the financial statements of Bioneds India Private Limited.**

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

We have audited the internal financial controls over financial reporting of Bioneds India Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

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

## **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls system with reference to these 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 these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



# **S R B C & CO LLP**

Chartered Accountants

## **Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 23101974BGUFPC5156

Place of Signature: Ahmedabad

Date: September 05, 2023

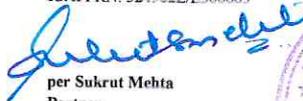


**Bioneeds India Private Limited**  
**Balance Sheet as at March 31, 2023**  
(All amounts in rupees million, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3.1	893.86	768.29
(b) Capital work-in-progress	3.3	140.05	101.79
(c) Right of use assets	3.4	165.19	110.03
(d) Other intangible assets	3.2	5.88	2.27
(e) Intangible assets under development	3.3	6.61	-
(f) Financial assets			
(i) Investments	4.1	-	-
(ii) Other financial assets	4.5	26.53	53.40
(g) Deferred tax assets (net)	20	7.24	11.88
(h) Income tax assets (net)	5	26.93	30.92
(i) Other non-current assets	6	62.29	41.72
<b>Total non-current assets</b>		<b>1,334.58</b>	<b>1,120.30</b>
<b>Current assets</b>			
(a) Inventories	7	22.12	14.57
(b) Financial assets			
(i) Trade receivables	4.2	339.84	207.51
(ii) Cash and cash equivalents	4.3	35.24	18.29
(iii) Loans	4.4	-	-
(iv) Other financial assets	4.5	78.95	24.68
(c) Other current assets	6	70.24	40.25
<b>Total current assets</b>		<b>546.39</b>	<b>305.30</b>
<b>Total Assets</b>		<b>1,880.97</b>	<b>1,425.60</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	8	73.81	71.43
(b) Other equity	9	285.90	5.07
<b>Total Equity</b>		<b>359.71</b>	<b>76.50</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	10.1	259.12	353.50
(ii) Lease liability	31	169.72	118.77
(iii) Other financial liabilities	10.3	-	0.08
(b) Provisions	12	13.38	17.11
<b>Total non-current liabilities</b>		<b>442.22</b>	<b>489.46</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	10.1	459.92	351.82
(ii) Lease liability	31	24.67	19.29
(iii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	10.2	9.54	7.16
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		20.26	25.83
(iv) Other financial liabilities	10.3	76.87	68.95
(b) Other current liabilities	11	472.77	370.70
(c) Provisions	12	7.43	13.40
(d) Income tax liabilities (net)	13	7.58	2.49
<b>Total current liabilities</b>		<b>1,079.04</b>	<b>859.64</b>
<b>Total liabilities</b>		<b>1,521.26</b>	<b>1,349.10</b>
<b>Total equity and liabilities</b>		<b>1,880.97</b>	<b>1,425.60</b>

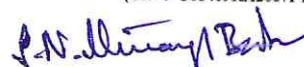
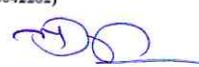
Summary of significant accounting policies 2.1  
Summary of significant accounting judgements, estimates and assumptions 2.2  
The accompanying notes are an integral part of these financial statements.

As per our report of even date  
For S R B C & Co. LLP  
Chartered Accountants  
ICAI FRN: 324982E/E300003

  
per Sukrut Mehta  
Partner  
Membership No. 101974



For and on Behalf of the Board of Directors of  
Bioneeds India Private Limited  
(CIN : U01409KA2007PTC042282)

S N Vinaya Babu  
Managing Director  
DIN : 01373832

Nitin Deshmukh  
Chairman  
DIN : 00060743

  
P.N.Naresh  
Chief Financial Officer

  
Prasanna Subramanya Bhat  
Company Secretary  
ICSI Membership No. A48828

Date: September 05, 2023  
Place: Ahmedabad

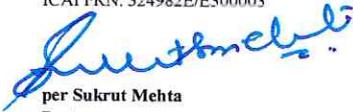
Date: September 05, 2023  
Place: Bengaluru

**Bioneds India Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2023**  
**(All amounts in rupees million, unless otherwise stated)**

Sr. No.	Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
(I)	Revenue from operations	14	1,134.52	932.05
(II)	Other income	15	14.71	12.72
(III)	<b>Total Income (I+ II)</b>		<b>1,149.23</b>	<b>944.77</b>
(IV)	<b>Expenses</b>			
	Cost of material consumed	16	151.61	134.27
	Employee benefit expenses	17	351.21	336.80
	Finance costs	18	85.52	81.87
	Depreciation and amortization expenses	3	132.15	100.91
	Other expenses	19	179.34	150.86
	<b>Total Expenses (IV)</b>		<b>899.83</b>	<b>804.71</b>
(V)	<b>Profit before tax (III-IV)</b>		<b>249.40</b>	<b>140.06</b>
(VI)	<b>Tax expense</b>	20		
	(1) Current tax		66.35	34.69
	(2) Adjustment of tax relating to earlier years		(3.05)	-
	(3) Deferred tax charge / (credit)		4.20	6.70
	<b>Total tax expense (VI)</b>		<b>67.50</b>	<b>41.39</b>
(VII)	<b>Profit for the year (V-VI)</b>		<b>181.90</b>	<b>98.67</b>
(VIII)	<b>Other comprehensive income</b>			
	<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
	Re-measurement gain on defined benefit plans		1.75	0.36
	Income tax effect		(0.44)	(0.09)
	<b>Total other comprehensive income for the year (VIII)</b>		<b>1.31</b>	<b>0.27</b>
(IX)	<b>Total comprehensive income for the year (VII+ VIII)</b>		<b>183.21</b>	<b>98.94</b>
	Earnings per equity share (Face value per share: Rs. 10 each (March 31, 2022: Rs. 10)) (in Rs.)	22		
	Basic and diluted		24.78	13.81

Summary of significant accounting policies 2.1  
Summary of significant accounting judgements, estimates and assumptions 2.2  
The accompanying notes are an integral part of these financial statements.

As per our report of even date  
**For S R B C & Co. LLP**  
Chartered Accountants  
ICAI FRN: 324982E/E300003

  
per Sukrut Mehta  
Partner

Membership No. 101974

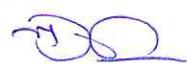


Date: September 05, 2023  
Place: Ahmedabad

**For and on Behalf of the Board of Directors of**  
**Bioneds India Private Limited**  
(CIN : U01409KA2007PTC042282)



S N Vinaya Babu  
Managing Director  
DIN : 01373832



Nitin Deshmukh  
Chairman  
DIN : 00060743



P.N.Naresh  
Chief Financial Officer



Prasanna Subramanya Bhat  
Company Secretary  
ICSI Membership No.A48828

Date: September 05, 2023  
Place: Bengaluru

**Bionees India Private Limited**  
**Statement of cash flows for the year ended March 31, 2023**  
(All amounts in rupees million, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A Cash flow from operating activities</b>		
Profit before tax	249.40	140.06
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	132.15	100.91
Finance cost	85.52	81.87
Net interest income	(1.06)	(4.86)
Provision for impairment on non-current investment	-	0.02
Loss/(Gain) on disposal of property, plant and equipment	0.48	(0.04)
Liabilities no longer required written back	(4.37)	(7.81)
Provision for doubtful debts	6.24	8.42
Loan written off (net of provision)	0.20	0.96
Other receivables written off	0.79	0.23
Property, plant and equipment and capital work in progress written off	5.14	3.54
Provision for non-moving & slow moving inventory	2.82	-
Provision for doubtful advances to creditors	-	0.40
Unrealized foreign exchange gain	(2.68)	(1.46)
<b>Operating profit before working capital changes</b>	<b>474.63</b>	<b>322.24</b>
Adjustments for:		
(Increase) in trade receivables	(135.84)	(54.24)
(Increase) in inventories	(10.37)	(7.84)
(Increase) in financial assets	(29.78)	(15.71)
(Increase) in other assets	(59.84)	(6.63)
(Decrease) in trade payables	(0.62)	(10.23)
Increase in other financial liabilities	27.03	9.37
Increase in other current liabilities	105.07	78.71
Increase/(Decrease) in provisions	(7.95)	16.84
<b>Cash generated from operation</b>	<b>362.33</b>	<b>332.51</b>
Direct taxes paid (net of refund)	(55.90)	(53.85)
<b>Net cash flow generated from operating activities (A)</b>	<b>306.43</b>	<b>278.66</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets including intangible assets under development and Capital work-in-progress	(296.82)	(202.91)
Proceeds from sale of property, plant and equipment	0.70	1.15
Interest received	-	0.19
Proceeds from redemption of fixed deposits	-	29.50
Investment in fixed deposits	-	(19.50)
Investment in subsidiary	-	(0.02)
Sale of stake of wholly owned subsidiary	-	0.10
Loan to subsidiary company	(0.20)	(0.96)
Loan repaid by directors	-	44.21
<b>Net cash flow (used in) investing activities (B)</b>	<b>(296.32)</b>	<b>(148.24)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from long-term borrowing	-	159.08
(Repayment) of long-term borrowing	(126.81)	(65.94)
Proceeds from short-term borrowing	105.25	-
(Repayment) of short-term borrowing	-	(113.22)
Proceeds from issue of shares (including securities premium)	100.00	-
Finance cost paid	(51.20)	(75.53)
Payment of principal portion of lease liability	(20.40)	(16.97)
<b>Net Cash flow generated from/(used in) financing activities (C)</b>	<b>6.84</b>	<b>(112.58)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>16.95</b>	<b>17.84</b>
Cash and cash equivalents at the beginning of the year	18.29	0.45
Cash and cash equivalents at the end of the year	35.24	18.29
<b>Components of cash and cash equivalent</b>		
Balance with banks:		
- On current accounts	34.90	18.19
Cash on hand	0.34	0.10
<b>Total cash and cash equivalents (refer note 4.3)</b>	<b>35.24</b>	<b>18.29</b>

\* Figures nullified in conversion of Rupees in million



**Bionees India Private Limited**  
**Statement of cash flows for the year ended March 31, 2023**  
 (All amounts in rupees million, unless otherwise stated)

**Notes to statement of cash flows:**

- 1) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act, 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).
- 2) Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2022	Cash flows (net)	Others#	As at March 31, 2023
<b>Financing activities</b>				
Short-term borrowing	351.82	105.25	2.85	459.92
Long-term borrowing	353.50	(176.81)	32.43	259.12
Lease liability	138.06	(20.40)	76.73	194.39
<b>Total</b>	<b>843.38</b>	<b>(41.96)</b>	<b>112.01</b>	<b>913.43</b>

Particulars	As at April 01, 2021	Cash flows (net)	Others#	As at March 31, 2022
<b>Financing activities</b>				
Short-term borrowing	396.16	(113.22)	68.88	351.82
Long-term borrowing	324.32	93.13	(63.95)	353.50
Lease liability	93.98	(16.97)	61.05	138.06
<b>Total</b>	<b>814.46</b>	<b>(37.06)</b>	<b>65.98</b>	<b>843.38</b>

- #1) Others in long-term borrowing represents impact of amortisation of upfront fees paid on borrowing, remeasurement of long term borrowing and reclassification of borrowings.  
 #2) Others in lease liability includes the effect of interest accrual on lease liability, addition to lease liability and reduction of lease liability due to termination on account of Ind AS 116.

- 3) Non-cash financing and investing activities

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Acquisition of right of use assets	80.14	73.22

- Summary of significant accounting policies 2.1  
 Summary of significant accounting judgements, estimates and assumptions 2.2  
 The accompanying notes are an integral part of these financial statements.

