

# MERIND

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ANNUAL REPORT 2023-24

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## CORPORATE INFORMATION

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|--------------------------------------|---|---|
| <b>REGISTERED OFFICE</b>             | : | Readymoney Terrace,<br>2 <sup>nd</sup> Floor, Room No. 5,<br>167, Dr. Annie Besant Road,<br>Worli, Mumbai - 400 018<br>Tel.: +91-22-2495 2620<br>Email id: investorrelations@merind.co.in   |
| <b>DIRECTORS</b>                     | : | Dr. Huzaifa Khorakiwala<br>Ms. Zahabiya Khorakiwala<br>Mr. Stephen D'Souza  |
| <b>CIN</b>                           | : | U24239MH1958PLC011204   |
| <b>AUDITORS</b>                      | : | J. L. Thakkar & Co.<br>Chartered Accountants<br>1302 Hiranank CHS,<br>178-180 Dadi Sheth Agiari Lane,<br>Mumbai - 400 002   |
| <b>REGISTRAR AND TRANSFER AGENTS</b> | : | <b>Link Intime India Private Limited</b><br>Unit: Merind Limited<br>C-101, 247, Embassy Park,<br>Lal Bahadur Shastri Marg,<br>Vikhroli (West), Mumbai - 400 002<br>Telephone : +91-22-4918-6270<br>Fax : +91-22-4918-6060<br>Email id : rnt.helpdesk@linkintime.co.in<br>Website : www.linkintime.co.in |

## CONTENTS

|                                   |    |
|-----------------------------------|----|
| Board's Report.....               | 2  |
| Independent Auditor's Report..... | 11 |
| Financial Statement.....          | 18 |

## BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present the Sixty-Fourth Annual Report along with the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 ('year under review').

### FINANCIAL RESULTS AND HIGHLIGHTS

The summary of financial results for Financial Year 2023-24 is given below:

(Amount in ₹ thousand)

| Particulars                | Year ended<br>31 <sup>st</sup> March, 2024 | Year ended<br>31 <sup>st</sup> March, 2023 |
|----------------------------|--|--|
| Total Revenue              | 1,45,512                                   | 1,10,968                                   |
| Total Expenses             | 71,699                                     | 25,778                                     |
| Profit before Tax          | 73,813                                     | 85,190                                     |
| Provision for Tax Charge   | (17,070)                                   | (17,111)                                   |
| Profit after tax           | 56,743                                     | 68,079                                     |
| Other Comprehensive Income | —  | —  |
| Total Comprehensive Income | 56,743                                     | 68,079                                     |

### STATE OF COMPANY'S AFFAIRS

During the financial year under review, the Company's Total Revenue stood at ₹ 1,45,512 thousand as compared to ₹ 1,10,968 thousand in the previous year.

During the year under review, the Company has registered a profit of ₹ 56,743 thousand for the year as compared to ₹ 68,079 thousand in the previous year.

Due to increase in Finance costs and other expenses, the profit of the Company had declined by 16.65% during the year under review.

The Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 has been prepared as per Ind AS and the relevant provisions of the Companies Act, 2013.

### DIVIDEND AND RESERVES

In order to augment funds for its future business requirements, the Board of Directors of the Company, do not recommend any dividend on the Equity Shares of the Company for the financial year ended 31<sup>st</sup> March, 2024.

### SHARE CAPITAL

During the year under review, there was no change in the share capital of the Company.

### BOARD OF DIRECTORS

During the year under review, Mr. Deepak Madnani (DIN: 07679855) resigned from his position as Director of the Company with effect from 17<sup>th</sup> April, 2023 due to personal reasons. The Board places on record its appreciation for the valuable contributions made by Mr. Madnani during his tenure as Director of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Ms. Zahabiya Khorakiwala (DIN: 00102689) retires by rotation as Director of the Company at the ensuing Annual General Meeting ('AGM') and being eligible, offers herself for the re-appointment. The provisions of Section 203(1) of the Companies Act, 2013 mandating appointment of Key Managerial Personnel are not applicable to the Company.

None of the directors are disqualified under Section 164(2) of the Companies Act, 2013. Further, they are not debarred from holding the office of Director pursuant to order of any other authority. A statement on declaration given by Independent Director under sub-section (6) of Section 149 is not applicable on the Company.

The Constitution of Board of Directors as on 31<sup>st</sup> March 2024 is as follows:

| Sr. No. | Name of Director           | DIN      | Date of Appointment |
|---------|----------------------------|----------|---------------------|
| 1.      | Huzaifa Habil Khorakiwala  | 02191870 | 31/03/2010          |
| 2.      | Zahabiya Habil Khorakiwala | 00102689 | 31/03/2010          |
| 3.      | Stephen Sabbas D'souza     | 00045812 | 21/08/2019          |

### BOARD MEETINGS

During the financial year under review 6 (Six) Board Meetings were held on 17<sup>th</sup> April, 2023, 14<sup>th</sup> July, 2023, 29<sup>th</sup> August, 2023, 15<sup>th</sup> December, 2023, 26<sup>th</sup> December, 2023 and 8<sup>th</sup> March 2024.

All the Members of the Board were present at the Board meetings held during the year.

The gap between two consecutive meetings was not more than one hundred and twenty days, thereby complying with the applicable statutory requirement for the financial year.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee is empowered to look into redressal of Shareholders'/Investors' grievance such as complaints relating to transfer/ transmission of shares, change of address, issue of duplicate share certificate, stop transfer request, non-receipt of Annual Reports, service standards for Registrar and Share Transfer Agent, etc.

During the financial year under review 2 (Two) meetings of Stakeholders Relationship Committee were held on 29<sup>th</sup> August, 2023 and 8<sup>th</sup> March, 2024. All the Committee Members were present at these meetings.

The Company did not receive any Investor grievances during the financial year.

The Constitution of Stakeholders Relationship Committee as on 31<sup>st</sup> March 2024 is as follows:

| Sr. No. | Name of Committee Member   | Designation |
|---------|----------------------------|-------------|
| 1.      | Zahabiya Habil Khorakiwala | Chairperson |
| 2.      | Huzaifa Habil Khorakiwala  | Member      |
| 3.      | Stephen Sabbas D'souza     | Member      |

### CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend ₹ 10,35,821 on CSR activities during the year. The Company had spent ₹ 11,00,000 (Rupees Eleven Lakhs only) towards CSR activities undertaken through Wockhardt Foundation, a not for profit organisation.

Though exempted under sub section (9) of Section 135 of the Companies Act, 2013, the Board of the Company has constituted a CSR Committee to oversee implementation of the CSR initiatives of the Company and during the financial year under review, one meeting of CSR committee was held on 29<sup>th</sup> August, 2023. All the Committee Members were present at the meeting.

The details on CSR activities as required under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, is annexed as **Annexure I** to this Report.

The Constitution of CSR Committee as on 31<sup>st</sup> March, 2024 is as follows

| Sr. No. | Name of Committee Member   | Designation |
|---------|----------------------------|-------------|
| 1.      | Huzaifa Habil Khorakiwala  | Chairperson |
| 2.      | Zahabiya Habil Khorakiwala | Member      |
| 3.      | Stephen Sabbas D'souza     | Member      |

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Directors state that:

- a) in the preparation of Annual Accounts for the year ended March 31, 2024 the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- b) such Accounting Policies as mentioned in the notes to the Financial Statements for the year ended March 31, 2024 have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the year ended March 31, 2024;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Accounts for the year ended March 31, 2024 have been prepared on a going concern basis;
- e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and operating effectively; and
- f) proper systems to ensure compliance with the provisions of all the applicable laws have been devised and that such systems are adequate and operating effectively.

**RISK MANAGEMENT**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. At present, there are no risks which in the opinion of the Board affect the operations of the Company on going concern basis or which may threaten the existence of the Company. However, the Company has adopted a well-defined Risk Management Framework.

The Board will continue to take steps to review and mitigate the risks which may threaten the existence of the Company, apart from other risks.

The risk assessment procedures and systems ensure that the Board is periodically informed on the material risks faced by the Company and the steps taken by the Company to alleviate those risks.

**STATUTORY AUDITORS AND AUDITORS' REPORT**

J. L. Thakkar & Co., Chartered Accountants (ICAI Firm Registration No: 110898W), were appointed as the Statutory Auditors of the Company at the 59<sup>th</sup> AGM of the Company held on 26<sup>th</sup> September, 2019, for a term of 5 (Five) consecutive years i.e. from the conclusion of 59<sup>th</sup> AGM till the conclusion of 64<sup>th</sup> AGM of the Company (to be held during calendar year 2024).

In view of the above, the Board of Directors at their meeting held on 26<sup>th</sup> August, 2024, based on the exceptional performance and professional integrity demonstrated by the auditors during their first term, have approved and recommended the re-appointment of J. L. Thakkar & Co., Chartered Accountants (ICAI Firm Registration No.:110898W), as Statutory Auditors of the Company for a Second term of 5 (Five) consecutive years to the Members for their approval in the ensuing Annual General Meeting. The term of appointment of Statutory Auditors is from the conclusion of Sixty-Fourth Annual General Meeting till the conclusion of Sixty-Ninth Annual General Meeting of the Company, on such terms and remuneration as agreed upon between the Board of Directors and the Auditors.

The Report given by the Auditors on the Financial Statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year under review, in terms of Section 118(10) of the Act, your Company has complied with all the mandated Secretarial Standards issued by the Institute of Company Secretaries of India.

**ANNUAL RETURN**

The Company does not have any website. The Annual Return of the Company for the financial year 2023-24 in Form of MGT-7 under Section 92 of the Companies Act, 2013 shall be filed by the Company with the Registrar of Companies within the stipulated period.

**INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

The Company has adequate internal financial control procedures commensurate with its size and nature of business. These controls include well defined policies, guidelines, Standard Operating Procedures ('SOPs'), authorization and approval procedures and technology intensive processes. The internal financial controls of the Company are adequate to ensure the accuracy and completeness of the accounting records, timely preparation of reliable financial information, prevention and detection of frauds and errors, safeguarding of the assets, and that the business is conducted in an orderly and efficient manner.

During the year under review, there were no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

**PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of loans given and investments made under Section 186 of the Companies Act, 2013 along with the purpose for which the loan is proposed to be utilised by the recipient are provided under Note no. 25 to the Financial Statement. There were no guarantees given and securities provided under Section 186 of the Companies Act, 2013.

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

All contracts/arrangements/transactions entered by the Company during the financial year under review with related parties were in the ordinary course of business and on arm's length basis. The Company did not enter into any transaction directly with any Director. No transaction with related party was in conflict with the interest of the Company.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 ('Act') read with Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, no Employee/Director(s) of the Company is drawing remuneration in excess of the limits set out in the said rules. Further, other disclosures under the said Rules are Nil/Not Applicable.

**HOLDING, SUBSIDIARIES, ASSOCIATES & JOINT VENTURES**

The Company is a Subsidiary of Dartmour Holdings Private Limited. During the year under review, the Company does not have any subsidiary, associate company or joint venture.

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

The Company is not engaged in manufacturing activity and thus its operations are not energy intensive. During the year under review, the Company was primarily engaged in renting of its immovable property which does not result in consumption of power and energy. Hence, energy conservation measures are not significant to the Company.

**B. TECHNOLOGY ABSORPTION**

Company's main line of business is renting of its immovable property. There is no usage of any particular technology or process. Hence, the question of technology absorption and importation of any technology does not arise. Further, the expenditure on Research and Development during the financial year 2023-24 was Nil.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was no foreign exchange earnings and outgo during the financial year 2023-24.

**DEPOSITS**

During the year, no deposits were accepted by the Company under Chapter V of the Companies Act, 2013.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURT**

During the year, no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company.

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

Not applicable

**DISCLOSURE, AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013, IS REQUIRED BY THE COMPANY AND ACCORDINGLY SUCH ACCOUNTS AND RECORDS ARE MADE AND MAINTAINED**

The provisions relating to Cost Audit is not applicable on the Company.

## THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

No application has been filed by the Company.

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

Not applicable

## GENERAL

1. Provisions such as Audit Committee, Nomination and Remuneration Committee and Secretarial Audit are not applicable to the Company.
2. The provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company.
3. No material changes and commitments have occurred after the close of the year till the date of this report which may affect the financial position of the Company.
4. During the year under review, there was no change in the nature of business of the Company.

## ACKNOWLEDGEMENTS

The Directors take this as an opportunity to express their gratitude to all the Stakeholders of the Company for their continued support during the year under review.

**For and on behalf of the Board of Directors**

**Dr. Huzaifa Khorakiwala**

Chairman

(DIN: 02191870)

Place: Mumbai

Date: 26<sup>th</sup> August, 2024



## ANNEXURE I TO THE BOARD'S REPORT

## ANNUAL REPORT ON CSR ACTIVITIES/INITIATIVES

**1. Brief outline on CSR Policy of the Company:**

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

The Company's CSR Policy aims at excellence through service to local communities wherein the Company operates. The focus areas for CSR are Healthcare, Education, Infrastructure Development and Promoting social causes. The Company may undertake any one or more CSR activities as specified in the CSR Policy.

**2. Composition of CSR Committee:**

| Sl. No. | Name of Director         | Designation/Nature of Directorship | No. of meeting of CSR Committee held during the year | No. of meeting of CSR Committee attended during the year |
|---------|--------------------------|------------------------------------|--|--|
| 1       | Dr. Huzaifa Khorakiwala  | Chairman                           | 1  | 1  |
| 2       | Ms. Zahabiya Khorakiwala | Member                             | 1  | 1  |
| 3       | Mr. Stephen Dsouza       | Member                             | 1  | 1  |

**3. Web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed**

The Company does not have any website. The Composition of the CSR Committee is as disclosed above. The CSR Policy of the Company is enclosed herewith as **Annexure A** to this Report. The Company undertakes its CSR activities through Wockhardt Foundation, a Not-for Profit Organisation and an Implementing Agency registered under the Act, the details of which are detailed hereunder.

**4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable.****5. (a) Average net profit of the Company as per section 135(5): ₹ 5,17,91,030.**

**(b) Two percent of average net profit of the company as per section 135(5): ₹ 10,35,821.**

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

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

**(e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 10,35,821.**

**6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 11,00,000**

**(b) Amount spent in Administrative Overheads: Nil**

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

**(d) Total amount spent for the Financial Year (6a+6b+6c): 11,00,000**

**(e) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹)   |                  |   |         |                  |
|--|---|------------------|---|---------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |         |                  |
|  | Amount.   | Date of transfer | Name of the Fund  | Amount. | Date of transfer |
| 11,00,000  | NIL   | Not Applicable   | Not Applicable  | NIL     | Not Applicable   |

(f) Excess amount for set off, if any:

| Sl. No. | Particulars   | Amount (in ₹) |
|---------|---|---------------|
| 1.      | Two percent of average net profit of the company as per section 135(5)                                      | 10,35,821     |
| 2.      | Total amount spent for the Financial Year   | 11,00,000     |
| 3.      | Excess amount spent for the financial year [(2)-(1)]  | 64,179        |
| 4.      | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil           |
| 5.      | Amount available for set off in succeeding financial years [(3)-(4)]  | 64,179        |

7. Details of Unspent CSR amount for the preceding three financial years: **Nil**

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any |               |                  | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---------|--------------------------|---|---|---|---------------|------------------|--|
|         |                          |   |   | Name of the Fund  | Amount (in ₹) | Date of transfer |  |
| 1.      |                          |   |   |   |               |                  |  |
| 2.      |                          |   |   |   |               |                  |  |
| 3.      |                          |   |   |   |               |                  |  |
|         | TOTAL                    |   |   |   |               |                  |  |

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year (Yes/No): **No**

If Yes, enter the number of Capital assets created/ acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable**

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pin code of the Property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner |      |                    |
|---------|---|--------------------------------------|------------------|----------------------------|---|------|--------------------|
|         |   |                                      |                  |                            | CSR Registration Number, if applicable                            | Name | Registered address |
| 1)      |   |                                      |                  |                            |   |      |                    |
| 2)      |   |                                      |                  |                            |   |      |                    |
| 3)      |   |                                      |                  |                            |   |      |                    |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

**Dr. Huzaifa Khorakiwala**  
Chairman of CSR Committee  
DIN: 02191870

**Ms. Zahabiya Khorakiwala**  
Member of the CSR Committee  
DIN: 00102689

## ANNEXURE A

### CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

#### Introduction

Pursuant to the provisions of Section 135 of the Companies Act, 2013 (“the Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) issued by the Ministry of Corporate Affairs (“MCA”), the Company’s Corporate Social Responsibility (CSR) Policy is formulated.

#### Our CSR Vision & Mission

To contribute to the social, economic and environmental development of the community in which we operate.

#### CSR Activities

The Company may undertake any one or more of the following activities as its CSR activities.

- a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- e. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- f. Measures for the benefit of armed forces veterans, war widows and their dependents;
- g. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- h. Contribution to the Prime Minister’s National relief fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- i. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j. Rural development projects.
- k. Slum area development

Slum area shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

#### Our Approach to implementation

We will generally implement aforesaid CSR activities on our own to the extent possible. However, at the same time, we recognise need to work in partnership with other players also. This would include collaborating with various organisations which are registered as a Trust or Section 25 Company under Companies Act, 1956 / Section 8 Company under the Companies Act, 2013 or Society or NGO’s or any other form of entity incorporated in India that specialises in aforesaid activities.

The duration over which a particular CSR project will be spread will depend on its nature, extent of coverage and the intended impact of the project.

#### Monitoring Mechanism

CSR Committee shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company and report to the Board on a regular basis the progress of CSR activities.

## **Surplus arising out of CSR projects**

The programs that the Company intends to implement will not give rise to any surplus. However, in case a surplus is earned, then such surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

## **Communication & Reporting**

CSR program details would be communicated in the public domain through the Annual Report in the reporting format as mandated by Section 135 of the Companies Act, 2013.

Further, the CSR Policy may be modified from time to time by the Board of Directors of the Company on the recommendation of the CSR Committee.

## **Exclusions**

The CSR activities of the Company will not include the activities undertaken in pursuance of normal course of business of the Company. Any contribution directly or indirectly to any political party or any religious groups will not be considered as CSR activity.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Merind Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Merind Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 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 standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our opinion, there are no significant matters that need to be reported under this paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) Pending litigations and its impact on the financial position of the Company ,has been disclosed in Note 20;
  - (ii) in our opinion, there were no material foreseeable losses on long-term contracts including derivative contracts, that need to be provided for in accounts; and
  - (iii) the Company has no obligation to transfer any amount to the Investor Education and Protection Fund by the Company.
  - (iv) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - (1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
    - (2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
  - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - (1) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
    - (2) provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under the above sub-clause contain any material mis-statement.
- (v) The Company has neither declared nor paid any dividend during the year.
- (vi) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from April 1, 2023. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year, except that the audit trail was not enabled at the data base level to log any direct data changes for such accounting software used for maintaining books of accounts. Further, where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instance of the audit trail feature being tampered with.
2. As required by the Companies (Auditor’s Report) Order, 2020 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For J. L. Thakkar & Co.**  
 Firm Regn. No. 110898W  
 Chartered Accountants

**J. L. Thakkar** – M No. 032318  
 Proprietor

Place : Mumbai  
 Date : August 26, 2024  
 UDIN : 24032318BKAGRQ4178



**ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1.f under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report of even date, to the members on the Standalone Financial Statements for the year ended March 31, 2024

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

We have audited the internal financial controls over financial reporting of Merind Limited ('the Company') as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Opinion**

In our opinion, 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For J. L. Thakkar & Co.**

Firm Regn. No. 110898W  
Chartered Accountants

**J. L. Thakkar** – M No. 032318

Proprietor

Place : Mumbai

Date : August 26, 2024

UDIN : 24032318BKAGRQ4178

## ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in our Report on the Standalone Ind AS financial statements of even date to the members for the year ended March 31, 2024, required by the Companies (Auditor's Report) Order, 2020 ("the Order") in terms of Section 143 (11) of the Act

1. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
B. The Company has no intangible assets
- (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
- (c) the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. The Company has no inventory. The question of reporting under para 3(ii) of the Order does not arise.
3. During the year, the company has not made investments in, nor provided any guarantee or security, to companies, firms, Limited Liability Partnerships. The Company has given loan amounting to ₹ 1,085,400 thousand to Related parties other than subsidiaries, joint ventures and associates. This loan is repayable on demand and is 66% of the total loan. The aggregate loan outstanding as on the Balance date is ₹ 1,570,258 thousand.
4. During the year, as there were no investments, guarantees, and security made/given. According to the information and explanations given, loans given during the year were in compliance with the provisions of sections 185 and 186 of the Act.
5. During the year, no deposits were accepted by the company, nor there were amounts accepted which are deemed to be deposits. Accordingly, paragraph 3 (v) of the Order does not apply to the Company.
6. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act. The question of reporting under para 3(vi) of the Order does not arise.
7. According to the records, the company is regular in depositing undisputed statutory dues, if any, 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 statutory dues to the appropriate authorities.

Excepting the excise duty dues referred to below, according to the information and explanations given by the management, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.

The following excise duty dues have not been deposited to the Government as the same have been disputed by the Company.

| Year    | Amount (₹ thousand) | As per disputed order of |
|---------|---------------------|--------------------------|
| 1991-94 | 9,964               | CESTAT                   |

8. To the best of our knowledge and according to the information and explanations given to us, there were no transactions which have not been recorded in the books of account, and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. a. According to the records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.  
b. The company is not declared a wilful defaulter by any bank or financial institution or other lender.  
c. The Company had no term loans during the year. Accordingly, there was no question of any misapplication or diversion regarding their use.  
d. In our opinion, funds raised on short term basis have not been utilised for long term purposes.  
e. As per the records, during the year, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.  
f. As per records, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10. a. As per the records, no moneys were raised by way of initial public offer and there was no further public offer (including debt instruments) during the year.
- b. As per the records, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
11. a. No fraud by the company nor any 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 by the auditors in Form ADT-4 under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As informed to us, whistle-blower mechanism is not applicable to the Company.
12. The Company is not a Nidhi Company. Accordingly, none of the reporting requirements laid down, under para 3(xii) of the Order applies to the Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards. Please refer to Note 21
14. As explained to us, the company has no internal audit system as it has no obligation in this regard.
15. During the year, the company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, the question of compliance of section 192 of the Act does not arise.
16. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
17. The company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
18. There has not been any resignation of the statutory auditors during the year.
19. In our opinion, the Company has not entered into any transactions, or carried out any operations as would give rise to material uncertainty as on the date of the audit report indicating that company is not capable of meeting its liabilities existing on 31st March, 2024 as and when they fall due within a period of one year from that date.
20. There is no unspent amount under section 135(5) of the Companies Act 2013 pursuant to any project. Therefore the reporting requirements under para 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

**For J. L. Thakkar & Co.**

Firm Regn. No. 110898W

Chartered Accountants

**J. L. Thakkar** – M No. 032318

Proprietor

Place : Mumbai

Date : August 26, 2024

UDIN : 24032318BKAGRQ4178

## BALANCE SHEET AS AT MARCH 31, 2024

(All amounts in thousand of Indian Rupees unless otherwise stated)

|                                  | Notes | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------------|-------|-------------------------|-------------------------|
| <b>ASSETS</b>                    |       |                         |                         |
| <b>Non-current assets</b>        |       |                         |                         |
| Property, Plant and Equipment    | 2     | 1,350                   | 1,397                   |
| Financial assets                 |       |                         |                         |
| Investments                      | 3     | 894,139                 | 844,678                 |
| Non-current tax assets (Net)     |       | 76,836                  | 70,481                  |
| Other non-current assets         | 4     | 4,860                   | 4,854                   |
|                                  |       | <b>977,185</b>          | <b>921,410</b>          |
| <b>Current assets</b>            |       |                         |                         |
| Financial Assets                 |       |                         |                         |
| Trade receivables                | 5     | –                       | –                       |
| Cash and cash equivalents        | 6     | 4,668                   | 3,732                   |
| Bank balances (other than above) | 7     | 8,425                   | 7,246                   |
| Loans given                      | 8     | 1,640,323               | 1,170,066               |
| Others                           | 9     | 567                     | 796                     |
| Other current assets             | 10    | 5,149                   | 4,630                   |
|                                  |       | <b>1,659,132</b>        | <b>1,186,470</b>        |
|                                  |       | <b>2,636,317</b>        | <b>2,107,880</b>        |
| <b>TOTAL ASSETS</b>              |       |                         |                         |
| <b>EQUITY AND LIABILITIES</b>    |       |                         |                         |
| <b>EQUITY</b>                    |       |                         |                         |
| Equity Share capital             | 11    | 36,420                  | 36,420                  |
| Other Equity                     |       | 1,885,293               | 1,828,550               |
|                                  |       | <b>1,921,713</b>        | <b>1,864,970</b>        |
| <b>LIABILITIES</b>               |       |                         |                         |
| <b>Non-current liabilities</b>   |       |                         |                         |
| Deferred tax liabilities         | 12    | 16,757                  | 12,866                  |
|                                  |       | <b>16,757</b>           | <b>12,866</b>           |
| <b>Current liabilities</b>       |       |                         |                         |
| Financial Liabilities            |       |                         |                         |
| Borrowings                       | 13    | 657,236                 | 187,736                 |
| Other financial liabilities      | 14    | 7,976                   | 16,748                  |
| Other current liabilities        | 15    | 3,694                   | 902                     |
| Current Tax Liabilities (Net)    |       | 28,941                  | 24,658                  |
|                                  |       | <b>697,847</b>          | <b>230,044</b>          |
|                                  |       | <b>2,636,317</b>        | <b>2,107,880</b>        |
| <b>TOTAL LIABILITIES</b>         |       |                         |                         |
| Material accounting policies     | 1B    |                         |                         |

The accompanying notes form an integral part of these Financial Statements.

### As per our attached report of even date

**For J.L. Thakkar & Co.**  
Firm Regn No. 110898W  
Chartered Accountants

**J.L. Thakkar** – Membership No: 032318  
Proprietor

Place : Mumbai  
Date : August 26, 2024

### For and on behalf of the Board of Directors

**Huzaiifa Khorakiwala**  
Director  
DIN: 02191870

**Zahabiya Khorakiwala**  
Director  
DIN: 00102689

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

(All amounts in thousand of Indian Rupees unless otherwise stated)

|   | Notes | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|-------|--------------------------------------|--------------------------------------|
| <b>REVENUE</b>  |       |                                      |                                      |
| Other Income  | 16    | 145,512                              | 110,968                              |
| <b>Total Revenue</b>  |       | <b>145,512</b>                       | <b>110,968</b>                       |
| <b>EXPENSES</b>   |       |                                      |                                      |
| Finance costs   | 17    | 43,486                               | 7,284                                |
| Depreciation and amortisation expense                                       | 2     | 47                                   | 47                                   |
| Other Expenses  | 18    | 28,166                               | 18,447                               |
| <b>Total Expenses</b>   |       | <b>71,699</b>                        | <b>25,778</b>                        |
| <b>Profit/(Loss) before tax</b>   |       | <b>73,813</b>                        | <b>85,190</b>                        |
| <b>Tax Expense</b>  |       |                                      |                                      |
| Current Tax   | 12    | (13,179)                             | (13,513)                             |
| Deferred Tax (Charge)/Credit - Net  |       | (3,891)                              | (3,598)                              |
| <b>Profit/(Loss) after Tax</b>  |       | <b>56,743</b>                        | <b>68,079</b>                        |
| Other Comprehensive Income  |       | -                                    | -                                    |
| <b>Total Comprehensive Income</b>   |       | <b>56,743</b>                        | <b>68,079</b>                        |
| Earnings per equity share of face value of ₹ 10 each                        |       |                                      |                                      |
| Basic ₹   | 19    | 15.58                                | 18.69                                |
| Diluted ₹   | 19    | 15.58                                | 18.69                                |
| Material accounting policies  | 1B    |                                      |                                      |
| The accompanying notes form an integral part of these Financial Statements. |       |                                      |                                      |

**As per our attached report of even date**

**For J. L. Thakkar & Co.**  
Firm Regn No. 110898W  
Chartered Accountants

**J. L. Thakkar** – Membership No: 032318  
Proprietor

Place : Mumbai  
Date : August 26, 2024

**For and on behalf of the Board of Directors**

**Huzaiifa Khorakiwala**  
Director  
DIN: 02191870

**Zahabiya Khorakiwala**  
Director  
DIN: 00102689

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in thousand of Indian Rupees unless otherwise stated)

### Equity Share Capital

| As at April 01, 2022 | Changes in equity share capital during the year | As at March 31, 2023 | Changes in equity share capital during the year | As at March 31, 2024 |
|----------------------|---|----------------------|---|----------------------|
| 36,420               | –   | 36,420               | –   | 36,420               |

### Other equity

|   | Reserves and Surplus |                   |                  |
|---|----------------------|-------------------|------------------|
|   | Securities Premium   | Retained Earnings | Total            |
| <b>Balance as on April 01, 2022</b>     | <b>110,520</b>       | <b>1,649,951</b>  | <b>1,760,471</b> |
| Profit for the year                     | –                    | 68,079            | 68,079           |
| Other Comprehensive income for the year | –                    | –                 | –                |
| <b>Total Comprehensive Income</b>       | <b>–</b>             | <b>68,079</b>     | <b>68,079</b>    |
| <b>Balance as on March 31, 2023</b>     | <b>110,520</b>       | <b>1,718,030</b>  | <b>1,828,550</b> |
| Profit for the year                     | –                    | 56,743            | 56,743           |
| Other Comprehensive income for the year | –                    | –                 | –                |
| <b>Total Comprehensive Income</b>       | <b>–</b>             | <b>56,743</b>     | <b>56,743</b>    |
| <b>Balance as on March 31, 2024</b>     | <b>110,520</b>       | <b>1,774,773</b>  | <b>1,885,293</b> |

#### Notes: Nature and purpose of reserves:

##### Securities premium

Securities premium is used to record the premium received on issue of shares. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Material accounting policies

Note 1B

The accompanying notes form an integral part of these Financial Statements.

#### As per our attached report of even date

**For J. L. Thakkar & Co.**  
Firm Regn No. 110898W  
Chartered Accountants

**For and on behalf of the Board of Directors**

**J. L. Thakkar** – Membership No: 032318  
Proprietor

**Huzaifa Khorakiwala**  
Director  
DIN: 02191870

**Zahabiya Khorakiwala**  
Director  
DIN: 00102689

Place : Mumbai

Date : August 26, 2024

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

(All amounts in thousand of Indian Rupees unless otherwise stated)

|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:</b>              |                                      |                                      |
| <b>Net profit before taxation</b>                                   | <b>73,813</b>                        | 85,190                               |
| <b>Adjustments for:</b>   |                                      |                                      |
| Depreciation and amortisation expense                               | 47                                   | 47                                   |
| Finance costs   | 43,486                               | 7,284                                |
| Interest Income   | (95,429)                             | (65,229)                             |
| Fair valuation of preference shares                                 | (18,707)                             | (17,301)                             |
| Notional interest on preference shares                              | (30,753)                             | (27,958)                             |
| <b>Operating loss before Working Capital changes</b>                | <b>(27,543)</b>                      | (17,967)                             |
| Movement in working capital:  |                                      |                                      |
| (Increase) in Loans and advances and other assets                   | (296)                                | (3,061)                              |
| (Decrease)/increase/in Liabilities and Provisions                   | (5,983)                              | 17,014                               |
| <b>Cash used in Operations</b>                                      | <b>(33,822)</b>                      | (4,014)                              |
| Income taxes paid, net  | (15,573)                             | (14,885)                             |
| <b>Net cash used in Operating Activities (A)</b>                    | <b>(49,395)</b>                      | (18,899)                             |
| <b>CASH FLOWS PROVIDED BY/ (USED IN) INVESTING ACTIVITIES:</b>      |                                      |                                      |
| Repayment by/(Loans to) related parties (net)                       | (380,935)                            | (90,700)                             |
| Margin money and Fixed Deposits                                     | (1,179)                              | 15,375                               |
| Interest Received   | 6,107                                | 11,174                               |
| <b>Net cash from/(used in) Investing Activities (B)</b>             | <b>(376,007)</b>                     | (64,151)                             |
| <b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:</b>              |                                      |                                      |
| Loan taken from related parties                                     | 917,800                              | 150,000                              |
| Repayment of borrowings   | (484,000)                            | (70,000)                             |
| Interest paid   | (7,462)                              | (1,018)                              |
| <b>Net cash from/(used in) Financing Activities (C)</b>             | <b>426,338</b>                       | 78,982                               |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b> | <b>936</b>                           | (4,068)                              |
| Cash and cash equivalents at beginning of year                      | 3,732                                | 7,800                                |
| <b>Cash and cash equivalents at end of year (see Note below)</b>    | <b>4,668</b>                         | 3,732                                |
| <b>Note:</b>  |                                      |                                      |
| <b>Component of cash and cash equivalents as at March 31, 2023</b>  |                                      |                                      |
| Cash  | 1                                    | 1                                    |
| Balance with banks:   |                                      |                                      |
| – in current account  | 4,667                                | 3,731                                |
|   | <b>4,668</b>                         | <b>3,732</b>                         |

**Notes:**

- a) All figures in bracket are outflow.
- b) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS 7)- 'Cash Flow Statements'.

Material accounting policies

Note 1B

The accompanying notes form an integral part of these Financial Statements.

**As per our attached report of even date**
**For J. L. Thakkar & Co.**  
 Firm Regn No. 110898W  
 Chartered Accountants

**For and on behalf of the Board of Directors**
**J. L. Thakkar** – Membership No: 032318  
 Proprietor

**Huzaifa Khorakiwala**  
 Director  
 DIN: 02191870

**Zahabiya Khorakiwala**  
 Director  
 DIN: 00102689

 Place : Mumbai  
 Date : August 26, 2024

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

(All amounts in thousand of Indian Rupees unless otherwise stated)

**1. A. CORPORATE INFORMATION**

Merind Limited (the 'Company') is a public limited Company incorporated in India and has its registered office at Readymoney Terrace, 2nd floor, Room no. 5, 167, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra, India. The Company is the subsidiary of Dartmour Holdings Private Limited.

**B. MATERIAL ACCOUNTING POLICIES****a) BASIS OF ACCOUNTING**

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention.

Apart from leasing, Management is exploring possibilities of alternative business opportunities. Hence, accounts are prepared under going concern assumption.

**b) FUNCTIONAL AND PRESENTATION CURRENCY**

These financial statements are presented in Indian rupees, which is the functional currency of the company.

**c) USE OF ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

Estimates and assumptions are required in particular for:

- Useful life and residual value of Property, Plant and Equipment and intangible assets:

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

**d) PROPERTY, PLANT AND EQUIPMENT****i) Recognition and Measurement**

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, Plant and Equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss. If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment.

**ii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Any gain or loss on disposal of an item of Property, Plant and Equipment is recognised in the Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.



**iii) Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is provided, using the straight line method, pro-rata to the period of use of assets, in accordance with the requirements of Schedule II of the Companies Act, 2013, based on the useful lives of the assets determined through technical assessment by the management. The estimated useful lives followed by the Company are as follows:

| <b>Assets</b>       | <b>Estimated useful life</b> |
|---------------------|------------------------------|
| Buildings           | 61 years                     |
| Plant and Machinery | 21 years                     |

Fixed assets whose aggregate cost is ₹ 5,000 or less are depreciated fully in the year of acquisition.

**iv) Impairment**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

**e) BORROWING COSTS**

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR.

Financing / Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date of capitalization of such assets. Capitalisation of borrowing cost is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying asset is interrupted.

Other financing /borrowing costs are charged to the Statement of Profit and Loss. Expenses incurred in connection with raising of funds are amortised over the tenure of the borrowing.

**f) FINANCIAL INSTRUMENTS**

**I. Financial Assets**

*Classification*

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

*Initial recognition and measurement*

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

*Debt instruments at amortised cost*

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium 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. This category generally applies to trade and other receivables.

*Debt instruments measured at fair value through profit and loss (FVTPL):*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### *Equity investments*

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 decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income (OCI). There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of such investments.

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

### *Derecognition*

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

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

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

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

### *Impairment of financial assets*

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

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

## **II. Financial Liabilities**

### *Classification*

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

### *Initial recognition and measurement*

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

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses

attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

#### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

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

This category generally applies to interest-bearing loans and borrowings.

#### *Derecognition*

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

#### *Offsetting of financial instruments*

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

### **III. Fair value:**

The Company determines the fair value of its financial instruments on the basis of the following hierarchy:

- (A) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange-traded commodity derivatives and other financial assets such as investments in equity and debt securities which are listed in a recognised stock exchange.
- (B) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate.
- (C) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

### **g) REVENUE RECOGNITION**

#### *Sale of services*

Revenue from sale of service is recognized on completion of rendering of services and the Company's performance obligations are satisfied.

Rental income is recognised as per the terms of the agreement.

Interest income is recognised with reference to the EIR method. Dividend from investments is recognised as revenue when right to receive is established.

### **h) INCOME TAX**

Tax expense comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or OCI.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961 as applicable to the financial year.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**i) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

*Provisions*

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at the balance sheet date and adjusted to reflect the current best estimates.

*Contingent liabilities*

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for

- (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

*Contingent assets*

Contingent assets are not recognised in the Financial Statements.

**j) EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue to existing shareholders and share split.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares, which would be issued on the conversion of all the dilutive potential equity shares into equity shares. Options on unissued equity share capital are deemed to have been converted into equity shares.

**k) SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**l) OPERATING CYCLE**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**2. PROPERTY, PLANT AND EQUIPMENT**

| Particulars         | GROSS BLOCK          |           |                               |                      | ACCUMULATED DEPRECIATION |                           |                               |                      | NET BLOCK            |                      |
|---------------------|----------------------|-----------|-------------------------------|----------------------|--------------------------|---------------------------|-------------------------------|----------------------|----------------------|----------------------|
|                     | As at April 01, 2023 | Additions | Deductions/ Other adjustments | As at March 31, 2024 | As at April 01, 2023     | Depreciation for the year | Deductions/ Other adjustments | As at March 31, 2024 | As at March 31, 2024 | As at March 31, 2023 |
| Buildings           | 2,705                | –         | –                             | <b>2,705</b>         | 1,333                    | 44                        | –                             | <b>1,377</b>         | <b>1,328</b>         | 1,372                |
| Plant and Equipment | 56                   | –         | –                             | <b>56</b>            | 31                       | 3                         | –                             | <b>34</b>            | <b>22</b>            | 25                   |
| <b>TOTAL</b>        | <b>2,761</b>         | <b>–</b>  | <b>–</b>                      | <b>2,761</b>         | <b>1,364</b>             | <b>47</b>                 | <b>–</b>                      | <b>1,411</b>         | <b>1,350</b>         | <b>1,397</b>         |

| Particulars         | GROSS BLOCK          |           |                               |                      | ACCUMULATED DEPRECIATION |                           |                               |                      | NET BLOCK            |                      |
|---------------------|----------------------|-----------|-------------------------------|----------------------|--------------------------|---------------------------|-------------------------------|----------------------|----------------------|----------------------|
|                     | As at April 01, 2022 | Additions | Deductions/ Other adjustments | As at March 31, 2023 | As at April 01, 2022     | Depreciation for the year | Deductions/ Other adjustments | As at March 31, 2023 | As at March 31, 2023 | As at March 31, 2022 |
| Buildings           | 2,705                | –         | –                             | 2,705                | 1,289                    | 44                        | –                             | 1,333                | 1,372                | 1,416                |
| Plant and Equipment | 56                   | –         | –                             | 56                   | 28                       | 3                         | –                             | 31                   | 25                   | 28                   |
| <b>TOTAL</b>        | <b>2,761</b>         | <b>–</b>  | <b>–</b>                      | <b>2,761</b>         | <b>1,317</b>             | <b>47</b>                 | <b>–</b>                      | <b>1,364</b>         | <b>1,397</b>         | <b>1,444</b>         |

**3. NON-CURRENT INVESTMENTS**

|  | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| <b>A. Investment at fair value through Other comprehensive income</b>  |                      |                      |
| <b>Unquoted equity shares</b>  |                      |                      |
| <b>Fellow Subsidiary Company</b>   |                      |                      |
| 1,612,903 (Previous year-1,612,903) Equity Shares of ₹ 10 each fully paid up in Wockhardt Hospitals Limited.   | <b>198,284</b>       | 198,284              |
| <b>B. Investment at fair value through Profit or Loss</b>  |                      |                      |
| <b>Investment in preference shares-unquoted</b>  |                      |                      |
| 5,129,626 (Previous year- 5,129,626) 0.1% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up in Wockhardt Hospitals Limited               | <b>357,567</b>       | 338,860              |
| <b>C. Investment at amortised cost</b>   |                      |                      |
| <b>Investment in preference shares-unquoted</b>  |                      |                      |
| 19,000,000 (Previous year- 19,000,000) 3% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up in Banneret Trading Private Limited                 | <b>120,493</b>       | 109,539              |
| 2,579,350 (Previous year- 2,579,350) 3% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up in Palanpur Holdings and Investments Private Limited | <b>163,634</b>       | 148,758              |
| 854,500 (Previous year- 854,500) 3% Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up in Tridoss Laboratories Private Limited                  | <b>54,161</b>        | 49,237               |
| <b>TOTAL</b>   | <b>894,139</b>       | 844,678              |
| <b>Aggregate amount of unquoted investments</b>  | <b>894,139</b>       | 844,678              |

#### 4. OTHER NON-CURRENT ASSETS

|                                      | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>    |                         |                         |
| Security Deposits (Refer note below) | 4,860                   | 4,854                   |
| <b>TOTAL</b>                         | <b>4,860</b>            | <b>4,854</b>            |

**Note:**

Security Deposit include ₹ 2,500 thousand (Previous year- ₹ 2,500 thousand) being a deposit made with the Bombay High Court (Refer note 20).

#### 5. TRADE RECEIVABLES

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| <b>Unsecured, considered doubtful</b>    | <b>3,416</b>            | <b>3,416</b>            |
| Less: Allowance for expected credit loss | (3,416)                 | (3,416)                 |
| <b>TOTAL</b>                             | <b>–</b>                | <b>–</b>                |

**Notes:**

a) Trade Receivables ageing schedule:

|  | More than 3 years | More than 3 years |
|--|-------------------|-------------------|
| Undisputed Trade receivables - credit impaired | 3,416             | 3,416             |
| Less: Allowance for expected credit loss       | (3,416)           | (3,416)           |
|  | –                 | –                 |

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

#### 6. CASH AND CASH EQUIVALENTS

|                             | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-----------------------------|-------------------------|-------------------------|
| Cash in Hand                | 1                       | 1                       |
| <b>Balances with Banks:</b> |                         |                         |
| In Current Accounts         | 4,667                   | 3,731                   |
| <b>TOTAL</b>                | <b>4,668</b>            | <b>3,732</b>            |

#### 7. OTHER BANK BALANCES

|                           | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------|-------------------------|-------------------------|
| Margin money (under lien) | 8,425                   | 7,246                   |
| <b>TOTAL</b>              | <b>8,425</b>            | <b>7,246</b>            |

#### 8. LOANS GIVEN

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Unsecured, considered good (repayable on demand): |                         |                         |
| (Loans to related parties (Refer note 21)         | 1,570,258               | 1,100,001               |
| Loans to companies                                | 70,065                  | 70,065                  |
| <b>TOTAL</b>                                      | <b>1,640,323</b>        | <b>1,170,066</b>        |

**Note:**
**Details of Loans granted to related parties repayable on demand :**

| Type of Borrower   | As at<br>March 31, 2024 | % of total loan |
|--|-------------------------|-----------------|
| Other Related parties (includes ₹ 1,085,400 thousand loan given during the year that is 66% of the total loan given) | 1,640,323               | 100%            |

| Type of Borrower   | As at<br>March 31, 2023 | % of total loan |
|--|-------------------------|-----------------|
| Other Related parties (includes ₹ 167,000 thousand loan given during the year that is 14% of the total loan given) | 1,170,066               | 100%            |

**9. OTHER CURRENT FINANCIAL ASSETS**

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Other receivables, net of provision)            | 567                     | 796                     |
| <b>TOTAL</b>                                    | <b>567</b>              | <b>796</b>              |
| (Provision made during the year ₹ 127 thousand) |                         |                         |

**10. OTHER CURRENT ASSETS**

|  | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|--|-------------------------|-------------------------|
| Balances with Statutory/Government authorities | 4,575                   | 4,058                   |
| Other advances                                 | 574                     | 572                     |
| <b>TOTAL</b>                                   | <b>5,149</b>            | <b>4,630</b>            |

**11. EQUITY SHARE CAPITAL**

|   | As at March 31, 2024 |        | As at March 31, 2023 |        |
|---|----------------------|--------|----------------------|--------|
|   | Number of shares     | Amount | Number of shares     | Amount |
| <b>Authorised</b>                           |                      |        |                      |        |
| Equity shares of 10/- each                  | 4,200,000            | 42,000 | 4,200,000            | 42,000 |
|   | 4,200,000            | 42,000 | 4,200,000            | 42,000 |
| <b>Issued, Subscribed and fully paid up</b> |                      |        |                      |        |
| Equity shares of 10/- each                  | 3,642,000            | 36,420 | 3,642,000            | 36,420 |
|   | 3,642,000            | 36,420 | 3,642,000            | 36,420 |

**Notes:**
**a) Reconciliation of the shares outstanding at the beginning and at the end of the year**

| Particulars                                   | As at March 31, 2024 |               | As at March 31, 2023 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | Number of shares     | Amount        | Number of shares     | Amount        |
| <b>Equity shares at beginning of the year</b> | 3,642,000            | 36,420        | 3,642,000            | 36,420        |
| Add: Shares issued during the year            | –                    | –             | –                    | –             |
| <b>Equity shares at end of the year</b>       | <b>3,642,000</b>     | <b>36,420</b> | <b>3,642,000</b>     | <b>36,420</b> |

**b) Terms /rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Shares held by holding company**

Of the above equity shares 3,498,336 (Previous year- 3,498,336) fully paid up equity shares are held by Dartmour Holdings Private Limited, the Holding Company. The Holding company is holding 96.06% (Previous year- 96.06%).

d) Shareholders holding more than 5% of total equity shares:

|                                   | As at March 31, 2024 |              | As at March 31, 2023 |              |
|-----------------------------------|----------------------|--------------|----------------------|--------------|
|                                   | No. of Shares        | % of holding | No. of Shares        | % of holding |
| Dartmour Holdings Private Limited | 3,498,336            | 96.06%       | 3,498,336            | 96.06%       |

e) Details of promoter shareholdings:

| Promoter name  | As at March 31, 2024 |                   |
|--|----------------------|-------------------|
|  | Number of shares     | % of total shares |
| Dartmour Holdings Private Limited                    | 3,498,336            | 96.06             |
| Khorakiwala Holdings and Investments Private Limited | 59                   | 0.002             |

Details of promoter shareholdings:

| Promoter name  | As at March 31, 2023 |                   | % change during the year |
|--|----------------------|-------------------|--------------------------|
|  | Number of shares     | % of total shares |                          |
| Dartmour Holdings Private Limited                    | 3,498,336            | 96.06             | –                        |
| Khorakiwala Holdings and Investments Private Limited | 100                  | 0.003             | (0.001)                  |

Details of promoter shareholdings:

| Promoter name  | As at March 31, 2022 |                   | % change during previous year |
|--|----------------------|-------------------|-------------------------------|
|  | Number of shares     | % of total shares |                               |
| Dartmour Holdings Private Limited                    | 3,498,336            | 96.06             | –                             |
| Khorakiwala Holdings and Investments Private Limited | 59                   | 0.002             | 0.001                         |

12. INCOME TAX

(a) Tax recognised in profit or loss

|   | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|-----------------------------------|-----------------------------------|
| <b>Current tax (charge)/credit</b>  | <b>(13,179)</b>                   | (13,513)                          |
| <b>Deferred tax (charge)/credit, net</b>  |                                   |                                   |
| Origination and reversal of temporary differences (including Minimum Alternative Tax) | <b>(3,891)</b>                    | (3,598)                           |
| Change in Indian corporate tax rate   | –                                 | –                                 |
| <b>Deferred tax (charge)/credit</b>   | <b>(3,891)</b>                    | (3,598)                           |
| <b>Tax (charge)/credit for the year</b>   | <b>(17,070)</b>                   | (17,111)                          |

(b) Amounts recognised in other comprehensive income

There is no Other Comprehensive Income recognised during the year.



**(c) Reconciliation of effective tax rate**

|  |          | For the<br>year ended<br>March 31, 2024 | For the<br>year ended<br>March 31, 2023 |
|--|----------|---|---|
| <b>Profit before tax</b>   | (i)      | <b>73,813</b>                           | 85,190                                  |
| Tax using the Company's domestic tax rate (Current year - 25.17% and Previous year - 25.17%) |          | <b>18,579</b>                           | 21,442                                  |
| Items exempt from tax  |          | <b>(7,741)</b>                          | (7,037)                                 |
| Deductions admissible under section 24 and 25 of the Income Tax Act, 1961                    |          | <b>(46)</b>                             | (37)                                    |
| Impact on account of difference in tax rate  |          | <b>(818)</b>                            | -                                       |
| Non-deductible expenses for tax purposes   |          | <b>7,096</b>                            | 2,743                                   |
| <b>Tax expense/(income) as per profit or loss</b>  | (ii)     | <b>17,070</b>                           | 17,111                                  |
| <b>Effective tax rate for the year</b>   | (ii)/(i) | <b>23.13%</b>                           | 20.09%                                  |

The effective tax rate for the current year is lower mainly on account of items exempt from tax.

**(d) Movement in deferred tax balances**

|   | As at<br>April 01,<br>2022 | Recognised in<br>profit or loss | As at<br>March 31,<br>2023 | Recognised in<br>profit or loss | As at<br>March 31,<br>2024 |
|---|----------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|
| <b>Deferred income tax assets</b>             |                            |                                 |                            |                                 |                            |
| Preference shares at amortised cost           | (9,268)                    | (3,598)                         | (12,866)                   | (3,891)                         | <b>(16,757)</b>            |
| Loans to companies                            | -                          | -                               | -                          | -                               | -                          |
|   | <b>(9,268)</b>             | <b>(3,598)</b>                  | <b>(12,866)</b>            | <b>(3,891)</b>                  | <b>(16,757)</b>            |
| <b>Deferred income tax assets/(liability)</b> | <b>(9,268)</b>             | <b>(3,598)</b>                  | <b>(12,866)</b>            | <b>(3,891)</b>                  | <b>(16,757)</b>            |
| <b>Net Deferred tax assets/(liability)</b>    | <b>(9,268)</b>             | <b>(3,598)</b>                  | <b>(12,866)</b>            | <b>(3,891)</b>                  | <b>(16,757)</b>            |

**Notes:**

- i) 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.
- ii) Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on Company's estimates of taxable income of the jurisdiction in which the company operates and the period over which deferred income tax assets will be recovered.

**13. BORROWINGS**

|   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---|-------------------------|-------------------------|
| Unsecured   |                         | -                       |
| Loan from Related party   | <b>657,236</b>          | 187,736                 |
| These Loan carrying interest rate in the range of of 6.00% to 10.15% p.a. (Previous year- 6% to 7.29% p.a.) is repayable on demand and subject to rollover by mutual consent. |                         |                         |
| <b>TOTAL</b>  | <b>657,236</b>          | 187,736                 |

**14. OTHER FINANCIAL LIABILITIES**

|                   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------|-------------------------|-------------------------|
| Other liabilities | <b>7,976</b>            | 16,748                  |
| <b>TOTAL</b>      | <b>7,976</b>            | 16,748                  |

**Notes:**

Principal amount payable to micro and small enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 as at the balance sheet date is Nil (Previous year - Nil ) and the interest amount accrued on said amounts as at balance sheet date is ₹ Nil (Previous year- ₹ Nil). The above information is given to the extent information available with the Company and relied upon by the auditors.

**15. OTHER CURRENT LIABILITIES**

|                                 | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| Statutory and Other liabilities | <b>3,694</b>            | 902                     |
| <b>TOTAL</b>                    | <b>3,694</b>            | 902                     |

## 16. OTHER INCOME

|  | For the year<br>ended<br>March 31, 2024 | For the<br>year ended<br>March 31, 2023 |
|--|---|---|
| Rent income                            | 618                                     | 480                                     |
| Interest income                        | 95,429                                  | 65,229                                  |
| Fair valuation of preference shares    | 18,707                                  | 17,301                                  |
| Notional interest on preference shares | 30,753                                  | 27,958                                  |
| Miscellaneous income                   | 5                                       | –                                       |
| <b>TOTAL</b>                           | <b>145,512</b>                          | <b>110,968</b>                          |

## 17. FINANCE COSTS

|                       | For the<br>year ended<br>March 31, 2024 | For the<br>year ended<br>March 31, 2023 |
|-----------------------|---|---|
| Interest exp          | 40,225                                  | 7,284                                   |
| Other Borrowing costs | 3,261                                   | –                                       |
| <b>TOTAL</b>          | <b>43,486</b>                           | <b>7,284</b>                            |

## 18. OTHER EXPENSES

|   | For the year<br>ended<br>March 31, 2024 | For the<br>year ended<br>March 31, 2023 |
|---|---|---|
| Rates and taxes                         | 6                                       | 6                                       |
| Reimbursement of employee cost          | 1,260                                   | 7,560                                   |
| Reimbursement of rent                   | –                                       | 7,560                                   |
| Repairs and maintenance                 |   |   |
| -to Building                            | 385                                     | 224                                     |
| Electricity charges                     | 2                                       | 3                                       |
| Legal and Professional Charges          | 24,708                                  | 1,608                                   |
| Auditor's remuneration (for audit fees) | 160                                     | 160                                     |
| Provision for doubtful receivables      | 127                                     | –                                       |
| Balances no more recoverable            | 139                                     | –                                       |
| Donation (Refer note 26)                | 1,100                                   | 1,100                                   |
| Miscellaneous expenses                  | 279                                     | 226                                     |
| <b>TOTAL</b>                            | <b>28,166</b>                           | <b>18,447</b>                           |

## 19. EARNINGS PER SHARE

The calculations of Earnings per share (EPS) (basic and diluted) are based on the earnings and number of shares as computed below:

| <b>Reconciliation of earnings</b>               |   |   |
|---|---|---|
|   | For the<br>year ended<br>March 31, 2024 | For the<br>year ended<br>March 31, 2023 |
| Profit after tax                                | 56,743                                  | 68,079                                  |
| Net Profit for calculation of basic/diluted EPS | 56,743                                  | 68,079                                  |

| <b>Reconciliation of number of shares</b>                          |                     |              |
|--|---------------------|--------------|
|  | <b>No of shares</b> | No of shares |
| Weighted average number of shares in calculating Basic/Diluted EPS | <b>3,642,000</b>    | 3,642,000    |
|  | <b>3,642,000</b>    | 3,642,000    |

**Earnings per share (nominal value ₹ 10/- each)**

|                                    |              |       |
|------------------------------------|--------------|-------|
| Earnings per share - Basic/Diluted | <b>15.58</b> | 18.69 |
|------------------------------------|--------------|-------|

**20. CONTINGENT LIABILITIES AND COMMITMENTS**

- (i) The Company had received a Recovery Notice dated August 25, 1995 for ₹ 9,080 thousand in respect of alleged overcharging of price on its 'ALPHADOPA' 250 mg. tablets.

The Company had meetings with the Ministry of Petrochemicals, New Delhi, contending that the above claim is unjustified as the notified prices prevalent at the relative time and on the basis of which the Government has sought to raise the above claim, were calculated on the basis of the price of the bulk drug Methyl dopa which was manufactured and supplied locally. However, at the relevant time, the said bulk drug was not available locally anywhere in the country. The Company has got letters on its record from the concerned manufacturers of the said bulk drug to this effect.

The Company had made representations against the above Notice to the Government in response to which the Government pending further examination, had reduced the amount of the above recovery notice from ₹ 9,080 thousand to ₹ 5,570 thousand. Thereafter the Ministry of Chemical and Fertilizers sent Notice on February 04, 1997 with reference to Company's letter dated December 19, 1996 wherein Ministry of Chemical and Fertilizers has directed to surrender sum of ₹ 9,179 thousand which is inclusive of the tentative interest 15% on the amount of ₹ 5,567 thousand to the Government.

In July 1997, the Company filed a writ petition to quashing and setting aside the impugned demand notice dated February 04, 1997 before the Bombay High Court. The Court was pleased to grant stay, restraining the Government from taking any action on the said demand notice, pending the hearing and final disposal of the writ petition. In fulfilment of the conditions of the stay order, the Company has deposited a sum of ₹ 2,500 thousand with the Bombay High Court and has also given an undertaking that in the event of the petition being dismissed, the Company would pay the Government the differential amount, as may be directed, along with the interest at the rate of 15% p.a.

The Company contends that no amount is payable by it.

- (i) Excise demands raised by the authorities and disputed by the Company ₹ 9,964 thousand (Previous year- ₹ 9,964 thousand)

**21. RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES**
**a) Parties where control exists**
**Holding Company**

Dartmour Holdings Private Limited

**Fellow Subsidiary Company**

Wockhardt Hospitals Limited (upto November 04, 2022)

**Associate of Holding Company**

Wockhardt Hospitals Limited (w.e.f. November 04, 2022)

**Individuals exercising control over the Company**

H.F.Khorakiwala

**Entities having direct or indirect control over the Company**

Habil Khorakiwala Trust- Themisto Trustee Company Private Limited holds shares in the Holding Company in its capacity as the trustee of Habil Khorakiwala Trust.

**Key Managerial Personnel**

Huzaifa Khorakiwala - Chairman Non-Executive Director

Zahabiya Khorakiwala - Non-Executive Director

Deepak Madnani- Non-Executive Non-Independent Director

Stephen D'Souza- Non-Executive Non-Independent Director

**Entities under common control**

Banneret Trading Private Limited  
 Palanpur Holdings and Investments Private Limited  
 Carol Info Services Limited  
 Khorakiwala Holdings and Investments Private Limited  
 Wockhardt Limited  
 Wockhardt Infrastructure Development Limited  
 Wockhardt Foundation

|   | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| <b>b) Transactions with related parties</b><br>(All the amounts mentioned below are the contractual amounts based on arrangements with the respective parties)  |                                      |                                      |
| <b>Wockhardt Hospitals Limited</b>  |                                      |                                      |
| Loan taken  | 125,000                              | 150,000                              |
| Loan Repaid   | –                                    | 70,000                               |
| Interest paid on loan taken   | 19,535                               | 6,731                                |
| <b>Entities under common control</b>  |                                      |                                      |
| <b>Wockhardt Limited</b>  |                                      |                                      |
| Loan given  | 1,085,400                            | 167,000                              |
| Loan repaid   | 704,464                              | 76,300                               |
| Interest income on Loan given   | 99,247                               | 60,061                               |
| Reimbursement of Rent   | –                                    | 7,560                                |
| <i>Reimbursement of Support Cost service</i>  | 1,260                                | 7,560                                |
| <b>Carol Info Services Limited</b>  |                                      |                                      |
| Loan Taken  | 792,800                              | –                                    |
| Loan repaid   | 484,000                              | –                                    |
| Interest Cost on Loan taken   | 20,131                               | –                                    |
| <b>Wockhardt Foundation</b>   |                                      |                                      |
| Donation given  | 1,100                                | 1,100                                |
| <b>Key Managerial Personnel</b>   |                                      |                                      |
| Director Sitting Fees paid to Deepak Madnani ₹ 2 thousand (Previous Year ₹ 8 thousand), Stephen D'Souza ₹ 9 thousand (Previous Year- ₹ 9 thousand)  | 11                                   | 17                                   |
|   | <b>As at<br/>March 31, 2024</b>      | <b>As at<br/>March 31, 2023</b>      |
| <b>c) Related party balances</b><br>(All the amounts mentioned below are the contractual amounts based on arrangements with the respective parties. Where such amounts are different from carrying amount as per Ind AS Financial Statement, their carrying amounts have been separately disclosed in brackets) |                                      |                                      |
| Receivable from Wockhardt Hospitals Limited   | 67                                   | 67                                   |
| Payable to Wockhardt Hospitals Limited  | 330,317                              | 187,736                              |
| Receivable from Wockhardt Limited   | 1,570,385                            | 1,100,128                            |
| Payable to Wockhardt Limited  | 7,690                                | 16,330                               |
| Payable to Carol Info Services Limited  | 326,918                              | –                                    |
| Payable to Key Managerial Personnel - Deepak Madnani ₹ 8 thousand (Previous Year - 8 ), Stephen D'Souza ₹ 15 thousand (Previous Year- ₹ 9 )   | 23                                   | 17                                   |

**22. SEGMENT REPORTING**
**General Information**

The Company does not have any operational activities. However, the Company has temporarily leased out its Immovable properties from which rental income is generated. Accordingly, the requirements of Ind AS 108 Operating Segments do not apply to the Company.

**23. FINANCIAL INSTRUMENTS**
**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below.

| March 31, 2024                   | Carrying amount                    |   |                  |                  | Total Fair value |
|----------------------------------|------------------------------------|---|------------------|------------------|------------------|
|                                  | Fair value through profit and loss | Fair value through other comprehensive income | Amortised Cost   | Total            | Total            |
| <b>Assets</b>                    |                                    |   |                  |                  |                  |
| Investments                      | 357,567                            | 198,284                                       | 338,288          | 894,139          | 1,059,655        |
| Cash and cash equivalents        | –                                  | –   | 4,668            | 4,668            | 4,668            |
| Bank balance (other than above)  | –                                  | –   | 8,425            | 8,425            | 8,425            |
| Loans given                      | –                                  | –   | 1,640,323        | 1,640,323        | 1,640,323        |
| Others                           | –                                  | –   | 567              | 567              | 567              |
| <b>TOTAL</b>                     | <b>357,567</b>                     | <b>198,284</b>                                | <b>1,992,271</b> | <b>2,548,122</b> | <b>2,713,638</b> |
| <b>Liabilities</b>               |                                    |   |                  |                  |                  |
| Borrowings                       | –                                  | –   | 657,236          | 657,236          | 657,236          |
| Other liabilities and provisions | –                                  | –   | 7,976            | 7,976            | 7,976            |
| <b>TOTAL</b>                     | <b>–</b>                           | <b>–</b>                                      | <b>665,212</b>   | <b>665,212</b>   | <b>665,212</b>   |

| March 31, 2024 | Fair value                                |   |   |                  |
|----------------|---|---|---|------------------|
|                | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total            |
| <b>Assets</b>  |   |   |   |                  |
| Investments    | –   | 503,804                                 | 555,851                                   | 1,059,655        |
| <b>TOTAL</b>   | <b>–</b>                                  | <b>503,804</b>                          | <b>555,851</b>                            | <b>1,059,655</b> |

| March 31, 2023                   | Carrying amount                    |   |                  |                  | Total Fair value |
|----------------------------------|------------------------------------|---|------------------|------------------|------------------|
|                                  | Fair value through profit and loss | Fair value through other comprehensive income | Amortised Cost   | Total            | Total            |
| <b>Assets</b>                    |                                    |   |                  |                  |                  |
| Investments                      | 338,860                            | 198,284                                       | 307,534          | 844,678          | 1,016,296        |
| Cash and cash equivalents        | –                                  | –   | 3,732            | 3,732            | 3,732            |
| Bank balance (other than above)  | –                                  | –   | 7,246            | 7,246            | 7,246            |
| Loans given                      | –                                  | –   | 1,170,066        | 1,170,066        | 1,170,066        |
| Others                           | –                                  | –   | 796              | 796              | 796              |
| <b>TOTAL</b>                     | <b>338,860</b>                     | <b>198,284</b>                                | <b>1,489,374</b> | <b>2,026,518</b> | <b>2,198,136</b> |
| <b>Liabilities</b>               |                                    |   |                  |                  |                  |
| Borrowings                       | –                                  | –   | 187,736          | 187,736          | 187,736          |
| Other liabilities and provisions | –                                  | –   | 16,748           | 16,748           | 16,748           |
| <b>TOTAL</b>                     | <b>–</b>                           | <b>–</b>                                      | <b>204,484</b>   | <b>204,484</b>   | <b>204,484</b>   |

| March 31, 2023 | Fair value                                |   |   | Total            |
|----------------|---|---|---|------------------|
|                | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |                  |
| <b>Assets</b>  |   |   |   |                  |
| Investments    | –   | 479,152                                 | 537,144                                   | 1,016,296        |
| <b>TOTAL</b>   | –   | <b>479,152</b>                          | <b>537,144</b>                            | <b>1,016,296</b> |

#### B. Measurement of fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

#### Financial instruments measured at fair value

| Type   | Valuation technique   | Significant unobservable inputs   | Inter-relationship between significant unobservable inputs and fair value measurement  |
|--|---|---|--|
| Investment in Unquoted Equity Instruments  | Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate. | (i) EBITDA margins based on average EBITDA margin<br>(ii) Terminal growth rate based on the Company's long term sustainable growth rate potential | The estimated fair value would increase/(decrease) if:<br>– the EBITDA margin were higher/(lower)<br>– the terminal growth rate were higher/(lower) or;<br>– the weighted average cost of capital were lower/ (higher) |
| Investments measured at amortised cost   | