## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of LM Manufacturing India Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as '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 (the "Act"), in the manner so required, and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' 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 the 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 communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'. We have nothing to report in this regard.

**Management's responsibility for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act and the rules thereunder, 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management or Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**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 A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, based on our audit, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the financial statements comply with the Ind AS specified under section 133 of the Act and the Rules thereunder, as amended.

   (e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report.

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

(i) The Company does not have any pending litigation which would have impact on its financial statements.

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

(iii) The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year.

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

(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.

(v) The Company has not declared or paid dividend during the year, and hence, reporting under sub-clause (f) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014.

(vi) Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **Kantilal Patel & Co.**
Chartered Accountants
Firm's Registration No.: 104744W

Sd/-
Jinal A. Patel
Partner
Membership No.: 153599

Place: Ahmedabad
Date: May 10, 2025

UDIN: 25153599BMJLRL1871

**Annexure A to the Independent Auditor's Report of even date on the Financial Statements of LM Manufacturing India Private Limited**

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of LM Manufacturing India Private Limited)

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

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and the relevant details of right-of-use assets.

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

(b) The Company has a program of physical verification of Property, Plant and Equipment, so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts and lease agreement(s) for assets on lease, registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory during the year and hence, reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence, reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnerships or any other parties covered in the register maintained under section 189 of the Act. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities during the year. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the operations of the Company.

(vii) In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing the undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, to the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) Based on the records of the Company examined by us, there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and any other material statutory dues, as applicable, which have not been deposited on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961).

(ix) (a) The Company is regular in repayment of loans or other borrowings or in payment of interest thereon to lenders.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.

(c) The Company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.

(d) The Company has not raised funds for short-term basis during the year and there are no outstanding funds raised for short-term basis at the beginning of the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) The Company does not have subsidiaries, associates or joint ventures during the year. Hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not have subsidiaries, associates or joint ventures during the year. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and shared with us for reporting under this clause.

(xii) In our opinion, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) The Company is not covered under Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, for constituting an Audit Committee, and hence, Section 177 of the Act is not applicable to the Company. In our opinion, the Company is in compliance with section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) The Company does not have an internal audit system and is not covered under Rule 13(1) of the Companies (Accounts) Rules, 2014, and hence, reporting under clause 3(xiv)(a) of the Order is not applicable.

(b) The Company does not have an internal audit system and is not covered under Rule 13(1) of the Companies (Accounts) Rules, 2014, and hence, reporting under clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion, during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors, and hence, provisions of section 192 of Act are not applicable to the Company.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b), and (c) of the Order is not applicable to the Company.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

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

(xx) (a) In our opinion, during the year, the Company is not covered under the criteria provided in sub-section (1) of Section 135 of the Act for applicability of provisions of corporate social responsibility (CSR), and hence, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) In our opinion, during the year, the Company is not covered under the criteria provided in sub-section (1) of Section 135 of the Act for applicability of provisions of corporate social responsibility (CSR), and hence, reporting under clause 3(xx)(b) of the Order is not applicable.

For **Kantilal Patel & Co.**,
Chartered Accountants
Firm's Registration No.: 104744W

Sd/-
Jinal A. Patel
Partner
Membership No.: 153599

Place: Ahmedabad
Date: May 10, 2025

UDIN: 25153599BMJLRL1871

**Annexure B to the Independent Auditor's Report of even date on the Financial Statements of LM Manufacturing India Private Limited**

Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of LM Manufacturing India Private Limited)

**Report on the internal financial controls with reference to the financial statements under section 143(3)(i) of the Act**

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2025 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 and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 Act.

**Auditor's responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to the 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 internal financial controls system over financial reporting with reference to the financial statements.

**Meaning of internal financial controls over financial reporting**

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

**Inherent limitations of internal financial controls over financial reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Kantilal Patel & Co.**,
Chartered Accountants
Firm's Registration No.: 104744W

Sd/-
Jinal A. Patel
Partner
Membership No.: 153599

Place: Ahmedabad
Date: May 10, 2025

UDIN: 25153599BMJLRL1871

**LM MANUFACTURING INDIA PRIVATE LIMITED [CIN : U93000GJ2017FTC097548]**
**Balance Sheet as at March 31, 2025**

| Particulars | Note No. | INR-Thousand | |
|---|---|---|---|
| | | As at | |
| | | March 31, 2025 | March 31, 2024 |
| **ASSETS:** | | | |
| **Non-Current Assets:** | | | |
| Property, Plant and Equipment | 3 [A] | 1,191 | 3,967 |
| Other Intangible Assets | 3 [B] | 258 | 2 |
| Financial Assets: | | | |
| Other Financial Assets | 4 | 122 | 328 |
| Deferred Tax Assets [Net] | 5 | 1,910 | 1,420 |
| **Total Non-Current Assets:** | | **3,481** | **5,717** |
| **Current Assets:** | | | |
| Financial Assets: | | | |
| Trade Receivables | 6 | 12,701 | 17,232 |
| Cash and Cash Equivalents | 7 | 6,303 | 901 |
| Other Current Financial Assets | 8 | 145 | 145 |
| Other Current Assets | 9 | 10,685 | 8,267 |
| **Total Current Assets:** | | **29,834** | **26,545** |
| **TOTAL ASSETS** | | **33,315** | **32,262** |
| **EQUITY AND LIABILITIES:** | | | |
| **Equity:** | | | |
| Equity Share Capital | 10 | 500 | 500 |
| Other Equity | 11 | 15,255 | 8,779 |
| **Total Equity** | | **15,755** | **9,279** |
| **Non-Current Liabilities:** | | | |
| Financial Liabilities: | | | |
| Borrowings | 12 | 4,354 | 4,354 |
| Lease Liabilities | 31 | - | 1,953 |
| Provisions | 13 | 7,302 | 4,967 |
| Deferred Tax Liabilities [Net] | | | |
| **Total Non-Current Liabilities:** | | **11,656** | **11,274** |
| **Current Liabilities:** | | | |
| Financial Liabilities: | | | |
| Lease Liabilities | 31 | - | 1,289 |
| Trade Payables: | | | |
| Dues to Micro and Small Enterprises | 14 | 588 | - |
| Dues to other than Micro and Small Enterprises | 14 | 4,197 | 2,857 |
| Other Financial Liabilities | 15 | 191 | 2,116 |
| Other Current Liabilities | 16 | 452 | 460 |
| Provisions | 17 | 368 | 687 |
| Current Tax Liabilities [Net] | 18 | 107 | 4,300 |
| **Total Current Liabilities:** | | **5,903** | **11,709** |
| **Total Liabilities** | | **17,560** | **22,983** |
| **TOTAL EQUITY AND LIABILITIES** | | **33,315** | **32,262** |
| **Material Accounting Policies** | 2 | | |
| **Notes to the Financial Statements** | 3 to 34 | | |

As per our report of even date
For, Kantilal Patel & Co.
Chartered Accountants

sd/-
Jinal A. Patel
Partner
Membership Number : 153599
Place: Ahmedabad
Date: May 10, 2025