As per our report of even date  
 For S R B C & Co. LLP  
 Chartered Accountants  
 ICAI FRN: 324982E/000003

*Sukrut Mehta*  
 per Sukrut Mehta  
 Partner  
 Membership No. 101974



For and on Behalf of the Board of Directors of  
 Bionees India Private Limited  
 (CIN : U01409KA2007PTC042282)

*S N Vinaya Babu*  
 S N Vinaya Babu  
 Managing Director  
 DIN : 01373832

*Nitin Deshmukh*  
 Nitin Deshmukh  
 Chairman  
 DIN : 00060743

*P.N. Naresh*  
 P.N. Naresh  
 Chief Financial Officer

*Prasanna Subramanya Bhat*  
 Prasanna Subramanya Bhat  
 Company Secretary  
 ICSI Membership No. A48828

Date: September 05, 2023  
 Place: Ahmedabad

Date: September 05, 2023  
 Place: Bengaluru

Bionees India Private Limited  
Statement of changes in equity for the year ended March 31, 2023  
(All amounts in rupees million, unless otherwise stated)

A) Equity share capital:  
Equity shares of Rs. 10 each issued, subscribed and fully paid

Particulars	Note	Amount
Issued, Subscribed and fully paid equity shares of Rs.10 each		
<b>Balance as at March 31, 2021</b>		<b>71.43</b>
Changes in Equity Share Capital due to prior period errors		-
Issue of equity shares during the year	8	-
<b>Balance as at March 31, 2022</b>		<b>71.43</b>
Changes in Equity Share Capital due to prior period errors		-
Issue of equity shares during the year	8	2.38
<b>Balance as at March 31, 2023</b>		<b>73.81</b>

B) Other equity (refer note 9)

Particulars	Reserves and surplus			
	Securities premium	Capital redemption reserve	Retained earnings	Total
<b>Balance as at March 31, 2021</b>	<b>22.90</b>	<b>90.47</b>	<b>(207.24)</b>	<b>(93.87)</b>
Changes due to accounting policy or prior period errors	-	-	-	-
Profit for the year (net of taxes)	-	-	98.67	98.67
Other comprehensive income for the year (net of taxes)	-	-	0.27	0.27
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>98.94</b>	<b>98.94</b>
Amount transferred to capital redemption reserve on redemption of preference shares	-	33.33	(33.33)	-
<b>Balance as at March 31, 2022</b>	<b>22.90</b>	<b>123.80</b>	<b>(141.63)</b>	<b>5.07</b>
Changes due to accounting policy or prior period errors	-	-	-	-
Profit for the year (net of taxes)	-	-	181.90	181.90
On issue of shares during the year	97.62	-	-	97.62
Other comprehensive income for the year (net of taxes)	-	-	1.31	1.31
<b>Total comprehensive income for the year</b>	<b>97.62</b>	<b>-</b>	<b>183.21</b>	<b>280.83</b>
<b>Balance as at March 31, 2023</b>	<b>120.52</b>	<b>123.80</b>	<b>41.58</b>	<b>285.90</b>

Summary of significant accounting policies 2.1  
Summary of significant accounting judgements, estimates and assumptions 2.2  
The accompanying notes are an integral part of these financial statements.

As per our report of even date  
For S R B C & Co. LLP  
Chartered Accountants  
ICAI FRN: 324982E/E300003

*Sukrut Mehta*

per Sukrut Mehta  
Partner  
Membership No. 101974



For and on Behalf of the Board of Directors of  
Bionees India Private Limited  
(CIN : U01409KA2007PTC042282)

*N. Vinaya Babu*

N. Vinaya Babu  
Managing Director  
DIN : 01373832

*Nitin Deshmukh*

Nitin Deshmukh  
Chairman  
DIN : 00060743

*P.N. Naresh*

P.N. Naresh  
Chief Financial Officer

*Prasanna Subramanya Bhat*

Prasanna Subramanya Bhat  
Company Secretary  
ICSI Membership No. A48823

Date: September 05, 2023  
Place: Ahmedabad

Date: September 05, 2023  
Place: Bengaluru

**Bionees India Private Limited**  
**Notes to financial statements for the year ended March 31, 2023**

**1. Corporate information**

Bionees India Private Limited (“the Company”) is a private company domiciled in India with its registered office at Devarahoshalli Sompura Hobli, Nelamangala, Bangalore, Karnataka, India - 562111. The Company was incorporated on March 28, 2007 under the provisions of the Companies Act applicable in India and is working as preclinical contract research organization providing integrated discovery, development and regulatory services to pharmaceutical, biopharmaceutical, agrochemical, industrial chemical, herbal/nutraceutical and medical device companies.

The financial statements were approved for issue in accordance with a resolution of the directors on September 05, 2023.

**2.1 Significant accounting policies**

**(A) Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of Companies Act, 2013 (“the Act”) read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III, as amended), and other accounting principles generally accepted in India.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value / amortized cost (Refer note 28).

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest INR millions, except when otherwise indicated. Figures below Rs. 10,000 has been indicated as “\*” as the same is nullified on conversion of rupees in million.

**(B) Summary of significant accounting policies**

**a. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realized within twelve months after the reporting period; or
- (iv) 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 treated as current when:

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



**Bionees India Private Limited**  
**Notes to financial statements for the year ended March 31, 2023**

**b. Foreign currencies**

The Company's financial statements are presented in INR, which is also its functional currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.

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

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**c. Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



**Bionees India Private Limited**  
**Notes to financial statements for the year ended March 31, 2023**

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

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

The management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

- (a) Disclosures for valuation methods, significant estimates and assumptions (note 28)
- (b) Quantitative disclosures of fair value measurement hierarchy (note 28)
- (c) Financial instruments (including those carried at amortised cost) (note 28)

**d. Revenue from contract with customer**

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

**Sale of service**

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Revenue from customer contracts are recognized on these identified distinct performance obligations.

The Company exercise judgement in determining the timing when the performance obligation is satisfied. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.



**Bionees India Private Limited****Notes to financial statements for the year ended March 31, 2023**

For the majority of contract performance obligations, the Company has determined that an output method is appropriate measure of progress. Revenue recognition is determined by assessing the performance completed or delivered to date under the terms of the arrangement. The measures utilized to assess progress on the satisfaction of performance are specific to the performance obligation identified in the contract.

**Volume rebates**

The company provides rebate to customers once the quantum exceeds a threshold limit specified in contract.

**Contract Balances****Contract assets**

A contract asset is initially recognised for revenue earned from clinical services because the receipt of consideration is conditional on successful completion of the project. Upon completion of the project and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (p) Financial instruments – initial recognition and subsequent measurement.

**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 (p) Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related services. Contract liabilities are recognised as revenue when the Company performs under the contract.

**e. Other Income**

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

**f. 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company shall reflect the effect of



**Bionees India Private Limited**

**Notes to financial statements for the year ended March 31, 2023**

uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

**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:

- i) 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
- ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and 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

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:

- i) 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
- ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

**Minimum Alternate Tax (MAT)**

The Company is not eligible for MAT credit entitlement since Company had opted for lower tax rate under section 115BAA of Income Tax Act, 1961 during the earlier year.



**Bionees India Private Limited****Notes to financial statements for the year ended March 31, 2023****Goods and services tax paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of Goods and Services tax paid, except:

- i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**g. Property, plant, and equipment**

Property, Plant, and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. It comprises of the cost of property, plant and equipment that are not yet ready for their intended use as on the date of balance sheet.

Depreciation is calculated on a straight line method over the estimated useful lives of the assets as follows:

Assets	Useful lives (in years) prescribed in Schedule II of the companies Act 2013
Plant & machinery	5 to 15
Office equipment	5
Computers and peripherals	3
Furniture & fixtures	10
Vehicles	8
Building	5 to 60
Lab equipment	10
Electrical installation	10

Building on leasehold land is depreciated on straight line basis over the period of lease or useful life whichever is lower.

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



## Bionees India Private Limited

### Notes to financial statements for the year ended March 31, 2023

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

#### **h. Intangible assets**

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

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

A summary of the policies applied to the company's intangible assets is, as follows:

<b>Intangible assets</b>	<b>Useful lives</b>	<b>Amortisation method used</b>	<b>Internally generated or acquired</b>
Computer software	3 years	Amortised on a straight-line basis over the period of computer software	Acquired

#### **i. Borrowing costs**

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

#### **j. 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

#### **Company as a lessee**

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



## **Bionees India Private Limited**

### **Notes to financial statements for the year ended March 31, 2023**

#### **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 remeasurement 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:

Land and buildings - up to 10 years

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

#### **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 receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. 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 expenses (unless they are incurred to produce inventories) 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 (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### **iii) Short-term leases and leases of low-value assets**

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **k. Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Consumables: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.



## **Bionees India Private Limited**

### **Notes to financial statements for the year ended March 31, 2023**

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.

Provision for slow moving and non-moving inventory is made considering its expected usage pattern.

#### **1. Impairment of non-financial assets**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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 or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus

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

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.



**Bionees India Private Limited**  
**Notes to financial statements for the year ended March 31, 2023**

**m. Provisions**

**General**

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

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

**n. Retirement and other employee benefits**

Retirement benefit in the form of provident fund and employee stated insurance (ESIC) is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund and ESIC. The company recognizes contribution payable to the provident fund and ESIC scheme as an expense, when an employee renders the related service.

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Past service costs are recognised in profit or loss on the earlier of:

- i) The date of the plan amendment or curtailment, and
- ii) The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ii) Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting



## **Bionees India Private Limited**

### **Notes to financial statements for the year ended March 31, 2023**

date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

#### **o. Financial instruments**

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

#### **Financial assets**

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

##### *Subsequent measurement*

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

- i) Financial assets at amortised cost (debt instruments)
- ii) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- iv) Financial assets at fair value through profit or loss



## **Bionees India Private Limited**

### **Notes to financial statements for the year ended March 31, 2023**

#### ***Financial assets at amortised cost (debt instruments)***

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

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

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

#### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

#### **Embedded Derivatives**

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

#### ***Derecognition***

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

- i) The rights to receive cash flows from the asset have expired, or
- ii) 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.



## **Bionees India Private Limited**

### **Notes to financial statements for the year ended March 31, 2023**

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

#### ***Impairment of financial assets***

In accordance with Ind-AS 109, the company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss. For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

#### **Investment in Subsidiaries**

Investment in Subsidiaries are measured at cost less impairment in accordance with Ind AS 27 "Separate Financial Statements".

#### **Financial liabilities**

##### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

##### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- i) Financial liabilities at fair value through profit or loss
- ii) Financial liabilities at amortised cost (loans and borrowings)

##### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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



**Bionees India Private Limited****Notes to financial statements for the year ended March 31, 2023**

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

***Financial liabilities at amortised cost (Loans and borrowings)***

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

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

This category generally applies to borrowings.

***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.

**p. 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, that are readily convertible to a known amount of cash and 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.

**q. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends 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 of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



## **Bioneds India Private Limited**

### **Notes to financial statements for the year ended March 31, 2023**

#### **2.2 Significant accounting judgements, estimates and assumptions**

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

Other disclosures relating to the company's exposure to risks and uncertainties includes:

- i) Capital management note 30
- ii) Financial risk management objectives and policies note 29
- iii) Sensitivity analyses disclosures note 29

#### **Judgements**

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### **Determining the lease term of contracts with renewal and termination options – company as lessee**

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The company has several lease contracts that include extension and termination options. The company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

#### **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 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.

#### **Defined benefit plans (gratuity benefits)**

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



## **Bionees India Private Limited**

### **Notes to financial statements for the year ended March 31, 2023**

#### **Fair value measurement of financial instruments**

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

#### **Leases - Estimating the incremental borrowing rate**

The company cannot readily determine the interest rate implicit in the lease, therefore, 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).

#### **Standards notified but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's standalone financial statements are disclosed below. The Company intends to adopt these standards, if applicable, as and when they become effective. The Ministry of Corporate affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2023 on March 31, 2023. The amendments have been made in the following standards:

Ind AS 1: Presentation of Financial Statements is amended to replace the term "significant accounting policies" with "material accounting policy information" and providing guidance relating to immaterial transactions, disclosure of entity specific transactions and more.

Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors to include the definition of accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty."

Ind AS 12: Income Taxes relating to initial recognition exemption of deferred tax related to assets and liabilities arising from a single transaction.

These amendments shall come into force with effect from April 01, 2023. The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from applicability date.



3 Property, plant and equipment, Capital work-in-progress, Other intangible assets and Right of use assets as at March 31, 2023

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Opening balance as at April 01, 2022	Addition	Deduction	Closing balance as at March 31, 2023	Opening balance as at April 01, 2022	Charge for the year	On deduction	Closing balance as at March 31, 2023	As at March 31, 2022
<b>3.1. Property, plant and equipment</b>									
Freshhold Land	2.33	-	-	2.33	-	-	-	-	2.33
Building	296.17	79.06	-	375.24	39.11	25.36	-	64.47	310.76
Plant & Machinery	62.46	40.37	1.59	101.24	11.26	5.44	0.42	16.29	84.95
Vehicles	28.83	1.53	3.95	26.41	13.20	3.25	2.37	14.08	12.33
Electrical Installations	17.89	2.21	-	20.10	8.60	2.35	-	10.95	9.15
Furniture & Fixtures	60.80	28.48	1.89	87.39	12.55	7.38	0.75	19.18	68.21
Lab Equipments	472.85	56.01	1.31	527.55	111.17	51.53	0.43	162.26	365.29
Office Equipment	8.54	20.83	0.64	28.72	1.78	2.84	0.50	4.12	24.60
Computers	31.67	8.67	9.06	31.28	15.57	7.14	7.67	15.04	16.24
<b>Total</b>	<b>981.53</b>	<b>237.16</b>	<b>18.44</b>	<b>1,200.25</b>	<b>213.24</b>	<b>105.29</b>	<b>12.14</b>	<b>306.39</b>	<b>893.86</b>
<b>3.2 Other intangible assets</b>									
Computer software	3.46	5.67	0.26	8.87	1.19	1.88	0.08	2.99	5.88
<b>Total</b>	<b>3.46</b>	<b>5.67</b>	<b>0.26</b>	<b>8.87</b>	<b>1.19</b>	<b>1.88</b>	<b>0.08</b>	<b>2.99</b>	<b>5.88</b>

3.3 Capital work-in-progress and Intangible assets under development

Particulars	Capital work-in-progress		Intangible assets under development		Total
	As at April 01, 2022	Addition	As at April 01, 2022	Addition	
As at April 01, 2022	101.79	-	-	-	101.79
Addition	226.70	6.61	6.61	-	233.31
Capitalization	(188.44)	-	-	-	(188.44)
As at March 31, 2023	140.05	6.61	6.61	-	146.66

CWIP Ageing Schedule as at March 31, 2023

Project in progress	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
	104.65	-	-	104.65
<b>Total</b>		35.40	-	140.05

Intangible assets under development (IAUD) ageing Schedule as at March 31, 2023

Project in progress	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
	6.61	-	-	6.61
<b>Total</b>		-	-	6.61

Project completion schedule for overdue projects as at March 31, 2023

Project in progress	To be completed in			Total
	Less than 1 year	1-2 years	More than 3 years	
	-	-	-	-
<b>Total</b>				

3.4 Right of use assets (refer note 31)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Opening balance as at April 01, 2022	Addition	Closing balance as at March 31, 2023	Opening balance as at April 01, 2022	Charge for the year	Closing balance as at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land	85.61	80.14	165.75	9.58	15.24	24.82	140.93	76.03
Building	62.56	-	62.56	28.56	9.74	38.30	24.26	34.00
<b>Total</b>	<b>148.17</b>	<b>80.14</b>	<b>228.31</b>	<b>38.14</b>	<b>24.98</b>	<b>63.12</b>	<b>165.19</b>	<b>110.03</b>

Notes:

- Capital work-in-progress as at March 31, 2023 is Rs. 140.05 million (March 31, 2022: Rs. 101.79 million) comprises expenditure for the property, plant and equipment which are under development and not yet put for use. There are no projects overdue in terms of times and budget as at March 31, 2023.
- Intangible assets under development as at March 31, 2023 is Rs.6.61 million (March 31, 2022: Nil) comprise expenditure for the development of software.
- The board of directors in their meeting held on July 17, 2023 approved the sale of the Biopharma Division to Veeda Clinical Research Limited (Holding Company), which was also approved by the members in their meeting held on July 25, 2023.



3 Property, plant and equipment, Capital work-in-progress, Other intangible assets and Right of use assets as at March 31, 2022

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	Opening balance as at April 01, 2021	Addition	Deduction	Closing balance as at March 31, 2022	Opening balance as at April 01, 2021	Charge for the for the year	On deduction	Closing balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
<b>3.1. Property, plant and equipment</b>										
Freehold Land	2.33	-	-	2.33	-	-	-	-	2.33	2.33
Building	179.78	116.39	-	296.17	25.43	13.67	-	39.11	257.06	154.35
Plant & Machinery	48.97	14.44	0.95	62.46	6.98	4.40	0.12	11.26	51.20	42.00
Vehicles	26.86	2.93	0.97	28.83	10.62	2.94	0.36	13.20	15.63	16.24
Electrical Installations	17.89	-	-	17.89	5.73	2.86	-	8.60	9.29	12.14
Furniture & Fixtures	35.41	25.65	0.26	60.80	7.47	5.12	0.03	12.55	48.25	27.94
Lab Equipments	324.18	150.02	2.25	472.85	66.54	45.13	0.50	111.17	361.68	257.64
Office Equipment	3.06	5.33	0.05	8.54	0.52	1.27	0.01	1.78	6.75	2.54
Computers	20.39	14.75	3.47	31.67	12.00	5.84	2.28	15.57	16.10	8.38
<b>Total</b>	<b>658.87</b>	<b>330.61</b>	<b>7.94</b>	<b>981.53</b>	<b>135.31</b>	<b>81.23</b>	<b>3.30</b>	<b>213.24</b>	<b>768.29</b>	<b>523.56</b>
<b>3.2 Other intangible assets</b>										
Computer software	0.91	2.55	-	3.46	0.32	0.87	-	1.19	2.27	0.59
<b>Total</b>	<b>0.91</b>	<b>2.55</b>	<b>-</b>	<b>3.46</b>	<b>0.32</b>	<b>0.87</b>	<b>-</b>	<b>1.19</b>	<b>2.27</b>	<b>0.59</b>

3.3 Capital work-in-progress

Particulars	Capital work-in-progress	Total
Cost		
As at April 01, 2021	219.49	219.49
Addition	106.01	106.01
Capitalization	(223.71)	(223.71)
As at March 31, 2022	101.79	101.79

CWIP Ageing Schedule as at March 31, 2022

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Project in progress	81.90	10.48	6.82	101.76
<b>Total</b>				<b>101.76</b>

Project completion schedule for overdue projects as at March 31, 2022

Particulars	To be completed in			Total
	Less than 1 year	1-2 years	2-3 years	
Project in progress (refer note ii below)	77.47	-	-	77.47
<b>Total</b>				<b>77.47</b>

3.4 Right of use assets (refer note 31)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	Opening balance as at April 01, 2021	Addition	Termination/ Modification during the year	Closing balance as at March 31, 2022	Opening balance as at April 01, 2021	Charge for the for the year	On termination/ Modification during the year	Closing balance as at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land	25.11	73.22	(12.72)	85.61	10.51	8.61	(0.54)	9.58	76.03	14.60
Building	74.66	-	(12.10)	62.56	22.50	10.19	(4.13)	28.56	34.00	52.16
<b>Total</b>	<b>99.77</b>	<b>73.22</b>	<b>(24.82)</b>	<b>148.17</b>	<b>33.01</b>	<b>18.80</b>	<b>(13.67)</b>	<b>38.14</b>	<b>110.03</b>	<b>66.76</b>

Notes:

- i) Capital work-in-progress as at March 31, 2023 is Rs. 101.79 million (March 31, 2022: Rs. 219.49 million) comprises expenditure for the property, plant and equipment which are under development and not yet put for use.  
ii) The project includes construction of Building at Devarahosahalli location which was started in January, 2020 and was planned to be completed by June, 2021. The building is self-constructed by the Company. There is delay in completion of this project on account of delay in supplies of material and labour on account of COVID-19 from March 2020 onwards. The said project is completed and capitalised during the year ended March 31, 2023.



4 Financial assets

4.1 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Investment in equity shares of subsidiaries (carried at cost) (Unquoted)		
10,000 (March 31, 2022: 10,000) fully paid equity shares of Anthera Lifesciences Private Limited of Rs.10 each	0.10	0.10
Less: Provision for impairment on non-current investment	(0.10)	(0.10)
<b>Total</b>	-	-

<b>Total non current investment</b>		
Aggregate amount of quoted investments and market value thereof		
Aggregate amount of unquoted investments	0.10	0.10
Aggregate amount of impairment in value of investment	(0.10)	(0.10)

Note:

During the year ended March 31, 2022, the Board of Directors in their meeting held on July 15, 2021 approved sale of 100% holding in Activin Chemicals and Pharmaceuticals Private Limited at face value which was approved by members in their meeting held on July 16, 2021.

During the year ended March 31, 2022, the Company has acquired additional 20% holding in the subsidiary company Anthera Lifesciences Private Limited at face value which was approved by Board in their meeting held on December 15, 2021, based on the same Anthera Lifesciences Private Limited has become wholly owned subsidiary of the Company.

4.2 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	339.84	207.51
Trade receivables which have significant increase in credit risk	15.05	23.31
Trade receivables - credit impaired	18.90	4.40
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	(15.05)	(23.31)
Trade receivables - credit impaired	(18.90)	(4.40)
<b>Total</b>	<b>339.84</b>	<b>207.51</b>

Note:

Trade receivable are non-interest bearing and are generally on terms of 7-90 days.

For information about credit risk and market risk related to trade receivable, please refer note 29.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The following table summarizes the change in impairment allowance measured using the life time expected credit loss model:

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	27.71	26.35
Provision made during the year	6.24	8.42
Utilized / reversed during the year	-	(7.06)
At the end of the year	<b>33.95</b>	<b>27.71</b>

Trade Receivables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	195.95	123.56	20.33	-	-	-	339.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	11.61	3.44	-	-	15.05
(iii) Undisputed Trade Receivables – credit impaired	-	7.88	4.13	4.86	1.70	0.33	18.90
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>195.95</b>	<b>131.44</b>	<b>36.07</b>	<b>8.30</b>	<b>1.70</b>	<b>0.33</b>	<b>373.79</b>

Trade Receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables – considered good	110.86	93.60	3.05	-	-	-	207.51
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	15.91	7.35	0.05	-	-	23.31
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	2.52	1.88	-	4.40
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>110.86</b>	<b>109.51</b>	<b>10.40</b>	<b>2.57</b>	<b>1.88</b>	<b>-</b>	<b>235.22</b>



**Bioneds India Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**  
**(All amounts in rupees million, unless otherwise stated)**

**4.3 Cash and cash equivalents**

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks:		
- On current accounts	34.90	18.19
Cash on hand	0.34	0.10
<b>Total</b>	<b>35.24</b>	<b>18.29</b>

**4.4 Loans**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Loans to related party (refer note 24 & note below)		
Secured, Considered good	-	-
Unsecured, Considered good	-	-
Loans to directors		
Loans which have significant increase in credit risk	-	-
Loans - credit impaired		
Loans to subsidiary	-	8.14
Impairment allowance (allowance for bad and doubtful loans)		
Unsecured, considered good	-	-
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	(8.14)
<b>Total</b>	<b>-</b>	<b>-</b>

**Notes:**

- 1) Company had granted Interest free loans to directors which was initially measured at fair value as on the date of transaction during the previous year. The difference between fair value of loan and actual loan granted on the date of transaction was recognised as prepaid employee cost and amortized over a period of loan. The said loans were fully repaid during the year ended March 31, 2022 (refer note 24).
- 2) The company is in the process of regularising non-compliance with respect to section 186 of the Companies Act, 2013.
- 3) Loan given to subsidiary company amounting to Rs. 8.34 million (March 31, 2022: Nil) has been written off during the year considering the unfavourable financial condition of subsidiary company and the same has been booked under other expense (refer note 19).

**Disclosure required under Sec 186(4) of the Companies Act 2013:**

Included in loans and advance are certain loans the particulars of which are disclosed below as required by Sec 186(4) of the Companies Act 2013

Name of the loanee and relationship	Rate of Interest	Due Date	Secured/Unsecured	As at March 31, 2023	As at March 31, 2022
Ambhera Life Sciences Private Limited - subsidiary company	Nil	-	Unsecured	-*	8.14

\*(Refer note 3 above)

**4.5 Other financial assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, considered good</b>		
<b>Non-current</b>		
Security deposits (refer note 24)	26.53	21.02
Export incentive receivable (refer note below)	-	32.38
<b>Sub-total</b>	<b>26.53</b>	<b>53.40</b>
<b>Unsecured, considered good</b>		
<b>Current</b>		
Contract asset		
- Due from customer (accrued revenue) (refer note 14)	66.68	20.62
Security deposits (refer note 24)	-	0.11
Export incentive receivable (refer note below)	12.27	3.95
<b>Sub-total</b>	<b>78.95</b>	<b>24.68</b>
<b>Total</b>	<b>105.48</b>	<b>78.08</b>



**Bionees India Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**  
**(All amounts in rupees million, unless otherwise stated)**

<b>Reconciliation of contract Asset:</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Balance at the beginning of the year	20.62	6.29
Less: Invoicing during the year from balance at the beginning of the year	(19.94)	(6.29)
Add: Contract Assets created during the year	66.00	20.62
Balance at the end of the year	<b>66.68</b>	<b>20.62</b>

**Note:**

The SEIS application for the year ended March 31, 2020 amounting to Rs. 12.27 million has been approved by DGFT and the management expects to receive the same within 12 months accordingly, the same has been classified as current financial asset as at March 31, 2023.

**5 Income tax asset (net)**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Non-current</b>		
Advance payment of Income tax (net of provision)	26.93	30.92
<b>Total</b>	<b>26.93</b>	<b>30.92</b>

**6 Other assets**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Non-Current</b>		
Capital advances	31.99	40.82
Balance with government authorities (refer note below)	26.65	-
Prepaid expenses	3.65	0.90
<b>Sub-total</b>	<b>62.29</b>	<b>41.72</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Balance with government authorities (refer note below)	40.17	20.52
Prepaid expenses	22.45	14.34
Advance to creditors	6.05	3.13
Less: Provision for doubtful advances	-	(0.40)
Employee advances	1.57	2.66
<b>Total</b>	<b>70.24</b>	<b>40.25</b>

**Note:**

Balance with government authorities includes GST input tax credit receivable (net of liability).

**7 Inventories (valued at lower of cost and net realizable value)**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Consumables	24.94	14.57
Less : Provision for non-moving & slow moving inventory	(2.82)	-
<b>Total</b>	<b>22.12</b>	<b>14.57</b>



8 Share Capital

Equity share capital

Particulars	Equity shares	
	No. of shares	Amount
Authorised shares of Rs. 10 each		
As at March 31, 2021	7,850,000	78.50
Change during the year	-	-
As at March 31, 2022	7,850,000	78.50
Change during the year	-	-
As at March 31, 2023	7,850,000	78.50

Particulars	Equity shares	
	No. of shares	Amount
Issued, subscribed and fully paid up equity shares of Rs. 10 each		
As at March 31, 2021	7,142,883	71.43
Changes in Equity Share Capital due to prior period errors	-	-
Change during the year	-	-
As at March 31, 2022	7,142,883	71.43
Changes in Equity Share Capital due to prior period errors	-	-
Change during the year	238,096	2.38
As at March 31, 2023	7,380,979	73.81

Preference share capital

Particulars	Preference shares	
	No. of shares	Amount
Authorised shares of Rs. 100 each		
As at March 31, 2021	2,000,000	200.00
Change during the year	333,000	33.30
As at March 31, 2022	2,333,000	233.30
Change during the year	-	-
As at March 31, 2023	2,333,000	233.30

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

Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	7,142,883	71.43	7,142,883	71.43
change during the year	238,096	2.38	-	-
Shares outstanding at the end of the year	7,380,979	73.81	7,142,883	71.43



(b) Terms / rights attached to equity shares

In respect of Ordinary shares, voting rights shall be in the same proportion as the capital paid upon such ordinary share bears to the total paid up ordinary capital of the company. The Dividend proposed by the board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the shareholders of Ordinary shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(c) Details of Shareholders holding more than 5% shares in the company

Equity Share Capital

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of Holding	No. of shares	% of Holding
S N Vinaya Babu	959,673	13.00	1,778,579	24.90
Veeda Clinical Research Limited	6,421,306	87.00	5,364,304	75.10

(d) Shares held by holding company

Equity Share Capital

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Veeda Clinical Research Limited	6,421,306	64.21	5,364,304	53.64

(e) Shareholding of Promoters as at March 31, 2023

Promoter Name	Class of share	No. of shares at the beginning of the year	Change during the year#	No. of shares at the end of the year	% of Total shares	% change during the year
Dr. S. N. Vinaya Babu	Equity shares of Rs. 10 each fully paid	1,778,579	(818,906)	959,673	13.00%	-11.90%
Veeda Clinical Research Limited	Equity shares of Rs. 10 each fully paid	5,364,304	1,057,002	6,421,306	87.00%	11.90%
<b>Total</b>		<b>7,142,883</b>	<b>238,096</b>	<b>7,380,979</b>	<b>100.00%</b>	<b>0.00%</b>

# change during the period represents the change on account of transfer and acquisition of shares.

(f) Shareholding of Promoters as at March 31, 2022

Promoter Name	Class of share	No. of shares at the beginning of the year	Change during the year #	No. of shares at the end of the year	% of Total shares	% change during the year
Dr. S. N. Vinaya Babu	Equity shares of Rs. 10 each fully paid	4,590,909	(2,812,330)	1,778,579	24.90%	-39.37%
Mr. P. Kiran Kumar	Equity shares of Rs. 10 each fully paid	68,182	(68,182)	-	-	-0.95%
Veeda Clinical Research Limited (refer note below)	Equity shares of Rs. 10 each fully paid	2,142,883	3,221,421	5,364,304	75.10%	45.10%
<b>Total</b>		<b>6,801,974</b>	<b>340,909</b>	<b>7,142,883</b>	<b>100.00%</b>	<b>4.78%</b>

# change during the period represents the change on account of transfer and acquisition of shares.

Note:

During the year ended March 31, 2022, consequent to acquisition of additional 20.10% stake in the Company with effect from July 16, 2021, Veeda Clinical Research Limited has become promoter of the company.



**Bionees India Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**  
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**9 Other Equity**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities premium</b>		
Balance at the beginning of the year	22.90	22.90
Changes due to accounting policy or prior period errors	-	-
On issue of shares during the year	97.62	-
<b>Balance at the end of the year</b>	<b>120.52</b>	<b>22.90</b>
<b>Capital redemption reserve</b>		
Balance at the beginning of the year	123.80	90.47
Changes due to accounting policy or prior period errors	-	-
Amount transferred to capital redemption reserve on redemption of preference shares	-	33.33
<b>Balance at the end of the year</b>	<b>123.80</b>	<b>123.80</b>
<b>Surplus / (Deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	(141.63)	(207.24)
Changes due to accounting policy or prior period errors	-	-
Profit for the year (net of taxes)	181.90	98.67
Other comprehensive Income for the year (net of taxes)	1.31	0.27
Amount transferred to capital redemption reserve on redemption of preference shares	-	(33.33)
<b>Balance at the end of the year</b>	<b>41.58</b>	<b>(141.63)</b>
<b>Total other equity</b>	<b>285.90</b>	<b>5.07</b>

**Nature and purpose of reserves:**

(1) In cases where the company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares has been transferred to "Securities Premium". The Company may issue fully paid-up bonus shares to its members out of the securities premium and to buy-back of shares.

(2) Capital redemption reserve represents the amount transferred on account of redemption of preference shares.

(3) Surplus/(Deficit) in statement of profit and loss: Surplus/(Deficit) in statement of profit and loss are the profits / (losses) that the company has earned / incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to the statement of profit and loss. Retained earnings is a free reserve available to the company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.



**Bioneds India Private Limited**  
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**10 Financial liabilities**

**10.1 Borrowings**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current borrowing (A)</b>		
<b>Secured</b>		
<b>Term Loans facilities from bank</b>		
Indian Rupee loan from bank (refer note 1 below)	37.03	59.08
Foreign currency loan from bank (refer note 2 to 5 below)	343.46	412.94
	<b>380.49</b>	<b>472.02</b>
<b>Current maturities of long term borrowings disclosed under</b>		
<b>Secured</b>		
<b>Term Loans facilities from bank</b>		
Indian Rupee loan from bank (refer note 1 below)	(22.18)	(22.05)
Foreign currency loan from bank (refer note 2 to 5 below)	(99.19)	(96.47)
<b>Total current maturities of long term borrowings disclosed under "current borrowings" (B)</b>	<b>(121.37)</b>	<b>(118.52)</b>
<b>Total Non-current borrowings (A) - (B)</b>	<b>259.12</b>	<b>353.50</b>
<b>Current Borrowings</b>		
<b>Secured</b>		
<b>Loans repayable on demand</b>		
Cash credit from bank (refer note 6 below)	105.25	-
<b>From holding company (Enterprise having significant influence w.e.f. March 19, 2021 up to July 15, 2021)</b>		
<b>Veeda Clinical Research Limited</b>		
<b>Unsecured</b>		
Optionally convertible redeemable preference shares classified as borrowing (refer note 7 below) (refer note 24)	233.30	233.30
<b>Current maturities of long term debt</b>		
<b>Secured</b>		
<b>Term Loans facilities from bank</b>		
Indian Rupee loan from bank (refer note 1 below)	22.18	22.05
Foreign currency loan from bank (refer note 2 to 5 below)	99.19	96.47
	<b>459.92</b>	<b>351.82</b>
<b>Total Current borrowings</b>	<b>459.92</b>	<b>351.82</b>
<b>Total Borrowings</b>	<b>719.04</b>	<b>705.32</b>
Aggregate secured loan	485.74	472.02
Aggregate unsecured loan	233.30	233.30



**Bioneds India Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**  
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**Details of terms and securities for the above borrowing facilities are as follows:**

1	<p>The term Loan amounting to Rs. 67 million from canara bank is taken to build up current assets and meet operational liabilities. The term loan is secured by assets created out of the credit facilities extended. The outstanding balance of the term loan as at March 31, 2023 is of Rs. 37.22 million (March 31, 2022: Rs. 59.56 million). The loan carries interest rate linked to one year RLLR (Repo Linked Lending Rate) plus spread of 0.60%. The effective interest rate is 9.85% (March 31, 2022: 7.50%). The loan is repayable in 36 monthly installments commencing from December 2021.</p>
2	<p>The term Loan amounting to Rs. 270 million from Canara Bank was taken for purchase of undertaking expansion of Pre-clinical and Chemistry Services located at Devarahosalli and Peenya by way of construction of building, purchase of equipments, setting up of Kilo labs etc. and was secured by hypothecation of proposed utilities, lab furnitures and scientific instruments at Devarahosalli - Sompura hobli, Nelamangala and Peenya - Bangalore unit. The loan carried interest rate linked MCLR plus spread of 1.15%. The effective interest rate was 10.50% till the conversion in foreign currency loan during the year ended March 31, 2022.</p> <p>During the year ended March 31, 2022, outstanding Indian Rupee term loan of Rs 267.67 million has been liquidated by obtaining the foreign currency term loan of USD 3,561,760 from the Canara Bank. The said loan carries interest rate linked to six months LIBOR + 350 bps. The loan is secured against hypothecation of plant &amp; machinery, lab equipment, furniture and computer. The loan is also secured by personal guarantee of Dr. S.N Vinaya Babu, Mr. Kiran Kumar &amp; Smt. H.N Sowmya and collateral security of land &amp; building.</p> <p>Outstanding balance of the term loan as at March 31, 2023 is USD 2,671,586 equivalent to Rs.219.65 million (March 31, 2022: 3,383,671 equivalent to Rs. 256.51 million). The effective interest rate for the borrowing post conversion to foreign currency term loan is 3.65% (March 31, 2022: 3.65%). The foreign currency term loan is repayable in 60 monthly instalments commencing from January 2022.</p>
3	<p>The term loan amounting to Rs. 56 million from Canara bank was taken for purchase of Scientific equipments &amp; lab furniture. The term loan was secured by hypothecation of proposed utilities, lab furniture and scientific instruments at Devarahosalli - Sompura hobli, Nelamangala and Peenya - Bangalore unit. The loan carried interest rate linked to one year MCLR plus spread of 1.15%. The effective interest rate was 8.50% till the conversion in foreign currency loan during the year ended March 31, 2022.</p> <p>During the year ended March 31, 2022, outstanding Indian Rupee term loan of Rs 8.15 million has been liquidated by obtaining the foreign currency term loan of USD 108,463 from Canara Bank. The said loan carries interest rate linked to six months LIBOR + 350 bps. The same is secured against hypothecation of land, building, plant and machinery. The loan is also secured by personal guarantee of Dr. S.N Vinaya Babu, Mr. Kiran Kumar &amp; Smt. H.N Sowmya and collateral security of land &amp; building.</p> <p>Outstanding balance of the term loan as at March 31, 2023 is Nil (March 31, 2022: USD 72,310 equivalent to Rs. 5.48 Million). The effective interest rate for the borrowing post conversion to foreign currency term loan is 3.65% (March 31, 2022: 3.65%). The same is fully repaid by the company during the year ended March 31, 2023.</p>
4	<p>The term loan amounting to Rs. 90 million from Canara bank was taken to finance the project for expansion of the company's business in the Biopharmaceutical sector and is secured by hypothecation of proposed utilities, lab furniture and scientific instruments at devarahosalli- sompura hobli, nelamangala and peenya- Bangalore unit. The loan carried interest rate linked to one year MCLR plus spread of 1.15%. The effective interest rate was 8.50% till the conversion in foreign currency loan during the year ended March 31, 2022.</p> <p>During the year ended March 31, 2022, outstanding Indian Rupee term loan of Rs 59.11 million has been liquidated by obtaining the foreign currency term loan of USD 786,581 from Canara Bank. The said loan carries interest rate linked to to six months LIBOR + 350 bps. The same is secured against hypothecation of plant &amp; machinery, lab equipment, furniture &amp; computer. The loan is also secured by personal guarantee of Dr. S.N Vinaya Babu, Mr. Kiran Kumar &amp; Smt. H.N Sowmya and collateral security of land &amp; building.</p> <p>The outstanding balance of the term loan as at March 31, 2023 is USD 550,657 equivalent to Rs. 45.27 million (March 31, 2022 : USD 739,385 equivalent to Rs. 56.05 million). The effective interest rate for the borrowing post conversion to foreign currency term loan is 3.65% (March 31, 2022: 3.65%). The foreign currency term loan is repayable in 50 monthly instalments commencing from January 2022</p>
5	<p>The term loan amounting to Rs. 110 million from Canara bank was taken to meet working capital requirements of the company and is secured by stock and book debts, hypothecation of plant &amp; machinery, lab equipment, furniture &amp; computer, books, utilities, land &amp; building. The loan was also secured by personal guarantee of Dr.S.N Vinaya Babu , Mr. Kiran Kumar &amp; Smt. H.N Sowmya. The loan carried interest rate linked to one year MCLR plus spread of 1.00% and term Premia of 0.40%. The effective interest rate was 8.50% till the conversion in foreign currency loan during the year ended March 31, 2022.</p> <p>During the year ended March 31, 2022, outstanding Indian Rupee term loan of Rs 103.82 million has been liquidated by obtaining the foreign currency term loan of USD 1,381,491 from Canara Bank. The said loan carries interest rate linked to to six months LIBOR + 350 bps. The same is secured against hypothecation of plant &amp; machinery, lab equipment, furniture &amp; computer. The loan is also secured by personal guarantee of Dr. S.N Vinaya Babu, Mr. Kiran Kumar &amp; Smt. H.N Sowmya and collateral security of land &amp; building.</p> <p>Outstanding balance of the term loan as at March 31, 2023 is USD 983,086 equivalent to Rs. 80.83 Million (March 31, 2022: USD 1,301,790 equivalent to Rs. 98.68 million). The effective interest rate for the borrowing post conversion to foreign currency term loan is 3.65% (March 31, 2022: 3.65%). The foreign currency term loan is repayable in 52 monthly instalments commencing from January 2022.</p>
6	<p>Cash Credit from Canara Bank amounting to Rs.125 million is secured by Hypothecation of stocks &amp; Book Debts, Plant &amp; Machinery, Lab Equipments, Furniture &amp; Fixture, Lab Equipments and 2 Eicher Buses. The outstanding balance of the facility as at March 31, 2023 is Rs.105.25 million (March 31, 2022: Nil). The cash credit facility carries interest rate linked to one year RLLR of 9.40% Plus spread of 1.60% (March 31, 2022: one year MCLR of 7.35% Plus spread of 0.90%). The effective interest rate is 11% (March 31, 2022: 8.50%).</p>
7	<p>During the year ended March 31, 2022, the Company has issued Optionally Convertible Redeemable Preference Shares (OCRPS) to Veeda Clinical Research Limited ("the holding company"). Dividend rate of 0.001% p.a. which is cumulative and the same shall be paid in full (together with dividends accrued from prior years). Conversion option of these preference shares shall be exercised by the holding company only after the Company becomes a wholly owned subsidiary. The OCRPS shall be redeemed by the Company upon earlier of (i) 1 day prior to expiry of 20 years at the face value of OCRPS; or (ii) at the option of the investor, at the redemption price which shall be the fair market value of equity shares of the Company at the time of such redemption. considering the terms of OCRPS, the same are redeemable on demand by the investor and hence the same has been classified as current borrowing.</p>



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**10.2 Trade payables**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Outstanding dues of micro and small enterprises (refer	9.54	7.16
Outstanding dues of creditors other than micro and	20.26	25.83
<b>Total</b>	<b>29.80</b>	<b>32.99</b>

**Terms and conditions of the above outstanding balances:**

Trade payables are non-interest bearing and are normally settled in 30-180 days.

For explanation on company's credit risk management process, refer note 29.

For terms and conditions with related party, refer note 24.

Trade Payables ageing schedule as at March 31, 2023						
Particulars	Outstanding for following periods from the date of transaction*					Total
	Unbilled	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	-	9.54	-	-	-	9.54
(ii) Others	12.84	7.42	-	-	-	20.26
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>12.84</b>	<b>16.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.80</b>

Trade Payables ageing schedule as at March 31, 2022						
Particulars	Outstanding for following periods from the date of transaction*					Total
	Unbilled	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	-	7.16	-	-	-	7.16
(ii) Others	17.95	6.40	1.48	-	-	25.83
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>17.95</b>	<b>13.56</b>	<b>1.48</b>	<b>-</b>	<b>-</b>	<b>32.99</b>

\*Considering the availability of data, the above ageing is considered from the date of recording the transaction instead of due date. Consequently, there are no 'hot due' creditors balance disclosed.

**10.3 Other financial liabilities**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Non- Current</b>		
<b>Financial liabilities carried at amortized cost</b>		
Security deposits	-	0.08
<b>Sub-total</b>	<b>-</b>	<b>0.08</b>
<b>Current</b>		
<b>Financial liabilities carried at amortized cost</b>		
Creditors for capital goods (refer note below)	7.08	25.19
Employee benefits payable (refer note 24)	40.61	27.78
Interest accrued but not due on borrowings	0.12	0.13
Refund liability to customers	29.01	15.85
Other payables	0.05	-
<b>Sub-total</b>	<b>76.87</b>	<b>68.95</b>
<b>Total</b>	<b>76.87</b>	<b>69.03</b>

**Note:**

Creditors for capital goods also include outstanding dues of micro enterprises and small enterprises as at March 31, 2023 Rs. 2.32 million (March 31, 2022: Rs. 0.34 million)



**Bionees India Private Limited**

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(All amounts in rupees million, unless otherwise stated)

**11 Other current liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Contract liabilities		
Due to customer (excess billing over revenue) (refer note 14.2)	461.31	359.72
Advance from customers	3.32	4.03
Statutory dues payable	8.14	6.95
<b>Total</b>	<b>472.77</b>	<b>370.70</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Reconciliation of contract liabilities:</b>		
<b>Balance at the beginning of the year</b>	<b>363.75</b>	<b>288.01</b>
Less: Revenue recognized during the year from balance at the beginning of the year	(300.69)	(246.27)
Add: Contract liabilities created during the year	401.56	322.01
<b>Balance at the end of the year</b>	<b>464.63</b>	<b>363.75</b>

**12 Provisions**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
<b>Provision for employee benefit</b>		
Gratuity (refer note 23)	13.38	17.11
<b>Sub-total</b>	<b>13.38</b>	<b>17.11</b>
<b>Current</b>		
<b>Provision for employee benefit</b>		
Gratuity (refer note 23)	5.84	5.40
Compensated absence	1.20	4.38
Provision for indirect taxes	0.39	3.62
<b>Sub-total</b>	<b>7.43</b>	<b>13.40</b>
<b>Total</b>	<b>20.81</b>	<b>30.51</b>

**13 Income tax liabilities (net)**

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax liability (net)	7.58	2.49
<b>Total</b>	<b>7.58</b>	<b>2.49</b>



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**14 Revenue from operations**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from contract with customers</b>		
Sale of Services	1,124.87	932.05
<b>Total revenue from contract with customers</b>	<b>1,124.87</b>	<b>932.05</b>
<b>Other operating revenue</b>		
Export incentives revenue	9.65	-
<b>Total other operating income</b>	<b>9.65</b>	<b>-</b>
<b>Total revenue from operations</b>	<b>1,134.52</b>	<b>932.05</b>

**14.1 Revenue from Contracts with Customers**

Set out below is the disaggregation of the company's revenue from contract with customer

**A. Geographical location of customer**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Germany	304.00	169.43
US	201.78	94.38
India	170.36	240.89
China	159.22	84.63
Others	289.51	342.72
<b>Total revenue from contract with customers</b>	<b>1,124.87</b>	<b>932.05</b>

**B. Timing of revenue recognition**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Services transferred at a point in time	1,124.87	932.05
<b>Total revenue from contract with customers</b>	<b>1,124.87</b>	<b>932.05</b>

**14.2 Contract Balances**

The below table provides information about trade receivables, contract assets and contract liabilities from the contracts with customers:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (refer note 4.2)	339.84	207.51
Contract Assets (refer note 4.5)		
- Due from customer (accrued revenue)	66.68	20.62
Contract Liabilities (refer note 11)		
- Advance from customer	3.32	4.03
- Due to customer (excess billing over revenue)	461.31	359.72

Contract assets relates to revenue earned from ongoing pre-clinical services. As such, the balances of this account vary and depend on the number of pre-clinical services at the end of the year.

Trade receivables are recognized when the right to consideration becomes unconditional. These are non interest bearing generally on the terms of 7-90 days. Company has receivable from its customers for the sale of services & sale of products to its customers. During the year ended March 31, 2023 Rs 6.24 million (year ended March 31, 2022 Rs 8.42 million) was recognized as provision for expected credit losses on trade receivables (including bad debts written off).

Contract liabilities includes short-term advances received for providing pre-clinical services and payment received from customer against invoice raised for which pre-clinical services are yet to be rendered. Contract liabilities are recognized as revenue when the Company satisfies the performance obligation.



**Bionees India Private Limited**

Notes to Financial Statements for the year ended March 31, 2023

(All amounts in rupees million, unless otherwise stated)

**14.3 Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	1,183.48	957.27
Adjustments:		
Rebate payable to customer	(9.24)	(4.54)
Credit notes issued due to change in performance obligation	(49.37)	(20.68)
<b>Revenue from contracts with customers</b>	<b>1,124.87</b>	<b>932.05</b>

**14.4 Information about Company's performance obligation are summarized below:**

The Company exercise judgement in determining the timing when the performance obligation is satisfied. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. For the majority of contract performance obligations, the Company has determined that an output method is appropriate measure of progress. Revenue recognition is determined by assessing the performance completed or delivered to date under the terms of the arrangement. The measures utilized to assess progress on the satisfaction of performance are specific to the performance obligation identified in the contract.

**14.5 Information about major customers:**

For information about major customers, refer note 27.

**15 Other income**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on		
- Bank deposits	*	0.09
- Security deposits	1.22	1.03
- Loan to director (refer note 24)	-	3.75
- Income tax refund	0.88	-
- Others	0.02	-
Net gain on foreign currency transactions	8.01	-
Gain on disposal of property, plant and equipment	-	0.04
Liabilities no longer required written back	4.37	7.81
Miscellaneous income	0.21	-
<b>Total</b>	<b>14.71</b>	<b>12.72</b>



**Bionees India Private Limited****Notes to Financial Statements for the year ended March 31, 2023**

(All amounts in rupees million, unless otherwise stated)

**16 Cost of material consumed**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock of consumables	14.57	6.73
Purchases during the year (refer note 24)	161.98	142.11
Less : Closing stock of consumables	24.94	14.57
<b>Total</b>	<b>151.61</b>	<b>134.27</b>

**17 Employee benefit expenses**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salary, bonus and allowances (refer note 24)	313.56	295.73
Contributions to provident and other funds (refer note 23)	18.41	24.77
Staff welfare expenses	19.24	16.30
<b>Total</b>	<b>351.21</b>	<b>336.80</b>

**18 Finance costs**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Interest expense on</b>		
-Borrowings (refer note 24)	25.31	50.17
-Delayed payment of income tax	1.78	1.25
-Delayed payment of statutory dues	4.63	3.27
-Delayed payment to MSME creditors	0.07	0.80
-Lease liabilities (refer note 24 & 31)	17.23	11.95
-Others	0.02	0.17
Exchange differences regarded as an adjustment to borrowing costs	33.50	11.83
Other charges (processing fees, bank commission)	2.98	2.43
<b>Total</b>	<b>85.52</b>	<b>81.87</b>



**Bionees India Private Limited**

**Notes to Financial Statements for the year ended March 31, 2023**

(All amounts in rupees million, unless otherwise stated)

**19 Other expenses**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Marketing and business promotion expenses	7.37	3.59
Rent expenses (refer note 31)	0.08	0.04
Water, Power and Fuel Charges	34.83	30.63
Legal and professional charges	26.76	37.84
Payments to the auditor (refer note below)	1.64	6.02
Insurance expenses	3.17	2.64
Communication expenses	3.06	2.50
<b>Repairs &amp; maintenance</b>		
-Buildings	4.25	2.23
-Plant and machinery and lab equipments	27.12	21.07
-Others	13.64	5.84
Rates and taxes	12.59	1.36
Renewal of software and licence	5.68	4.80
Expenditure towards CSR activities	1.59	0.53
Testing charges	3.88	4.96
Printing, stationery and courier expense	5.64	4.27
Travelling and Conveyance	9.63	4.98
Donation	0.14	0.08
Provision for doubtful debts	6.24	8.42
Bad debts written off	-	7.06
Less: Bad debts written off out of provision	-	(7.06)
Loss on disposal of property, plant and equipment	0.48	-
Loan written off (net of provision)	0.20	0.96
Other receivables written off	0.79	0.23
Property, plant and equipment and capital work in progress written off	5.14	3.54
Provision for non-moving & slow moving inventory	2.82	-
Provision for doubtful advances	-	0.40
Impairment provision on financial asset	-	0.02
Net loss on foreign currency transactions	-	1.32
Miscellaneous expenses	2.60	2.58
<b>Total</b>	<b>179.34</b>	<b>150.86</b>

**Note:**

**Payments to the auditor**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>As auditor:</b>		
Statutory Audit fees	1.60	2.00
Reimbursement of Expenses	0.04	0.06
Others	-	3.96
<b>Total</b>	<b>1.64</b>	<b>6.02</b>



20 Tax expense

The major components of income tax expense for the period ended March 31, 2023 and year ended March 31, 2022:

(a) Profit and loss section

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Current tax</b>		
Current income tax charge	66.35	34.69
Adjustment of tax relating to earlier years	(3.05)	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	4.20	6.70
<b>Total tax expense reported in the statement of profit and loss</b>	<b>67.50</b>	<b>41.39</b>

(b) Other comprehensive income (OCI) section

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax related to items recognized in OCI during the year		
Net (loss)/gain on remeasurements of defined benefit plans	(0.44)	(0.09)
<b>Deferred tax charged to OCI</b>	<b>(0.44)</b>	<b>(0.09)</b>

(C) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the period ended March 31, 2023 and year ended March 31, 2022:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	249.40	140.06
Tax using the Company's domestic tax rate (March 31, 2023: 25.17% and March 31, 2022: 25.17%)	62.77	35.25
<b>Adjustment</b>		
Non deductible expense	2.92	0.68
Adjustment of tax relating to earlier years	-	1.29
MAT credit lapsed due to adoption of new tax regime	-	2.06
Impact on account of change in tax rate	-	1.46
Others	1.81	0.65
<b>Tax expense as per statement of profit and loss</b>	<b>67.50</b>	<b>41.39</b>

(D) Balance sheet section

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax assets (net)	26.93	30.92
Income tax liabilities (net)	7.58	2.49

(E) Deferred tax

Particulars	Balance Sheet		Statement of Profit and Loss		OCI	
	As at March 31, 2023	As at March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
<b>Deferred tax asset/(Liability) (Net)</b>						
Difference between depreciable assets as per books of accounts and written down value for tax purpose	(15.76)	(14.24)	1.52	2.30	-	-
Employee benefits	5.14	9.00	3.42	(4.21)	0.44	0.09
Right of use assets & lease liabilities	9.11	8.23	(0.88)	0.69	-	-
Provision for doubtful debts, doubtful loans, advances to creditors and non moving & slow moving inventory	9.25	9.12	(0.13)	4.99	-	-
Prepaid expense on upfront fees	(0.62)	(1.07)	(0.45)	0.40	-	-
Others	0.12	0.84	0.72	(0.80)	-	-
Utilisation from opening MAT Credit	-	-	-	1.29	-	-
MAT credit lapsed due to adoption of new tax regime	-	-	-	2.04	-	-
<b>Deferred tax expense / (credit)</b>			<b>4.20</b>	<b>6.70</b>	<b>0.44</b>	<b>0.09</b>
<b>Net deferred tax assets</b>	<b>7.24</b>	<b>11.88</b>				

\* Figure nullified in conversion of Rupees in million.

Reconciliation of deferred tax asset (net) (net of MAT Credit)	As at March 31, 2023	As at March 31, 2022
Opening balance as at the beginning of the year	11.88	18.67
Utilization of MAT credit for payment of income tax	-	(1.29)
MAT credit lapsed due to adoption of new tax regime	-	(2.04)
Tax income/(expense) during the year recognized in profit or loss	(4.20)	(3.37)
Tax income/(expense) during the year recognized in OCI	(0.44)	(0.09)
<b>Closing balance as at the end of the year</b>	<b>7.24</b>	<b>11.88</b>

Note:

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



**Bioneds India Private Limited****Notes to Financial Statements for the year ended March 31, 2023**

(All amounts in rupees million, unless otherwise stated)

**21 Contingent liabilities & capital commitment not provided for****21.1 Contingencies**

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged as debts:		
Service tax*	27.69	27.69

\*Service tax demand comprise of demand from the service tax authorities for payment of additional tax of Rs. 27.69 million (March 31, 2022 Rs.27.69 million). The tax demands are on account denial of export of service under Rule 4 of Place of Provision of Services Rules, 2012 read with rule 6A of Service Tax Rules, 1994 during the period between April 01, 2016 to June 30, 2017. The company has filed writ petition against the same and the matter is pending at high court.

**21.2 Capital Commitments**

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	166.03	9.01

**21.3 Undeclared accrued preference share dividend**

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend on Optionally Convertible Redeemable Preference Shares (OCRPS) (refer note 10.1(7))	*	*

\* Figure nullified in conversion of Rupees in million.

**22 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

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

The following reflects the income and share used in the basic and diluted EPS computation:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax	181.90	98.67
Nominal value of equity share (Amount in Rs.)	10	10
Total number of equity shares	7,380,979	7,142,883
Weighted average number of equity shares for basic and diluted EPS (nominal value of equity share of Rs. 10)	7,341,840	7,142,883
<b>Earnings per equity share (Amount in Rs.)</b>		
Basic and diluted earnings per share	24.78	13.81



23 Disclosure for Employee benefits

(a) Defined contribution plans

Amount recognized as expenses and included in Note 17 "Employee benefit expenses"

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Provident fund	10.70	8.30
Contribution to Employee state insurance	0.97	0.70
<b>Total</b>	<b>11.67</b>	<b>9.00</b>

(b) Defined benefits plan

The Company has following post employment benefit which is in the nature of defined benefit plan:

**Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service calculated on actuarial basis. The gratuity plan is a funded plan to the extent balance available in gratuity account maintained with Life Insurance Corporation of India. Balance available in such fund as on March 31, 2023 is Rs.20.30 million (March 31, 2022: Rs.12.85 million).

i. Reconciliation of defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening defined benefit obligation</b>		
Current Service Cost	35.36	22.07
Past Service Cost	5.39	4.42
Interest Cost	-	10.82
Components of actuarial (gain)/losses on obligation	2.23	1.29
- Due to Change in financial assumptions	(1.58)	(1.02)
- Due to change in demographic assumption	-	-
- Due to experience adjustments	0.33	0.55
Benefits paid	(2.21)	(2.77)
<b>Closing defined benefit obligation</b>	<b>39.52</b>	<b>35.36</b>

ii. Reconciliation of the Fair value of Plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening value of plan assets</b>		
Interest Income	12.85	12.16
Return on plan assets excluding amounts included in interest income	0.90	0.80
Contributions by employer	0.50	(0.11)
Benefits paid	8.16	2.70
	(2.12)	(2.70)
<b>Closing value of plan assets</b>	<b>20.30</b>	<b>12.85</b>

iii. Net liability/(Asset) recognized in the Balance Sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Defined Benefit Obligations	39.52	35.36
Fair Value of Plan assets	(20.30)	(12.85)
<b>Net liability/(Asset) recognized in the Balance Sheet</b>	<b>19.22</b>	<b>22.51</b>



iv. Expenses recognized in Profit and Loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	5.39	4.42
Past service cost	-	10.82
Net interest cost	1.33	0.49
<b>Net Gratuity cost recognized in the statement of Profit and Loss</b>	<b>6.72</b>	<b>15.73</b>

v. Other Comprehensive Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Actuarial gains /(losses)		
- Due to Change in financial assumptions	(1.58)	(1.02)
- Due to change in demographic assumption	-	-
- Due to experience adjustments	0.33	0.55
Return on plan assets, excluding amount recognized in net interest expense	(0.50)	0.11
<b>Components of defined benefit costs recognized in other comprehensive (income)/loss</b>	<b>(1.75)</b>	<b>(0.36)</b>

vi. The major categories of plan assets as a percentage of the fair value of total plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Policy of insurance	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The principal assumptions used in determining above defined benefit obligations for the company's plan are shown below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.35% p.a.	6.70% p.a.
Future salary increase	10% p.a.	10% p.a.
Employee turnover	20% p.a. at younger ages reducing to 5% p.a. at older ages	20% p.a. at younger ages reducing to 5% p.a. at older ages
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Sensitivity analysis for significant assumption is as under:

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation	
		Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	0.5% increase	(1.14)	(1.08)
	0.5% decrease	1.20	1.13
Salary increase	0.5% increase	1.17	1.09
	0.5% decrease	(1.12)	(1.05)
Employee turnover	Change by 10% upward	(0.63)	(0.72)
	Change by 10% downward	0.72	0.81

The following are the expected future benefit payments for the defined benefit plan (Undiscounted) :

Particulars	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	5.03	4.17
Between 2 and 5 years	19.64	17.00
Between 6 and 10 years	15.77	14.02



**Bioneds India Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**24 Related party transactions**

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows :

**Name of related parties and their relationship :**

**Ultimate Holding Company**

Basil Private Limited (W.e.f July 16, 2021)

**Holding Company**

Veeda Clinical Research Limited (w.e.f July 16, 2021) (Enterprise having significant influence w.e.f. March 19, 2021 up to July 15, 2021)

**Subsidiary Company**

Amthera Life Sciences Private Limited (up to December 14, 2021)

**Wholly owned Subsidiary Company**

Amthera Life Sciences Private Limited (w.e.f December 15, 2021)

Activin Chemicals and Pharmaceuticals Private Limited (up to July 20, 2021)

**Joint venture in which the holding company is a venturer**

Ingenuity Biosciences Private Limited (w.e.f July 16, 2021)

**Key managerial personnel of the company :**

Mr. S.N. Vinaya Babu

Managing Director

Mr. Nirmal Atmaram Bhatia

Director

Mr. Parameshkumar Kiran

Director (w.e.f. October 01, 2021) (Wholetime Director up to September 30, 2021)

Mr. Chirag Sachdev

Director (w.e.f. July 16, 2021)

Mr. Rakesh Bhartia

Director (w.e.f. July 16, 2021)

Mr. Nitin Jagannath Deshmukh

Director (w.e.f. August 01, 2022)

Mr. P.N. Naresh

Chief Financial Officer (w.e.f. August 01, 2022)

Mr. Prasanna Subramanya Bhat

Company Secretary

**Relatives of key management personnel :**

Mr. Nagaraja M S

Mrs. Soumya H N

Mr. K.V.Paramesh

**Entity over which key managerial personnel or their relatives are able to exercise significant influence :**

Tumkur Trade Center Private Limited

Adita Biosys Private Limited

Medvice Private Limited

Bhumi Constructions (Proprietor - Mr. Parameshkumar Kiran)

Peenya Food and Drug Testing Lab Private Limited

Nature of transactions with related Parties	Year ended March 31, 2023	Year ended March 31, 2022
<b>Key managerial personnel</b>		
<b>Remuneration (including perquisites &amp; incentive)</b>		
Mr. S.N. Vinaya Babu		
Mr. Parameshkumar Kiran	25.93	26.46
Mr. P.N. Naresh	0.45	0.32
Mr. Prasanna Subramanya Bhat	1.88	-
	1.22	1.02
<b>Professional fees paid to non-executive director</b>		
Mr. Rakesh Bhartia	0.80	0.33
Mr. Nitin Jagannath Deshmukh	0.60	-
<b>Loan repaid</b>		
Mr. S.N. Vinaya Babu	-	32.89
Mr. Parameshkumar Kiran	-	11.32
<b>Security deposit given (rent)</b>		
Mr. S.N. Vinaya Babu	7.84	-
<b>Rent paid</b>		
Mr. S.N. Vinaya Babu	10.19	2.22



Bionees India Private Limited  
Notes to Financial Statements for the year ended March 31, 2023

24 Related party transactions

Nature of transactions with related Parties	Year ended March 31, 2023	Year ended March 31, 2022
<b>Reimbursement of expenses</b>		
Mr. S.N. Vinaya Babu	0.27	0.87
Mr. P.N. Naresh	0.56	-
Mr. Prasanna Subramanya Bhat	0.01	-
Mr. Parameshkumar Kiran	*	-
<b>Relatives of key managerial personnel</b>		
<b>Remuneration (including perquisites)</b>		
Mr. Nagaraja M S	-	0.39
Mrs. Soumya H N	-	0.52
<b>Rent paid</b>		
Mr. Nagaraja M S	-	1.57
Mrs. Soumya H N	9.26	7.73
<b>Catering services availed</b>		
Mr. K.V.Paramesh	0.92	0.62
<b>Holding Company (w.e.f July 16, 2021) ( was an enterprise having significant influence w.e.f. March 19, 2021 up to July 15, 2021)</b>		
<b>Issue of optionally convertible redeemable preference shares of Bionees India Private Limited</b>		
Veeda Clinical Research Limited	-	233.30
<b>Loan repaid</b>		
Veeda Clinical Research Limited	-	233.30
<b>Interest expense</b>		
Veeda Clinical Research Limited	-	10.16
<b>Issue of equity shares of Bionees India Private Limited (including securities premium)</b>		
Veeda Clinical Research Limited	100.00	-
<b>MSME interest income</b>		
Veeda Clinical Research Limited	0.02	-
<b>Sale of consumables</b>		
Veeda Clinical Research Limited	0.28	-
<b>Subsidiary Companies</b>		
<b>Loan given</b>		
Anthera Life Sciences Private Limited	0.20	0.96
<b>Investment in equity shares</b>		
Anthera Life Sciences Private Limited	-	0.02
<b>Loan written off</b>		
Anthera Life Sciences Private Limited	8.34	-
<b>Entity over which key managerial personnel or their relatives are able to exercise significant influence</b>		
<b>Rent paid</b>		
Tumkur Trade Center Private Limited	18.18	17.56
<b>Security deposit given (rent)</b>		
Tumkur Trade Center Private Limited	-	1.45
<b>Purchase of consumables</b>		
Adita Biosys Private Limited	24.28	28.49
<b>Construction service availed (including Goods and Services Tax)</b>		
Bhumi Constructions	-	47.19

\* Figure nullified in conversion of Rupees in million.



24 Related party transactions

Outstanding balances at the end of the year	As at March 31, 2023	As at March 31, 2022
<b>Key managerial personnel</b>		
<b>Remuneration payable (including perquisites and incentive)</b>		
Mr. S.N. Vinaya Babu	1.32	1.27
Mr. Parameshkumar Kiran	0.05	-
Mr. P.N. Naresh	0.17	-
Mr. Prasanna Subramanya Bhat	0.09	0.08
<b>Professional fees paid to non-executive director</b>		
Mr. Rakesh Bhartia	0.14	0.07
Mr. Nitin Jagannath Deshmukh	0.07	-
<b>Rent payable</b>		
Mr. S.N. Vinaya Babu	1.13	0.28
<b>Security deposit given (rent)</b>		
Mr. S.N. Vinaya Babu	7.84	-
<b>Relatives of key managerial personnel</b>		
<b>Trade payables (rent payable)</b>		
Mr. Nagaraja M S	-	*
Mrs. Soumya H N	0.84	0.81
<b>Security deposit given (rent)</b>		
Mrs. Soumya H N	4.00	4.00
<b>Trade payables</b>		
Mr. K.V Paramesh	0.09	0.07
<b>Subsidiary Companies</b>		
<b>Rent Deposit received</b>		
Anthera Life Sciences Private Limited	-	0.02
<b>Loan given</b>		
Anthera Life Sciences Private Limited	-	8.14
<b>Holding Company (w.e.f July 16, 2021) ( was an enterprise having significant influence w.e.f. March 19, 2021 up to July 15, 2021)</b>		
<b>Optionally convertible redeemable preference shares</b>		
Veeda Clinical Research Limited	233.30	233.30
<b>Entity over which key managerial personnel or their relatives are able to exercise significant influence</b>		
<b>Security deposit received (rent)</b>		
Medvice Private Limited	-	0.02
Peenya Food and Drug Testing Lab Private Limited	-	0.02

\* Figure nullified in conversion of Rupees in million.



24 Related party transactions

Outstanding balances at the end of the year	As at March 31, 2023	As at March 31, 2022
<b>Creditors for capital goods</b>		
Bhumi constructions	-	14.89
<b>Security deposit given (rent)</b>		
Tumkur Trade Center Private Limited	17.50	17.50
<b>Trade payables</b>		
Adita Biosys Private Limited	1.82	1.31
<b>Rent payable</b>		
Tumkur Trade Center Private Limited	1.66	1.58

**Terms and conditions of transactions with related parties**

(1) The future liability for gratuity and compensated absence is provided on aggregated basis for all the employees of the company taken as a whole, the amount pertaining to KMPs is not ascertainable separately and therefore not included above.

(2) The company had given unsecured loan to directors during the year ended March 31, 2021 with Nil rate of interest which was repayable on or before March 31, 2022 or on a date mutually agreed between the parties. The same is repaid during the year ended March 31, 2022 as per addendum to loan agreement dated November 30, 2021.

**Commitment with related party**

The company has capital commitment with related party as at March 31, 2023 of Rs. Nil (March 31, 2022 Nil).



25 Corporate social responsibility (CSR) expenditure

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
a) The gross amount required to be spent by the company on the corporate social responsibility (CSR) activities during the year as per the provisions of Section 135 of the Companies Act, 2013 (refer note below)			1.59			-
b) Amount approved by the board to be spent during the year			1.59			1.00
c) Amount spent during the year						
i) Construction/acquisition of asset	-	-	-	-	-	-
ii) On purposes other than (i) above	1.59	-	1.59	0.53	-	0.53
d) Details related to spent/unspent obligations:						
i) Contribution to public trust	-	-	-	-	-	-
ii) Contribution to charitable trust	-	-	-	0.53	-	0.53
iii) Contribution to others	1.59	-	1.59	-	-	-
iv) Unspent amount in relation to;						
- Ongoing project	-	-	-	-	-	-
- Other than ongoing project	-	-	-	-	-	-
<b>Total</b>	<b>1.59</b>	<b>-</b>	<b>1.59</b>	<b>0.53</b>	<b>-</b>	<b>0.53</b>
e) reason for shortfall	Not applicable			Not applicable		
f) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not applicable			Not applicable		
g) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period shall be shown separately	Not applicable			Not applicable		

h) Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects

Particulars	For the year ended March 31, 2023
Balance as at April 01, 2022	-
Amount deposited in a specified fund of schedule VII of the Act within 6 months	-
Amount required to be spent during the year	1.59
Amount spent during the year	1.59
Balance unspent as at March 31, 2023	-

Particulars	For the year ended March 31, 2022
Balance as at April 01, 2021	-
Amount deposited in a specified fund of schedule VII of the Act within 6 months	-
Amount required to be spent during the year	-
Amount spent during the year	-
Balance unspent as at March 31, 2022	0.53

Note:

Amount required to be spent by the company has been computed based on the signed financial statements of the respective years.

26 Details of dues to micro and small enterprises as per MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). Accordingly, the disclosure in respect of the amounts payable to such Enterprises as at March 31, 2023 has been made in the Financial Statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any Supplier as at the Balance Sheet date.

The details as required by MSMED Act are given below;

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;		
Principal and interest amount		
Trade payable		
Capital payable	9.54	7.16
The amount of interest paid by the buyer under the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	2.32	0.34
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid);	10.73	42.72
The amount of interest accrued and remaining unpaid at the end of accounting year; and	*	0.80
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	*	2.29
	-	-

\* Figure nullified in conversion of Rupees in million.

On basis of information and records available with the Company, the above disclosures are made in respect of amount due to the micro and small enterprises, which have been registered with the relevant competent authorities. This has been relied upon by the auditors.



**Bionees India Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**

**27 Segment Reporting**

The company is mainly engaged in the business of pre-clinical Research for various Pharmaceuticals Companies. The company's business falls within a single business segment of 'Pre-Clinical Research' and all the activities of the Company revolve around this main business. The Chief Operating decision maker (CODM) monitors the operating results of the business as a whole for the purpose of making decisions about resource allocation and performance assessment. Therefore, management views company's business activity as a single segment and there are no separate reportable segments in terms of the requirements of Ind AS 108 "Operating Segments" as notified under section 133 of the Companies Act 2013.

**Geographical Segment**

For management purposes, the company is organized into below mentioned operating geographies. The segment revenue is disclosed based on geographical location of customers in the financial statements for the year ended March 31, 2023 and March 31, 2022.

Revenue from external customers	Year ended March 31, 2023	Year ended March 31, 2022
Germany		
US	304.00	169.43
India	201.78	94.38
China	170.36	240.89
Others	159.22	84.63
	289.51	342.72

The following is an analysis of the carrying amount of non-current assets, which do not include deferred tax assets, income tax assets and financial assets analysed by the geographical area in which the assets are located:

Carrying amount of non-current operating assets	As at March 31, 2023	As at March 31, 2022
India	1,273.89	1,024.11
Outside India	-	-

**Information about major customers:**

The company has assessed that there are no external customers from which the revenue from transactions is 10% or more of the company's total revenue for the year ended March 31, 2023 and March 31, 2022.



**Bionees India Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**  
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**28 Financial instrument - fair value hierarchy**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the Financial Statements.

**Fair values**

**A. Category-wise classification of financial instrument**

The carrying value of financial instruments by categories as of March 31, 2023 and March 31, 2022:

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>Financial assets:</b>			
<b>At cost</b>			
Investments	4.1	-	-
<b>Total</b>		-	-
<b>At amortized cost</b>			
Trade receivables	4.2	339.84	207.51
Cash and cash equivalents	4.3	35.24	18.29
Loans	4.4	-	-
Other financial assets (current)	4.5	78.95	24.68
Other financial assets (non-current)	4.5	26.53	53.40
<b>Total</b>		<b>480.56</b>	<b>303.88</b>
<b>Total financial assets</b>		<b>480.56</b>	<b>303.88</b>
<b>Financial liabilities</b>			
<b>At amortized cost</b>			
Current borrowings	10.1	459.92	351.82
Non-current borrowings	10.1	259.12	353.50
Trade payables	10.2	29.80	32.99
Lease liabilities	31	194.38	138.06
Other financial liabilities (current)	10.3	76.87	68.95
Other financial liabilities (non-current)	10.3	-	0.08
<b>Total financial liabilities</b>		<b>1,020.09</b>	<b>945.40</b>

The management assessed that carrying values of financial assets i.e., cash and cash equivalents, Investments, loans, trade payables, trade receivables and other financial assets and liabilities as at March 31, 2023 and as at March 31, 2022 are reasonable approximations of their fair values largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Fair value hierarchy**

The fair value of the Financial Assets and Liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company uses the following hierarchy for determining and/or disclosing the fair value of Financial Instruments by valuation techniques:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical Assets or Liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the Assets or Liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (iii) Level 3: inputs for the Assets or Liabilities that are not based on observable market data (unobservable inputs).

**Financial instrument measured at amortized cost**

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.



**Bionoods India Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2023**  
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**29 Financial risk management objectives and policies**

The company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks and ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, receivables, payables and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity analysis has been prepared on the basis that the amount of net debt and the proportion of financial instruments in foreign currencies are all constant. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2023 and March 31, 2022.

**Exposure to interest rate risk**

Company's interest rate risk arises from borrowings obligations. Borrowings issued expose to fair value interest rate risk. The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the company is as follows.

Variable-rate instruments	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	259.12	353.50
Current borrowings	226.62	118.52

**Interest rate sensitivity:**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or (loss)		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>As at March 31, 2023</b>				
Non-current borrowings	(2.59)	2.59	(1.94)	1.94
Current borrowings	(2.27)	2.27	(1.70)	1.70
<b>Total</b>	<b>(4.86)</b>	<b>4.86</b>	<b>(3.64)</b>	<b>3.64</b>
<b>As at March 31, 2022</b>				
Non-current borrowings	(3.54)	3.54	(2.65)	2.65
Current borrowings	(1.19)	1.19	(0.89)	0.89
<b>Total</b>	<b>(4.73)</b>	<b>4.73</b>	<b>(3.54)</b>	<b>3.54</b>

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates to the company's operating activities denominated in United States Dollar (USD), Euro (EUR) & British pound (GBP).

The following table sets forth information relating to unhedged foreign currency exposure as at March 31, 2023 and March 31, 2022.

**(i) Foreign currency financial assets**

Particulars	As at March 31, 2023		As at March 31, 2022	
	In foreign currency	Amount	In foreign currency	Amount
<b>Trade receivables:</b>				
- USD	2,268,738	186.53	1,174,959	89.07
- Euro	1,164,673	104.36	630,317	53.26
<b>Cash and cash equivalents</b>				
<b>Balances with Banks:</b>				
- On current accounts				
- USD	295,220	24.27	-	-
- Euro	115,025	10.31	-	-
- GBP	1,823	0.19	-	-
<b>Cash on hand</b>				
- USD	10	*	-	-
- Euro	2,847	0.26	-	-
<b>Total</b>		<b>325.91</b>		<b>142.43</b>

\* Figure nullified in conversion of Rupees in million.



Bionoods India Private Limited  
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(ii) Foreign currency financial liabilities:

Particulars	As at March 31, 2023		As at March 31, 2022	
	In foreign currency	Amount	In foreign currency	Amount
<b>Trade payables:</b>				
- Euro	40,663	3.59	18,278	1.55
<b>Borrowing:</b>				
- USD	4,205,328	345.75	5,497,156	416.72
<b>Refund liability to customers:</b>				
- Euro	300,745	26.95	187,184	15.85
- USD	23,284	1.91	-	-
<b>Creditors for capital goods</b>				
- USD	-	-	5,408	0.41
<b>Total</b>		<b>378.20</b>		<b>434.53</b>

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro & GBP exchange rates, with all other variables held constant. The impact on the company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Profit or (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2023</b>				
5% Movement				
USD				
EUR	(6.84)	6.84	(5.12)	5.12
GBP	4.22	(4.22)	3.16	(3.16)
	0.19	(0.19)	0.14	(0.14)
<b>March 31, 2022</b>				
5% Movement				
USD				
EUR	(16.40)	16.40	(12.27)	12.27
	1.80	(1.80)	1.35	(1.35)

(b) 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 receivable) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

Trade Receivables of the company are unsecured. Credit risk is managed through periodic monitoring of the creditworthiness of customers in the normal course of business. The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. The company evaluates the concentration of risk with respect to trade receivables as low, as its Customers are group of repute.

The maximum exposure to credit risk for trade receivable by geographic region are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Domestic	82.90	92.79
Other regions	290.89	142.43
<b>Total</b>	<b>373.79</b>	<b>235.22</b>

Age of trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Not due		
Less than 6 months	195.95	110.86
6 months - 1 year	131.44	109.51
1-2 years	36.07	10.40
2-3 Years	8.30	2.57
More than 3 years	1.70	1.88
<b>Total</b>	<b>373.79</b>	<b>235.22</b>

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the senior management. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(c) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through various short term and long term loans at an optimized cost.



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The table below summarizes the maturity profile of the company's financial liabilities based on contractual payments:

Particulars	On demand	Less than 1 year	1 year to 5 years	More than 5 years	Total
<b>As at March 31, 2023</b>					
Borrowings#	338.55	134.52	271.28	-	744.35
Trade payables	-	29.80	-	-	29.80
Lease liabilities	-	24.67	87.64	82.08	194.39
Other financial liabilities	-	76.87	-	-	76.87
	<b>338.55</b>	<b>265.86</b>	<b>358.92</b>	<b>82.08</b>	<b>1,045.41</b>
<b>As at March 31, 2022</b>					
Borrowings#	233.30	135.94	377.03	-	746.27
Trade payables	-	32.99	-	-	32.99
Lease liabilities	-	19.29	76.80	41.97	138.06
Other financial liabilities	-	68.95	-	0.08	69.03
	<b>233.30</b>	<b>257.17</b>	<b>453.83</b>	<b>42.05</b>	<b>986.35</b>

# Includes committed interest payment on borrowings.

**30 Capital management**

The company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to the shareholders.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023, March 31, 2022.

Particulars	As at March 31, 2023	As at March 31, 2022
Debt (refer below note)		
Less: Cash and cash equivalents	913.42	843.39
<b>Net debt</b>	<b>35.24</b>	<b>18.29</b>
Share capital	878.18	825.10
Other equity	73.81	71.43
<b>Total equity</b>	<b>285.90</b>	<b>5.07</b>
	<b>359.71</b>	<b>76.50</b>
<b>Net debt to equity ratio</b>	<b>2.44</b>	<b>10.79</b>

Notes:

Debt is defined as non-current borrowings, current borrowings (excluding financial guarantee contracts and contingent consideration) and lease liabilities.



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**31 Leases**

**Company as a Lessee:**

The company has operating lease for various premises which are renewable on a periodic basis and cancellable at its option. The lease terms of premises are between 4 to 10 years. The company has availed the exemption of low value of assets. Lease payments evaluated by the company are fixed payments in nature with company not exercising any termination or renewal options to terminate or extend the original lease term. Useful life of right of use asset for computation of amortization expense on right of use assets is assumed to be the term of the lease and method used is Straight-line method.

The company has taken certain premises on lease wherein lease rent is of low value amounting to Rs. 0.08 Million for the year ended March 31, 2023 (March 31, 2022: Rs. 0.04 Million). The company applies low value lease rent exemption for these leases.

**i) The carrying value of right of use and depreciation charged during the year**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Premises</b>		
Opening balance		66.77
Additions/termination/modification during the year	110.03	66.77
Depreciation charged during the year (refer note 3)	80.14	62.06
Closing balance	(24.98)	(18.80)
	165.19	110.03

**ii) The movement in lease liabilities during the year**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	138.06	93.98
Additions/Modifications/Terminations during the year	76.73	61.05
Payment of lease liabilities during the year	(37.63)	(28.92)
Interest expenses (refer note 18)	17.23	11.95
Closing balance	194.39	138.06

**iii) Balances of lease liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	24.67	19.29
Non-current lease liabilities	169.72	118.77
<b>Total</b>	<b>194.39</b>	<b>138.06</b>

**iv) Amount recognized in statement of profit and loss during the year**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense on right of use asset (refer note 3)	24.98	18.80
Interest expense on lease liabilities (refer note 18)	17.23	11.95
Expenses relating to low value leases (included in other expense) (refer note 19)	0.08	0.04
<b>Total</b>	<b>42.29</b>	<b>30.79</b>

**v) Maturity analysis of lease liabilities**

Particulars	As at March 31, 2023	As at March 31, 2022
Maturity analysis of contractual undiscounted cash flows		
Less than one year	24.67	19.29
One to five years	87.64	76.80
More than five years	82.08	41.97
<b>Total</b>	<b>194.39</b>	<b>138.06</b>

**vi) Amount recognized in cash flow Statement**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payment of principal portion of lease liability	20.40	16.97
Payment of interest portion of lease liability	17.23	11.95
<b>Total</b>	<b>37.63</b>	<b>28.92</b>



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32 Ratio analysis and its elements

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% change from March 31, 2022 to March 31, 2023
Current ratio	Current Assets	Current Liabilities	0.51	0.36	43%
Debt- Equity Ratio	Current borrowings + Non-Curret Borrowings+ lease payments	Shareholder's Equity	2.54	11.02	-77%
Debt Service Coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments	Debt service = Interest & Lease Payments + Principal Repayments	1.95	1.32	48%
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.83	3.65	-77%
Inventory Turnover ratio	Cost of material consumed	Average Inventory	8.27	12.60	-34%
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	4.11	5.07	-19%
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.16	3.61	43%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Average working capital = Current assets – Current liabilities	(2.07)	(1.68)	23%
Net Profit ratio	Net Profit after tax	Net sales = Total sales - sales return	16%	11%	53%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability+Lease Payments	23%	22%	4%

Reasons for change more than 25% in above ratios

Particulars	Reasons for % change from March 31, 2022 to March 31, 2023
Current ratio	There is improvement in current ratio due to improvement in current assets.
Debt- Equity Ratio	There is improvement in debt-equity ratio due to improvement in total equity.
Debt Service Coverage ratio	Improvement in Debt Service Coverage ratio on account of increase in net profit after taxes.
Return on Equity ratio	There is decrease in return on equity ratio due to increase in total equity which is on account of capital infusion and net profit after tax during the year.
Inventory Turnover ratio	There is decrease in inventory turnover ratio due to increase in closing balance of inventory.
Trade Payable Turnover Ratio	There is increase in trade payable turnover ratio due to increase in purchases during the year.
Net Capital Turnover Ratio	There is decrease in net capital turnover ratio due to decrease in average working capital during the year.
Net Profit ratio	There is increase in net profit ratio on account of increase in net profit after taxes, which in turn is due to increase in revenue from operations of the company.



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- 33 Government of India's Code for Social Security 2020 (the 'Code') received assent from the President in September 2020. However, the date from when the Code will become applicable and rules have not yet been notified. The company will assess the impact of the Code and account for the same once the effective date and rules are notified.
- 34 **Other statutory Information:**
- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Company does not have any transactions with Companies Struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company does not have any traded or invested in Cryptocurrency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) 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
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company has not been declared a Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.
- (ix) There is no immovable property whose title deed is not held in the name of the Company.
- (x) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (xi) The Company has availed loans from banks on the basis of security of current assets. The Company files statement of current assets with the bank on periodical basis. There are no material discrepancies between the statements filed by the Company and the books of accounts of the Company.
- (xii) The Company has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.
- 35 With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014, relating to maintenance of electronic books of account and other relevant books and papers on daily basis in the servers located within India. However, Company was unable to back-up of books of accounts from August 05, 2022 to January 31, 2023 on daily basis on account of issues in Commvault application and only manual backups were being taken on a random basis during the aforesaid period. However, Company has updated the system and has taken daily backup in server located within India from February 01, 2023 to March 31, 2023.
- 36 Previous year figures have been regrouped wherever necessary to make them comparable with those of the current year.

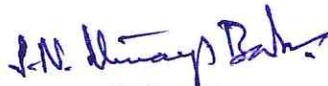
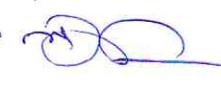
As per our report of even date  
For S R B C & Co. LLP  
Chartered Accountants  
ICAI FRN: 324982E/E300003



per Sukrut Mehta  
Partner  
Membership No. 101974



For and on Behalf of the Board of Directors of  
Bioneeds India Private Limited  
(CIN : U01409KA2007PTC042282)

S N Vinaya Babu  
Managing Director  
DIN : 01373832

Nitin Deshmukh  
Chairman  
DIN : 00060743

  
P.N. Naresh  
Chief Financial Officer

  
Prasanna Subramanya Bhat  
Company Secretary  
ICSI Membership No. A48828

Date: September 05, 2023  
Place: Ahmedabad

Date: September 05, 2023  
Place: Bengaluru