For and on behalf of the Board
LM Manufacturing India Private Limited

sd/-
Amrut Naik
Director
DIN : 08240203
Place: Ahmedabad
Date: May 10, 2025

sd/-
Vishal Gor
Director
DIN : 08787850
Place: Ahmedabad
Date: May 10, 2025

**LM MANUFACTURING INDIA PRIVATE LIMITED [CIN : U93000GJ2017FTC097548]**
**Statement of Profit and Loss for the year ended March 31, 2025**

| Particulars | Note No. | INR-Thousand | |
|---|---|---|---|
| | | Year ended March 31 | |
| | | 2025 | 2024 |
| **INCOME:** | | | |
| Revenue from Operations | 19 | 64,422 | 67,303 |
| Other Income | 20 | 391 | - |
| **Total Income** | | **64,813** | **67,303** |
| **EXPENSES:** | | | |
| Cost of Materials Consumed | 21 | 9,960 | 16,339 |
| Employee Benefits Expense | 22 | 35,027 | 32,894 |
| Finance Costs | 23 | 435 | 528 |
| Depreciation and Amortisation Expense | 3 [C] | 881 | 1,609 |
| Other Expenses | 24 | 10,505 | 7,612 |
| Net [Gain] on foreign currency transactions | | (541) | (441) |
| **Total Expenses** | | **56,268** | **58,541** |
| **Profit before Tax** | | **8,545** | **8,762** |
| Less: Tax Expense: | | | |
| Current Tax | 25 | 2,395 | 4,304 |
| Deferred Tax | 25 | (449) | (1,413) |
| | | **1,946** | **2,891** |
| **Profit for the year** | | **6,599** | **5,871** |
| **OTHER COMPREHENSIVE INCOME [OCI]:** | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Re-measurement [losses]/ gains on post employment defined benefit plans | | (165) | - |
| Income tax effect on above | | 41 | - |
| | | **(124)** | - |
| **Other Comprehensive Loss for the year [Net of Tax]** | | **(124)** | - |
| **Total Comprehensive Income for the year [Net of Tax]** | | **6,476** | **5,871** |
| **Basic & Diluted Earnings per Equity Share [EPS] [in Rupees]** | 26 | **131.99** | **117.42** |
| **Material Accounting Policies** | 2 | | |
| **Notes to the Financial Statements** | 3 to 34 | | |

As per our report of even date
For, Kantilal Patel & Co.
Chartered Accountants

For and on behalf of the Board
LM Manufacturing India Private Limited

sd/-
Jinal A. Patel
Partner
Membership Number : 153599
Place: Ahmedabad
Date: May 10, 2025

sd/-
Amrut Naik
Director
DIN : 08240203
Place: Ahmedabad
Date: May 10, 2025

sd/-
Vishal Gor
Director
DIN : 08787850
Place: Ahmedabad
Date: May 10, 2025

**LM MANUFACTURING INDIA PRIVATE LIMITED [CIN : U93000GJ2017FTC097548]**
**Cash Flow Statement for the year ended March 31, 2025**

| Particulars | INR-Thousand | | |
|---|---|---|---|
| | Year ended March 31 | | |
| | 2025 | | 2024 |
| **A Cash flows from operating activities:** | | | |
| Profit before tax | | **8,545** | **8,762** |
| | | **-** | - |
| Adjustments for: | | | |
| Depreciation and Amortisation expense | 881 | | 1,609 |
| Interest expenses | 432 | | 522 |
| Provision for employee benefits | 1,850 | | **5,654** |
| Total | | **3,163** | **7,785** |
| Operating profit before working capital changes | | **11,708** | **16,547** |
| Adjustments for: | | | |
| Decrease/ [Increase] in trade receivables | 4,531 | | (4,583) |
| [Increase] in other assets | (2,212) | | (2,793) |
| Increase / [Decrease] in trade payables | 1,929 | | (4,611) |
| [Decrease] in other liabilities | (1,881) | | (138) |
| Total | | **2,367** | **(12,125)** |
| Cash generated from operations | | **14,075** | **4,422** |
| Income taxes paid [Net of refunds] | | **(6,588)** | **(1,569)** |
| Net cash from operating activities | | **7,487** | **2,853** |
| **B Cash flows from investing activities:** | | | |
| Purchase of property, plant and equipment and intangible assets | (756) | | (483) |
| Net cash [used in] investing activities | | **(756)** | (483) |
| **C Cash flows from financing activities:** | | | |
| Proceeds from non current borrowings | **-** | | 4,354 |
| Current borrowings [Net - (repayment)] | **-** | | (4,354) |
| Lease liabilities [Net] | (847) | | (1,629) |
| Interest paid | (482) | | (13) |
| Net cash [used in] financing activities | | **(1,329)** | **(1,642)** |
| **Net Increase in cash and cash equivalents** | | **5,402** | **728** |
| **Cash and cash equivalents at the beginning of the year** | | **901** | **173** |
| **Cash and cash equivalents at the end of the year** | | **6,303** | **901** |

**Notes to the Cash Flow Statement**

1 The above cash flow statement has been prepared under the "Indirect method" as set out in Ind AS-7 "Statement of Cash Flows".
2 All figures in brackets are outflows.
3 Change in liability arising from financing activities:

| | INR-Thousand | | |
|---|---|---|---|
| | Borrowings | | |
| | Non-Current [Note-12] | Current [Note-12] | Total |
| As at March 31, 2023 | | 4,354 | **4,354** |
| Cash flow | 4,354 | (4,354) | **-** |
| As at March 31, 2024 | 4,354 | - | **4,354** |
| As at March 31, 2025 | 4,354 | - | **4,354** |

As per our report of even date
For, Kantilal Patel & Co.
Chartered Accountants

For and on behalf of the Board
LM Manufacturing India Private Limited

sd/-
Jinal A. Patel
Partner
Membership Number : 153599
Place: Ahmedabad
Date: May 10, 2025

sd/-
Amrut Naik
Director
DIN : 08240203
Place: Ahmedabad
Date: May 10, 2025

sd/-
Vishal Gor
Director
DIN : 08787850
Place: Ahmedabad
Date: May 10, 2025

**LM MANUFACTURING INDIA PRIVATE LIMITED [CIN : U93000GJ2017FTC097548]**
**Statement of changes in the Equity the year ended March 31, 2025**

**a Equity Share Capital:**

| | No. of Shares | INR-Thousand |
|---|---|---|
| **Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:** | | |
| As at March 31, 2023 | 50,000 | **500** |
| As at March 31, 2024 | 50,000 | 500 |
| As at March 31, 2025 | **50,000** | **500** |

**b Other Equity:**

| | INR-Thousand | |
|---|---|---|
| | Reserves and Surplus | Total |
| | Retained Earnings | |
| **As at March 31, 2023** | 2,908 | 2,908 |
| Add: Profit for the year | 5,871 | 5,871 |
| Add: Other Comprehensive Income | - | - |
| **Total Comprehensive Income** | **5,871** | **5,871** |
| **As at March 31, 2024** | 8,779 | 8,779 |
| Add: Profit for the year | 6,599 | 6,599 |
| Add: Other Comprehensive Income | (124) | (124) |
| **Total Comprehensive Income** | **6,475** | **6,475** |
| **As at March 31, 2025** | **15,255** | **15,255** |

As per our report of even date
For, Kantilal Patel & Co.
Chartered Accountants

For and on behalf of the Board
LM Manufacturing India Private Limited

sd/-
Jinal A. Patel
Partner
Membership Number : 153599
Place: Ahmedabad
Date: May 10, 2025

sd/-
Amrut Naik
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Vishal Gor
Director
DIN : 08787850
Place: Ahmedabad
Date: May 10, 2025

**LM MANUFACTURING INDIA PRIVATE LIMITED**

**Note: 1-Company overview:**

LM MANUFACTURING INDIA PRIVATE LIMITED ["the Company"] [CIN : U93000GJ2017FTC097548], a Company limited by shares, incorporated and domiciled in India, The Company is engaged in to support and serve technical, scientific, regulatory and techno-commercial activities. The registered office of the Company is located at Unit No. Zydus Corporate House, Survey No. 708/5, FP No. 115/5, TP Scheme 51, Opp. Bliss, Nr. Viola Apartment, Ambli Bopal Road, Bopal, Ahmedabad -380058. The shares of the Company is held by LM Manufacturing Limited which is wholly owned subsidiary of Zydus Pharmaceuticals UK Limited. [ZPUK]. ZPUK, is wholly owned subsidiary of Zydus Lifescience Limited. These standalone financial statements were authorised for issue in accordance with a resolution passed by the Board of Directors at their meeting held on May 10, 2025.

**Note: 2-Material Accounting Policies:**

**A** The following note provides list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

**1 Basis of preparation:**

**A** The Standalone financial statements have been prepared in all material aspects in accordance with the Indian Accounting Standards [Ind AS] notified under section 133 of the Companies Act, 2013 read with [Indian Accounting Standards] Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

**B** The standalone financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair values at the end of the reporting periods:

i Derivative financial instruments

ii Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments]

iii Defined benefit plans

**2 Use of key Estimates and Judgements:**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**Critical accounting judgments and estimates:**

**A Property, Plant and Equipment:**

Property, Plant and Equipment represent a large proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as changes in technology. Refer Note-2 [6].

**B Impairment of property, plant and equipment, goodwill, intangible assets (including intangible under development) and investments:**

Significant judgments are involved in determining the estimated future cash flows from the Investments, Property, Plant and Equipment, Goodwill and intangible assets (including intangible under development) to determine their value in use to assess whether there is any impairment in their carrying amounts as reflected in the financials. Refer Note-3.

**C Employee benefits:**

Actuarial valuation involves key assumptions of life expectancy, discounting rate, salary increase, etc. which significantly affect the working of the present value of future liabilities on account of employee benefits by way of defined benefit plans. Refer Note-14.

**D Taxes on Income:**

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions. Refer Note-25.

**E Contingent liabilities:**

Significant judgments are involved in determining whether there is a possible obligation, that may, but probably will not require an outflow of resources.

**3 Foreign Currency Transactions:**

The Company's financial statements are presented in Indian Rupees [INR], which is the functional and presentation currency.

**A** The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.

**B** Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognised in the Statement of Profit and Loss. However, foreign currency differences arising from the translation of certain equity instruments where the Company had made an irrevocable election to present in OCI subsequent changes in the fair value are recognised in OCI.

**C** Foreign exchange differences regarded as adjustments to borrowing costs are presented in the Statement of Profit and Loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

**Note: 2-Material Accounting Policies-Continued:**

**4 Revenue Recognition:**

**A** The following are the accounting policies related to revenue recognition under Ind AS 115:

**a Service Income:**

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on the achievement of agreed milestones and are net of indirect taxes, wherever applicable.

**B** The specific recognition criteria described below must also be met before revenue is recognised:

**a Interest Income:**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate [EIR]. EIR is the rate that discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**b Dividend:**

Dividend income is recognised when the Company's right to receive the payment is established.

**c Other Income:**

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

**5 Taxes on Income:**

Tax expenses comprise of current and deferred tax.

**A Current Tax:**

a Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Current tax items are recognised in co-relation to the underlying transaction either in profit or loss, OCI or directly in equity.

**B Deferred Tax:**

a 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.

b Deferred tax liabilities are recognised for all taxable temporary differences.

c Deferred tax assets are recognised for all deductible temporary differences including the carry forward of 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, the carry forward of unused tax credits and unused tax losses can be utilized.

d 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 utilized. 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.

e Deferred tax assets and liabilities are measured at the tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

f Deferred tax items are recognised in co-relation to the underlying transaction either in profit or loss, OCI or directly in equity.

g Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

**6 Property, Plant and Equipment:**

**A** Freehold land is carried at historical cost, less impairment, if any. All other items of Property, Plant and Equipment are stated at historical cost of acquisition/ construction less accumulated depreciation and impairment loss. Historical cost [Net of Input tax credit received/ receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction/ assets are ready for its intended use, if the recognition criteria are met and 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.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalisation under Property, Plant and Equipment.

**B** Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognised separately as independent items and are depreciated over their estimated economic useful lives.

**Note: 2-Material Accounting Policies-Continued:**

**C** Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognised prospectively in current and future periods.

The estimated useful lives are as follows:

| Asset Class | No. of years |
|---|---|
| Leasehold Land/ Building | Over the period of lease |
| Furniture, Fixtures and Office Equipments | 5 to 10 Years |
| Vehicles | 8 Years |

**D** Depreciation on impaired assets is calculated on the reduced values, if any, on a systematic basis over their remaining useful lives.

**E** Depreciation on additions/ disposals of the property, plant and equipment during the year is provided on pro-rata basis according to the period during which assets are used.

**F** Where the actual cost of purchase of an asset is below INR 10,000/-, the depreciation is provided @ 100%.

**G** Capital work in progress is stated at cost less accumulated impairment loss, if any.

**H** An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

**7 Intangible Assets:**

**A** 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.

**B** Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of profit and loss in the period in which the expenditure is incurred.

**C** Trade Marks, Technical Know-how Fees and other similar rights are amortised over their estimated useful lives of ten years.

**D** Capitalised cost incurred towards purchase/ development of software is amortised using straight line method over its useful life of four years as estimated by the management at the time of capitalisation.

**E** Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

**F** An item of intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is derecognised.

**G** Intangible assets under development is stated at cost less accumulated impairment loss, if any.

**8 Research and Development Cost:**

**A** Expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred.

**B** Capital expenditure on research and development is given the same treatment as Property, Plant and Equipment.

**9 Borrowing Costs:**

**A** Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of a financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

**B** Borrowing costs that are directly attributable to the acquisition/ construction of a qualifying asset are capitalised as part of the cost of such assets, up to the date the assets are ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**10 Impairment of Non Financial Assets:**

The Property, Plant and Equipment and Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, the assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets [cash generating units]. Non-financial assets other than Goodwill that suffered an impairment loss are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**11 Cash and Cash Equivalents:**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

**Note: 2-Material Accounting Policies-Continued:**

**12 Leases:**

**As a lessee:**

For any new contracts entered into, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset [the underlying asset] for a period of time in exchange for consideration'.

**Measurement and recognition of leases as a lessee:**

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date [net of any incentives received]. The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments [including in substance fixed], variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in financial liabilities.

**As a lessor:**

As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

**13 Provisions, Contingent Liabilities and Contingent Assets:**

**A** Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure of contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

**B** 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.

**14 Employee Benefits:**

**A Short term obligations:**

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

**B Long term employee benefits obligations:**

**a Leave Wages and Sick Leave:**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months period after the end of the period in which the employees render the related service. They are therefore, measured at the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method as determined by actuarial valuation, performed by an independent actuary. The benefits are discounted using the market yields at the end of reporting period that have the terms approximating to the terms of the related obligation. Gains and losses through re-measurements are recognised in Statement of profit and loss.

**b Defined Benefit Plans:**

**i Gratuity:**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit plan obligation at the end of the reporting period less the fair value of the plan assets. The Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to the market yields at the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost in calculated by applying the discounting rate to the net balance of the defined benefit obligation and the fair value of plan assets. Such costs are included in employee benefit expenses in the statement of Profit and Loss.

Re-measurements gains or losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the period in which they occur directly in "other comprehensive income" and are included in retained earnings in the statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and

i Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements;

ii Net interest expense or income.

**Note: 2-Material Accounting Policies-Continued:**

**c Defined Contribution Plans - Provident Fund Contribution:**

Employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The company has no further obligation to the plan beyond their monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

**15 Dividends :**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

**16 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.

**A Financial Assets:**

**a Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognised on the settlement date, i.e., the date that the Company settles to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**b Subsequent measurement:**

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

**i Debt instruments at amortised cost:**

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

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate [EIR] method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of profit and loss.

**ii Debt instruments at fair value through other comprehensive income [FVTOCI]:**

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

- The asset is held with objectives of both collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

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

**iii Debt instruments and derivatives at fair value through profit or loss [FVTPL]:**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**iv Equity instruments:**

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Note: 2-Material Accounting Policies-Continued:**

**v Investments in subsidiaries and joint ventures:**

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint ventures, the differences between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

**c Derecognition:**

A financial asset [or, where applicable, a part of a financial asset] 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. When the Company has transferred the risks and rewards of ownership of the financial asset, the same is derecognised.

**d Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset.

The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it requires the Company to recognise the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

ECL impairment loss allowance [or reversal] is recognized as expense/ income in the Statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics.

**B Financial Liabilities:**

**a 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.

**b Subsequent measurement:**

Subsequently all financial liabilities are measured at amortised cost, using EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit and loss.

**Note: 2-Material Accounting Policies-Continued:**

**c 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.

**d Embedded derivatives:**

An embedded derivative is a component of a hybrid [combined] instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of profit and loss, unless designated as effective hedging instruments.

**C Reclassification of financial assets:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model as per Ind AS 109.

**D 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.

**17 Fair Value Measurement:**

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

a In the principal market for the asset or liability, or

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

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

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

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

a Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

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

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

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

**18 Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits [consolidation of shares] that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**B Recent Accounting Pronouncements:**

The Ministry of Corporate Affairs [MCA] notifies new standards or amendments to the existing standards under Companies [Indian Accounting Standards] Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified amendments to Ind AS 116 – Leases relating to sale and lease back transactions, applicable from April 1, 2024. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

On May 7, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for the year beginning from April 1, 2025. The Company has reviewed the new amendments and based on evaluation there is no significant impact on its financial statements.

**LM MANUFACTURING INDIA PRIVATE LIMITED**
**Notes to the Financial Statements**

**Note: 3-Property, Plant and Equipment, Intangible Assets:**

[A] Property, Plant and Equipment: **INR-Thousand**

| | Building* | Vehicles | Office Equipment | **Total** |
|---|---|---|---|---|
| Gross Block: | | | | |
| As at March 31, 2023 | 5,442 | 800 | 1,225 | **7,467** |
| Additions | - | - | 483 | **483** |
| Disposals | - | - | - | **-** |
| As at March 31, 2024 | 5,442 | 800 | 1,708 | **7,950** |
| Additions | - | - | 485 | **485** |
| Disposals | (5,442) | - | - | **(5,442)** |
| As at March 31, 2025 | - | 800 | 2,193 | **2,993** |
| Depreciation and Impairment: | | | | |
| As at March 31, 2023 | 1,306 | 177 | 893 | **2,376** |
| Depreciation for the year | 1,306 | 76 | 224 | **1,607** |
| Disposals | - | - | - | **-** |
| As at March 31, 2024 | 2,612 | 253 | 1,117 | **3,982** |
| Depreciation for the year | 435 | 76 | 356 | **867** |
| Disposals | (3,048) | - | - | **(3,048)** |
| As at March 31, 2025 | - | 329 | 1,472 | **1,802** |
| Net Block: | | | | |
| As at March 31, 2024 | 2,830 | 547 | 591 | **3,967** |
| As at March 31, 2025 | - | 471 | 720 | **1,191** |

[*] Includes right of use assets, refer Note-31 for detailed breakup.

[B] Intangible Assets:

| | Other Intangible Assets | |
|---|---|---|
| | Computer Software | **Total** |
| Gross Block: | | |
| As at March 31, 2023 | 34 | **34** |
| Additions | - | **-** |
| Disposals | - | **-** |
| As at March 31, 2024 | 34 | **34** |
| Additions | 270 | **270** |
| Disposals | - | **-** |
| As at March 31, 2025 | 304 | **304** |
| Amortisation and Impairment: | | |
| As at March 31, 2023 | 30 | **30** |
| Amortisation for the year | 2 | **2** |
| Disposals | - | **-** |
| As at March 31, 2024 | 32 | **32** |
| Amortisation for the year | 14 | **14** |
| Disposals | - | **-** |
| As at March 31, 2025 | 46 | **46** |
| Net Block: | | |
| As at March 31, 2024 | 2 | 2 |
| As at March 31, 2025 | 258 | **258** |

**Notes:**

| | **INR-Thousand** | |
|---|---|---|
| | **Year ended** | |
| [C] Depreciation and Amortisation Expenses: | **March 31, 2025** | **March 31, 2024** |
| Depreciation | 867 | 1,607 |
| Amortisation | 14 | 2 |
| **Total** | **881** | **1,609** |

**LM MANUFACTURING INDIA PRIVATE LIMITED**
**Notes to the Financial Statements**

| | INR-Thousand As at March 31, 2025 | INR-Thousand As at March 31, 2024 |
|---|---|---|
| **Note: 4-Other Financial Assets:** | | |
| [Unsecured, Considered Good unless otherwise stated] | | |
| Security Deposits | - | 328 |
| Capital Advances | 122 | - |
| **Total** | **122** | **328** |

**Note: 5-Deferred Tax:**

**A** Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:

INR-Thousand

| | As at March 31 2023 | Impact for the previous year | As at March 31 2024 | Impact for the current year | **As at March 31 2025** |
|---|---|---|---|---|---|
| Deferred Tax Asset: | | | | | |
| Depreciation | 7 | 1,413 | 1,420 | 449 | **1,910** |

**B** The Net Deferred Tax Asset of INR 449 Thousand [Previous Year charge of INR 1413 Thousand] has been recognised in the Statement of Profit and Loss.

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

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **Note: 6-Trade Receivables:** | | |
| Unsecured - Considered good | 12,701 | 17,232 |
| Less: Allowances for credit losses | - | - |
| **Total** | **12,701** | **17,232** |

Ageing of Trade Receivables :

| Particulars | Not due | Outstanding from due date of payment: Less than 6 Months | 6 Months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | **Total** |
|---|---|---|---|---|---|---|---|
| | As at March 31, 2025 | | | | | | |
| Undisputed – considered good | 12,701 | - | - | - | - | - | **12,701** |
| Undisputed – have significant increase in credit risk | - | - | - | - | - | - | **-** |
| Undisputed – credit impaired | - | - | - | - | - | - | **-** |
| Disputed – considered good | - | - | - | - | - | - | **-** |
| Disputed - have significant increase in credit risk | - | - | - | - | - | - | **-** |
| Disputed - credit impaired | - | - | - | - | - | - | **-** |
| Total | 12,701 | - | - | - | - | - | **12,701** |
| Less: Allowances for credit losses | | | | | | | **-** |
| Trade Receivables | | | | | | | **12,701** |
| | As at March 31, 2024 | | | | | | |
| Undisputed – considered good | | 17,232 | - | - | - | - | 17,232 |
| Undisputed – have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed – credit impaired | - | - | - | - | - | - | - |
| Disputed – considered good | - | - | - | - | - | - | - |
| Disputed - have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | - | - | - | - |
| Total | - | 17,232 | - | - | - | - | 17,232 |
| Less: Allowances for credit losses | | | | | | | - |
| Trade Receivables | | | | | | | **17,232** |

| | INR-Thousand As at March 31, 2025 | INR-Thousand As at March 31, 2024 |
|---|---|---|
| **Note: 7-Cash and Cash Equivalents:** | | |
| Balances with Banks | 6,282 | 879 |
| Cash on Hand | 22 | 22 |
| **Total** | 6,303 | 901 |
| **Note: 8-Other Current Financial Assets:** | | |
| [Unsecured, Considered Good] | | |
| Others | 145 | 145 |
| **Total** | 145 | 145 |

LM MANUFACTURING INDIA PRIVATE LIMITED
Notes to the Financial Statements

| | INR-Thousand | |
|---|---|---|
| | As at | |
| | March 31, 2025 | March 31, 2024 |
| **Note: 9-Other Current Assets:** | | |
| [Unsecured, Considered Good, unless otherwise stated] | | |
| Balances with Statutory Authorities | 10,685 | 7,460 |
| Advances to Suppliers | - | 807 |
| **Total** | 10,685 | 8,267 |
| **Note: 10-Equity Share Capital:** | | |
| **Authorised:** | | |
| 50,000 [as at March 31, 2024: 50,000 ] Equity Shares of INR 10/- each | 500 | 500 |
| | 500 | 500 |
| **Issued, Subscribed and Paid-up:** | | |
| 50,000 [as at March 31, 2024: 50,000 ] Equity Shares of INR 10/- each, fully paid-up | 500 | 500 |
| **Total** | 500 | 500 |
| A The reconciliation in number of Equity Shares is as under: | | |
| Number of shares at the beginning and end of the year | 50,000 | 50,000 |
| B The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts. | | |
| C Details of Shareholders holding more than 5% of aggregate Equity Shares of INR 1/- each | | |
| a LM Manufacturing Limited | | |
| Number of Shares | 49,900 | 49,900 |
| % to total share holding | 99.80% | 99.80% |

D Equity Shares held by the promoters/ promoter group of the Company:

| # | Promoter's/ Promoter Group's Name | No. of Shares | % of total shares | % change during the year |
|---|---|---|---|---|
| | As at March 31, 2025 | | | |
| 1 | LM Manufacturing Limited | 49,900 | 99.800 | - |
| 2 | Zydus Lifescience Limited | 100 | 0.200 | - |
| | As at March 31, 2024 | | | |
| 1 | LM Manufacturing Limited | 49,900 | 99.800 | - |
| 2 | Zydus Lifescience Limited | 100 | 0.200 | 0.200 |

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **Note: 11-Other Equity:** | | |
| **Retained Earnings:** | | |
| Balance as per last Balance Sheet | 8,779 | 2,908 |
| Add: Profit for the year | 6,599 | 5,871 |
| | 15,378 | 8,779 |
| Less: Items of other Comprehensive income recognised directly in Retained Earnings: | | |
| Re-measurement [losses]/ gains on defined benefit plans [net of tax] | (124) | - |
| Balance as at the end of the year | 15,255 | 8,779 |
| **Total** | **15,255** | **8,779** |

| | INR-Thousand | | | |
|---|---|---|---|---|
| | **Non-current portion** | | **Current Maturities** | |
| | **As at** | | **As at** | |
| | **March 31, 2025** | **March 31, 2024** | **March 31, 2025** | **March 31, 2024** |
| **Note: 12-Borrowings:** | | | | |
| A From Related Parties [Unsecured] | 4,354 | 4,354 | - | - |
| **Total** | **4,354** | **4,354** | - | - |

**A Terms of Repayment for Unsecured Borrowings:**

**a Loans from Related Parties:**

i Loan of INR 4,354 Thousand from ultimate holding company will be repaid within 3 years from the date of first disbursement. Interest on loan is payable on half yearly basis.

**LM MANUFACTURING INDIA PRIVATE LIMITED**
**Notes to the Financial Statements**

| | INR-Thousand | |
|---|---|---|
| | As at | |
| | March 31, 2025 | March 31, 2024 |
| **Note: 13-Provisions:** | | |
| Provision for Employee Benefits | 7,302 | 4,967 |
| **Total** | **7,302** | **4,967** |

**Defined benefit plan and long term employment benefit**

**A General description:**

**Leave wages [Long term employment benefit]:**

The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised [net of the fair value of plan assets as at the balance sheet date] at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

**Gratuity [Defined benefit plan]:**

The Company has a defined benefit gratuity plan. Every employee who has completed continuous services of five years or more gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service.

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary increment risk.

**Investment risk:**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest risk:**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk:**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

| | INR-Thousand | | | INR-Thousand | | |
|---|---|---|---|---|---|---|
| | As at | | | As at | | |
| | March 31, 2025 | | | March 31, 2024 | | |
| | Medical Leave | Leave Wages | Gratuity | Medical Leave | Leave Wages | Gratuity |
| **B Change in the present value of the defined benefit obligation:** | | | | | | |
| Opening obligation | 190 | 2,932 | 2,532 | - | - | - |
| Interest cost | - | 197 | 173 | - | - | - |
| Current service cost | - | 430 | 759 | 190 | 2,954 | 2,532 |
| Benefits paid | (130) | (272) | | - | (23) | - |
| Actuarial [gains]/ losses on obligation due to: | | | | | | |
| Experience adjustments | - | 267 | (54) | - | - | - |
| Change in demographic assumptions | - | 250 | 77 | - | - | - |
| Change in financial assumptions | - | 176 | 141 | - | - | - |
| Closing obligation | **61** | **3,979** | **3,630** | **190** | **2,932** | **2,532** |
| **C Change in the fair value of plan assets:** | | | | | | |
| Opening fair value of plan assets | - | - | - | - | - | - |
| Transfer in/ [out] | - | - | - | - | - | - |
| Expected return on plan assets | - | - | - | - | - | - |
| Return on plan assets excluding | | - | - | | | - |
| amounts included in interest income | - | - | - | - | - | - |
| Contributions by employer | - | - | - | - | - | - |
| Benefits paid | - | - | - | - | - | - |
| Actuarial [losses]/ gains | - | - | - | - | - | - |
| Closing fair value of plan assets | - | - | - | - | - | - |
| Total actuarial [losses]/ gains to be | | | | | | |
| recognised | - | - | - | - | - | - |
| **D Actual return on plan assets:** | | | | | | |
| Expected return on plan assets | - | - | - | - | - | - |
| Actuarial [losses]/ gains on plan assets | - | - | - | - | - | - |
| Actual return on plan assets | - | - | - | - | - | - |
| **E Amount recognised in the balance sheet:** | | | | | | |
| Liabilities/ [Assets] at the end of the year | 61 | 3,979 | 3,630 | 190 | 2,932 | 2,532 |
| Fair value of plan assets at the end of the year | | | | | | |
| Difference | **61** | **3,979** | **3,630** | **190** | **2,932** | **2,532** |
| Unrecognised past service cost | | | | - | - | - |
| Liabilities/ [Assets] recognised | | | | | | |
| in the Balance Sheet | **61** | **3,979** | **3,630** | **190** | **2,932** | **2,532** |
| **F Expenses/ [Incomes] recognised in the Statement of Profit and Loss:** | | | | | | |
| Current service cost | | 430 | 759 | 190 | 2,954 | 2,532 |
| Interest cost on benefit obligation | - | 197 | 173 | - | - | - |
| Expected return on plan assets | - | - | - | - | - | - |
| Return on plan assets excluding | - | - | - | | | |
| amounts included in interest income | - | - | - | - | - | - |
| Net actuarial [gains]/ losses in the year | - | 693 | - | - | - | - |
| Amount included in "Employee Benefits Expense" | **-** | **1,319** | **933** | **190** | **2,954** | **2,532** |
| Return on plan assets excluding | | | | | | |
| amounts included in interest income | | | - | - | - | - |
| Net actuarial [gains]/ losses in the year | - | - | **165** | - | - | - |
| Amounts recognized in OCI | **-** | **-** | **165** | **-** | **-** | **-** |
| **G Movement in net liabilities recognised in Balance Sheet:** | | | | | | |
| Opening net liabilities | 190 | 2,932 | 2,532 | - | - | - |
| Expenses as above [P & L Charge] | - | 1,319 | 933 | 190 | 2,954 | 2,532 |
| Employer's contribution | - | - | - | - | - | - |
| Amount recognised in OCI | - | - | 165 | - | - | - |
| Benefits Paid | (130) | (272) | - | - | (23) | - |
| Liabilities/ [Assets] recognised in the | | | | | | |
| Balance Sheet | **61** | **3,979** | **3,630** | **190** | **2,932** | **2,532** |

**H Principal actuarial assumptions for defined benefit plan and long term employment benefit plan:**

| | | | | | | |
|---|---|---|---|---|---|---|
| Discount rate | 6.80% | 6.80% | 6.80% | 7.20% | 7.20% | 7.20% |

[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post employment benefit obligations]

| | | |
|---|---|---|
| Annual increase in salary cost | 12% for next 1 year, 9% thereafter | 12% for next 2 year, 9% thereafter |

[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]

**Sensitivity analysis:**

A quantitative sensitivity analysis for significant assumptions is shown below:

| Assumptions | INR-Thousand | | | | | |
|---|---|---|---|---|---|---|
| | Medical Leave | | Leave Wages | | Gratuity | |
| | As at March 31 | | | | | |
| | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 |
| Impact on obligation: | | | | | | |
| Discount rate increase by 0.5% | - | - | (218) | (105) | (176) | (81) |
| Discount rate decrease by 0.5% | - | - | 236 | 112 | 190 | 86 |
| Annual salary cost increase by 0.5% | - | - | 230 | 109 | 70 | 30 |
| Annual salary cost decrease by 0.5% | - | - | (214) | (103) | (65) | (76) |
| Withdrawal rate increase by 10% | - | - | (35) | (24) | 31 | (8) |
| Withdrawal rate decrease by 10% | - | - | 37 | 27 | (35) | 7 |

The following payments are expected contributions to the defined benefit plan and long term employment benefit in future years:

| | INR-Thousand | |
|---|---|---|
| | As at March 31 | |
| | 2025 | 2024 |
| Within the next 12 months [next annual reporting period] | 356 | 652 |
| Between 2 and 5 years | 1,691 | 2,308 |
| Between 6 and 10 years | 4,239 | 1,372 |
| **Total expected payments** | **6,286** | **4,332** |

**Note: 14-Trade Payables:**

| | | |
|---|---|---|
| Dues to Micro and Small Enterprises [*] | 588 | - |
| Dues to other than Micro and Small Enterprises | 4,197 | 2,857 |
| **Total** | **4,785** | **2,857** |
| [*] Disclosure in respect of Micro and Small Enterprises: | | |
| A Principal amount remaining unpaid to any supplier as at year end | 586 | - |
| B Interest due thereon | 2 | - |
| C Amount of interest paid by the Company in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year | | |
| D Amount of interest due and payable for the year of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED Act | | |
| E Amount of interest accrued and remaining unpaid at the end of the accounting year | | |
| F Amount of further interest remaining due and payable in succeeding years | | |
| The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises on the basis of information available with the Company. | | |

**Ageing of Trade Payables :**

| Particulars | Not Due | Outstanding from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| | As at March 31, 2025 | | | | | |
| Undisputed Micro and Small Enterprises [MSME] | 588 | - | - | - | - | **588** |
| Undisputed Others | 4,190 | - | 7 | - | - | **4,197** |
| Disputed MSME | - | - | - | - | - | **-** |
| Disputed Others | - | - | - | - | - | **-** |
| **Total** | **4,779** | **-** | **7** | **-** | **-** | **4,785** |
| | As at March 31, 2024 | | | | | |
| Undisputed MSME | - | - | - | - | - | - |
| Undisputed Others | - | 2,684 | - | 172 | - | **2,857** |
| Disputed MSME | - | - | - | - | - | - |
| Disputed Others | - | - | - | - | - | - |
| **Total** | **-** | **2,684** | **-** | **172** | **-** | **2,857** |

**Note: 15-Other Financial Liabilities:**

| | | |
|---|---|---|
| Interest accrued but not due | 71 | 123 |
| Accrued Expenses | 120 | 1,993 |
| **Total** | **191** | **2,116** |

**Note: 16-Other Current Liabilities:**

| | | |
|---|---|---|
| Payable to Statutory Authorities | 452 | 460 |
| **Total** | **452** | **460** |

**Note: 17-Provisions:**

| | | |
|---|---|---|
| Provision for Employee Benefits | 368 | 687 |
| **Total** | **368** | **687** |

**Note: 18-Current Tax Liabilities [Net]:**

| | | |
|---|---|---|
| Provision for Taxation [Net of advance payment of tax of INR 2,727 {as at March 31, 2024: INR 0} Thousands] | 107 | 4,300 |
| **Total** | **107** | **4,300** |

**LM MANUFACTURING INDIA PRIVATE LIMITED**
**Notes to the Financial Statements**

| | | INR-Thousand | |
|---|---|---|---|
| | | Year ended March 31 | |
| | | **2025** | 2024 |
| **Note: 19-Revenue from Operations:** | | | |
| Sale of Services | | 64,422 | 67,303 |
| **Total** | | **64,422** | **67,303** |
| **Note: 20-Other Income:** | | | |
| Other Non-operating Income | | 391 | - |
| **Total** | | **391** | - |
| **Note: 21-Cost of Materials Consumed:** | | | |
| Research Material: | | | |
| Purchases | | 9,960 | 16,339 |
| **Total** | | **9,960** | **16,339** |
| **Note: 22-Employee Benefits Expense:** | | | |
| Salaries and wages | | 32,907 | 29,978 |
| Contribution to provident and other funds | | 1,645 | 2,835 |
| Staff welfare expenses | | 475 | 80 |
| **Total** | | **35,027** | **32,894** |
| **Note: 23-Finance Cost:** | | | |
| Interest expense [*] | | 432 | 522 |
| Bank commission & charges | | 3 | 6 |
| **Total** | | **435** | **528** |
| [*] The break up of interest expense into major heads is given below: | | | |
| On loan from Related parties [Refer Note-28] | | 330 | 136 |
| Interest on Lease Liabilites | | 100 | 386 |
| **Note: 24-Other Expenses:** | | | |
| Power & fuel | | 441 | 193 |
| Rent | | 3,200 | - |
| Repairs to Others | | 125 | 20 |
| Rates and Taxes [excluding taxes on income] | | 418 | 20 |
| Postage and Courier | | 2,252 | 2,939 |
| Printing and stationery | | 38 | 31 |
| Traveling Expenses | | 1,249 | 239 |
| Legal and Professional Fees [*] | | 1,287 | 1,033 |
| Miscellaneous Expenses | | 1,496 | 3,138 |
| **Total** | | **10,505** | **7,612** |
| [*] Legal and Professional Fees include: | | | |
| Payment to the Statutory Auditors [excluding GST]: | | | |
| i - As Auditor | | **120** | **100** |
| **Note: 25-Tax Expenses:** | | | |
| **The major components of income tax expense are:** | | | |
| **A Statement of profit and loss:** | | | |
| **Profit or loss section:** | | | |
| **Current income tax:** | | | |
| Current income tax charge | | 2,834 | 4,300 |
| Adjustments in respect of current income tax of previous years | | (439) | 4 |
| | | **2,395** | **4,304** |
| **Deferred tax:** | | | |
| Relating to origination and reversal of temporary differences | | (449) | (1,413) |
| **Tax expense reported in profit or loss** | | **1,946** | **2,891** |
| **B Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate:** | | | |
| Profit before tax | | 8,545 | 8,762 |
| Enacted Tax Rate in India (%) | | 25.17% | 25.17% |
| Expected Tax Expenses | | 2,151 | 2,205 |
| Adjustments for: | | | |
| Tax effect due to non-taxable income for tax purposes | | **-** | - |
| Effect of deferred tax assets/ liabilities recognised in earlier years | | **-** | (6) |
| Effect of non-deductible expenses | | 26 | 1,874 |
| Others | | (211) | (1,182) |
| Total | | **(185)** | **686** |
| **Tax Expenses as per Profit or Loss** | | **1,966** | **2,891** |
| **Note: 26-Calculation of Earnings per Equity Share [EPS]:** | | | |
| The numerators and denominators used to calculate the basic and diluted EPS are as follows: | | | |
| A Profit attributable to Shareholders | INR-Thousand | 6,599 | 5,871 |
| B Basic and weighted average number of Equity shares outstanding during the year | Numbers | 50,000 | 50,000 |
| C Nominal value of equity share | INR | 1 | 1 |
| D Basic & Diluted EPS | INR | **131.99** | **117.42** |

LM MANUFACTURING INDIA PRIVATE LIMITED

Notes to the Financial Statements

**Note: 27-Segment Information:**

| | | |
|---|---|---|
| The Chief Operating Decision Maker [CODM] reviews the Company as a single segment, namely providing services for Pharmaceuticals Business Revenue Derived from a single external customer which amount to 10% or more of the total sales | **64,422** | **67,303** |

**Note: 28-Related Party Transactions:**

**A Name of the Related Parties and Nature of the Related Party Relationship:**

**a Holding Company:** LM Manufacturing Limited [UK]

**b Holding of Holding Company** Zydus Pharmaceuticals UK Limited [UK]

**c Ultimate Holding Company:** Zydus Lifesciences Limited [ZLL]

**d Fellow Subsidiary Companies :**

Zydus Healthcare Limited
German Remedies Pharmaceuticals Private Limited
Zydus Wellness Limited
Zydus Wellness Products Limited
Liva Nutritions Limited
Liva Investment Limited [under liquidation]
Zydus Animal Health and Investments Limited [ZAHIL]
Dialforhealth Unity Limited
Dialforhealth Greencross Limited
Violio Healthcare Limited
Zydus Pharmaceuticals Limited
Biochem Pharmaceutical Private Limited
Zydus Strategic Investments Limited
Zydus VTEC Limited
M/s. Recon Pharmaceuticals and Investments, a Partnership Firm
Zydus Medtech Private Limited [w.e.f. May 31, 2024]
Naturell (India) Private Limited [w.e.f. December 2, 2024]
Zydus International Private Limited [Ireland]
Zydus Netherlands B.V. [the Netherlands]
Zydus Lanka (Private) Limited [Sri Lanka]
Zydus Nikkho Farmaceutica Ltda. [Brazil]
Alidac Healthcare (Myanmar) Limited [Myanmar]
Zydus Healthcare Philippines Inc. [Philippines]
Zynext Ventures PTE. LTD. [Singapore]
Zydus France, SAS [France]
Laboratorios Combix S.L. [Spain]
Etna Biotech S.R.L. [Italy]
Zydus Pharmaceuticals (USA) Inc. [ZPUI] [USA]
Nesher Pharmaceuticals (USA) LLC [USA] [Merged with ZPUI w.e.f. October 25, 2024]
ZyVet Animal Health Inc. [USA]
Zydus Healthcare (USA) LLC [USA]
Sentynl Therapeutics Inc. [USA]
Zydus Noveltech Inc. [USA] [dissolved on December 15, 2023]
Hercon Pharmaceuticals LLC [USA] [dissolved on May 24, 2023]
Viona Pharmaceuticals Inc. [USA]
Zydus Therapeutics Inc. [USA]
Zynext Ventures USA LLC [USA]
Zydus Healthcare S.A. (Pty) Ltd [South Africa]
Alidac Pharmaceuticals SA Pty. Ltd.
Script Management Services (Pty) Ltd [South Africa]
Zydus Wellness [BD] Pvt Ltd [Bangladesh]
Zydus Pharmaceuticals Mexico SA De C.V. [Mexico]
Zydus Pharmaceuticals Mexico Services Company SA De C.V.[Mexico]
Zydus Worldwide DMCC [UAE]
Zydus Wellness International DMCC [UAE]
Zydus Lifesciences Global FZE [UAE]
Zydus Pharmaceuticals (Canada) Inc. [Canada]
Naturell Inc. [USA] [w.e.f. December 2, 2024]
Medsolutions (Europe) Limited [UK]
LiqMeds Worldwide Limited [UK]
LiqMeds Limited [UK]
LiqMeds Lifecare Limited [UK] [LiqMed]

**e Joint Ventures Company**

Zydus Hospira Oncology Private Limited [JV of ZLL]
Zydus Takeda Healthcare Private Limited [JV of ZLL]
Sterling Biotech Limited [w.e.f. August 29, 2024] [JV of ZAHIL]
Bayer Zydus Pharma Private Limited [JV of ZLL] [upto May 2, 2024]
Oncosol Limited [JV of LiqMed]

**f Key Managerial Personnel:**

| | |
|---|---|
| Jay Jani | Director [upto November 6, 2023] |
| Anil Kumar Sharma | Director [upto November 6, 2023] |
| Ashvinkumar Patel | Director [upto November 6, 2023] |
| Amrut Naik | Director [w.e.f. November 6, 2023] |
| Mukund Thakkar | Director [w.e.f. November 6, 2023] |
| Vishal Gor | Director [w.e.f. November 6, 2023] |

**B Transactions with Related Parties:**

The following transactions were carried out with the related parties in the ordinary course of business and at arm's length terms:

**a** Details relating to parties referred to in Note-28-A [a, c & d]

Value of the Transactions [INR-Thousand]

| Nature of Transactions | Holding Company | | Ultimate Holding/Fellow Subsidiary Companies | |
|---|---|---|---|---|
| | Year ended March 31 | | | |
| | **March 31, 2025** | **March 31, 2024** | **March 31, 2025** | **March 31, 2024** |
| **Sales:** | | | | |
| **Services:** | | | | |
| LM Manufacturing Limited | **64,422** | **67,303** | **-** | - |
| **Reimbursement of Expenses Recovered:** | | | | |
| Zydus Wellness Products Limited | - | - | **459** | - |
| **Purchase of Services:** | | | | |
| Zydus Wellness Products Limited | - | - | **3,200** | - |
| **Shares Issued:** | | | | |
| Zydus Lifesciences Limited | - | - | **-** | **8** |
| **Finance:** | | | | |
| **Inter Corporate Loans accepted:** | | | | |
| Zydus Lifesciences Limited | - | - | **-** | **4,354** |
| **Interest Expense:** | | | | |
| Zydus Lifesciences Limited | - | - | **329** | **136** |
| Nature of Transactions | As at | | | |
| | **March 31, 2025** | **March 31, 2024** | **March 31, 2025** | **March 31, 2024** |
| **Outstanding:** | | | | |
| **Payable:** | | | | |
| LM Manufacturing Limited | - | **76** | **-** | - |
| Zydus Lifesciences Limited | **-** | - | **4,425** | **4,477** |
| Zydus Wellness Products Limited | - | - | **75** | - |
| **Receivables** | | | | |
| LM Manufacturing Limited | **12,701** | **17,232** | | |

**b** There are no transactions with parties referred to in Note-28 [b, e & f]

LM MANUFACTURING INDIA PRIVATE LIMITED
Notes to the Financial Statements

**Note: 29-Financial Risk Management:**

**A Financial instruments by category:**

| | INR-Thousand | | | |
|---|---|---|---|---|
| | As at March 31, 2025 | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total |
| **Financial assets:** | | | | |
| Non Current Other Financial Assets | - | - | 122 | **122** |
| Trade receivables | - | - | 12,701 | **12,701** |
| Cash and Cash Equivalents | - | - | 6,303 | **6,303** |
| Non Current Other Financial Assets | - | - | 145 | **145** |
| **Total** | **-** | **-** | **19,271** | **19,271** |
| **Financial liabilities:** | | | | |
| Borrowings [including current maturities and interest accrued but not due] | - | - | 4,425 | **4,425** |
| Trade payables | - | - | 4,785 | **4,785** |
| Other Current Financial Liabilities | - | - | 120 | **120** |
| **Total** | **-** | **-** | **9,331** | **9,331** |

| | INR-Thousand | | | |
|---|---|---|---|---|
| | As at March 31, 2024 | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total |
| **Financial assets:** | | | | |
| Non Current Other Financial Assets | - | - | 328 | **328** |
| Trade receivables | - | - | 17,232 | **17,232** |
| Cash and Cash Equivalents | - | - | 901 | **901** |
| Other Current Financial Assets [other than Receivables for Forward Contract] | - | - | 145 | **145** |
| **Total** | **-** | **-** | **18,606** | **18,606** |
| **Financial liabilities:** | | | | |
| Borrowings [including current maturities and interest accrued but not due] | - | - | 4,477 | **4,477** |
| Trade payables | - | - | 2,857 | **2,857** |
| Non Current Other Financial Liabilities | - | - | 1,953 | **1,953** |
| Other Current Financial Liabilities | - | - | 3,282 | **3,282** |
| **Total** | **-** | **-** | **12,569** | **12,569** |

**Financial Assets:**

The carrying amounts of trade receivables, loans and advances to related parties and other financial assets [other than referred above], cash and cash equivalents are considered to be the approximately equal to the fair values.

**Financial Liabilities:**

Fair values of loans from banks, other financial liabilities and trade payables are considered to be approximately equal to the carrying values.

**B Risk Management:**

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below:

**a Credit risk:**

Credit risk arises from the possibility that counter party may not be able to settle its obligations as agreed. The Company is exposed to credit risk from trade receivables, bank deposits and other financial assets. The Company periodically assesses the financial reliability of the counter party taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual customer limits are set accordingly.

i Bank deposits : The Company maintains its Cash and cash equivalents and Bank deposits with reputed and highly rated banks. Hence, there is no significant credit risk on such deposits.

ii Trade Receivable: The Company trades with recognized and credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to credit losses is not significant.

There are no significant credit risks with related parties of the Company. The Company is exposed to credit risk in the event of non-payment by customers.

The Company has used lifetime expected credit loss [ECL] model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. Financial assets for which loss allowances is measured using the expected credit loss:

| | INR-Thousand | |
|---|---|---|
| | As At | |
| | March 31, 2025 | March 31, 2024 |
| **Trade Receivables:** | | |
| Less than 180 days [including not due] | **12,701** | 17,232 |
| 180 - 365 days | **-** | - |
| Above 365 days | **-** | - |
| Total | **12,701** | 17,232 |

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

**b Liquidity risk:**

a Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

b Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which it operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Note: 30-Financial Risk Management:-Continued:**

**Maturities of financial liabilities:**

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| | INR-Thousand | | | | |
|---|---|---|---|---|---|
| | **< 1 year** | **1-2 year** | **2-3 year** | **> 3 years** | **Total** |
| | **As at March 31, 2025** | | | | |
| **Non-derivative Financial Liabilities:** | | | | | |
| Borrowings [including current maturities and interest] | 71 | | 4,354 | - | **4,425** |
| Trade payables | 4,779 | 7 | - | - | **4,785** |
| Accrued Expenses | 120 | - | - | - | **120** |
| **Total** | **4,970** | **7** | **4,354** | **-** | **9,330** |
| | **As at March 31, 2024** | | | | |
| **Non-derivative Financial Liabilities:** | | | | | |
| Borrowings [including current maturities and interest] | 123 | | 4,354 | - | **4,477** |
| Other non current financial liabilities | - | - | - | 1,953 | **1,953** |
| Trade payables | 2,685 | - | 172 | - | **2,857** |
| Accrued Expenses | 1,993 | - | - | - | **1,993** |
| Other Current Financial Liabilities | 1,289 | - | - | - | **1,289** |
| **Total** | **6,089** | **-** | **4,526** | **1,953** | **12,569** |

**c Foreign currency risk:**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's operations in foreign currency creates natural foreign currency hedge. This results in insignificant net open foreign currency exposures considering the volumes and operations of the Company.

**Foreign currency risk exposure:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR-Thousand, are as follows:

| | INR-Thousand | |
|---|---|---|
| | **Exposure of USD** | |
| | **2025** | 2024 |
| **Financial assets:** | | |
| Trade receivable | **12,701** | **17,232** |
| **Total exposure to foreign currency risk [assets]** | **12,701** | 17,232 |
| **Financial liabilities:** | **-** | **-** |
| **Net exposure to foreign currency risk** | **12,701** | 17,232 |

**Note: 31-Financial Risk Management:-Continued:**

**Sensitivity *:**

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

| | INR-Thousand | | | | | |
|---|---|---|---|---|---|---|
| | **As at March 31, 2025** | | | **As at March 31, 2024** | | |
| | **Movement in Rate** | **Impact on PAT [*]** | **Impact on OCI [*]** | **Movement in Rate** | **Impact on PAT [*]** | **Impact on OCI [*]** |
| USD | 2.50% | 238 | - | 2.50% | 323 | - |
| USD | -2.50% | (238) | - | -2.50% | (323) | - |

* Holding all other variables constant

**d Interest rate risk:**

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at March 31, 2025, the Company is exposed to changes in market interest rates through borrowings at variable interest rates.

**Sensitivity *:**

Below is the sensitivity of profit or loss and equity changes in interest rates:

| | **Movement in Rate** | INR-Thousand | |
|---|---|---|---|
| | | **As at March 31** | |
| | | **2025** | **2024** |
| Interest rates | +0.50% | (2) | (2) |
| Interest rates | -0.50% | 2 | 2 |

* Holding all other variables constant

**Note: 31-Leases:**

**Lessee:**

**A Relating to statement of financial position:**

1 Under Ind AS 116, the Company recognises right to use assets and lease liabilities for most leases. Right of use assets are part of financial statement captions "Property plant and equipment'. Depreciation and impairment are similar to measurement of owned assets. Lease liabilities are part of financial statement captions "non-current financial liabilities" and "current financial liabilities". Interest is part of financial statement captions " Finance costs".

| | INR-Thousand | |
|---|---|---|
| **Right of use assets** | **Buildings** | **Total** |
| As at March 31, 2023 | 4,136 | 4,136 |
| Additions during the year | - | - |
| Depreciation charge for the year | 1,306 | 1,306 |
| **Balance as at March 31, 2024 [Net]** | **2,830** | **2,830** |
| Additions during the year | | - |
| Depreciation charge for the year | 435 | 435 |
| Disposals | (2,395) | (2,395) |
| **Balance as at March 31, 2025 [Net]** | **-** | **-** |

The Company leases assets which include office buildings and warehouse spaces.

2 Movement in lease liabilities:

| | INR-Thousand | |
|---|---|---|
| | As at | |
| | March 31, 2025 | March 31, 2024 |
| Lease liability at the beginning of the year | 3,242 | 4,485 |
| Additions | - | - |
| Redemption | (3,242) | (1,243) |
| Lease liability at end of the year | - | 3,242 |
| of which: | | |
| Current portion | - | 1,289 |
| Non current portion | - | 1,953 |

2 Maturity analysis of lease liabilities:

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

| | INR-Thousand | |
|---|---|---|
| | As at | |
| **Minimum lease payments due** | **March 31, 2025** | **March 31, 2024** |
| Within 1 year | - | 1,289 |
| 1-5 years | - | 1,953 |
| Above 5 years | | |

**LM MANUFACTURING INDIA PRIVATE LIMITED**
**Notes to the Financial Statements**

**Note: 32-Analytical Ratios:**

| Sr. No | Ratio | Numerator | Denominator | FY 24-25 | FY 23-24 | % Change |
|---|---|---|---|---|---|---|
| 1 | Current Ratio [$] | Current Assets | Current Liabilities | **5.05** | 2.27 | 122.9% |
| 2 | Debt-Equity Ratio [#] | Total Debt | Shareholder's Equity | **0.28** | 0.47 | -41.1% |
| 3 | Debt Service Coverage Ratio [#] | Earnings available for debt service @ | Finance costs + Repayment of debt | **5.95** | 507.31 | -98.8% |
| 4 | Return on Equity Ratio [#] | Net Profits after taxes | Average Shareholder's Equity | **41.9%** | 104.0% | -59.7% |
| 5 | Inventory turnover ratio | Net Sales | Average Inventory | **N/A** | N/A | N/A |
| 6 | Trade Receivables turnover ratio [*] | Net Sales | Average Trade Receivables | **4.30** | 4.50 | -4.4% |
| 7 | Trade payables turnover ratio [**] | Net Purchases and Other Expenses | Average Trade Payables | **5.80** | 4.92 | 18.0% |
| 8 | Net capital turnover ratio [***] | Net Sales | Average Working Capital | **3.32** | 8.33 | -60.1% |
| 9 | Net profit ratio [^] | Net Profits after taxes | Net Sales | **10.2%** | 8.7% | 17.4% |
| 10 | Return on Capital employed [#] | Earnings before interest and taxes | Average Capital Employed | **44.6%** | 86.9% | -48.6% |

[$] Mainly due to increase in GST receivable and decrease in Tax amount
[#] Mainly due to increase in shareholders equity on account of profit.
[**] Mainly due to increase in purchases and other expenses.
[***] Mainly due to decrease in sales & increase in Average Working Capital

**Note: 33:**

a The Company has not advanced or loaned or invested funds [either from borrowed funds or share premium or any other sources or kind of funds ] to any other persons or entities, including foreign entities [Intermediaries], with the understanding, whether recorded in writing or otherwise that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries.

b The Company has not received any funds from any persons or entities, including foreign entities [Funding Party] with the understanding [whether recorded in writing or otherwise], that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party [Ultimate Beneficiaries] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c The Company has used accounting software for maintaining its books of accounts for the year ended on March 31, 2025 which has a feature of recording audit trail [edit log] facility and the same has been operational throughout the year for all relevant transactions recorded in the software except that the audit trail has been enabled at the database level for accounting software to log any direct data changes with effect from June 1, 2024. The Audit Trail from Company Software has been preserved by the company in accordance with the statutory requirements for records retention.

d The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

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

f The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

g The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

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

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

**Note: 34-Disclosure of transactions with Struck off Companies:**

The Company did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

**Signatures to Material Accounting Policies and Notes 1 to 34 to the Financial Statements**

As per our report of even date
For, Kantilal Patel & Co.
Chartered Accountants

For and on behalf of the Board
LM Manufacturing India Private Limited

sd/-
Jinal A. Patel
Partner
Membership Number : 153599
Place: Ahmedabad
Date: May 10, 2025

sd/-
Amrut Naik
Director
DIN : 08240203
Place: Ahmedabad
Date: May 10, 2025

sd/-
Vishal Gor
Director
DIN : 08787850
Place: Ahmedabad
Date: May 10, 2025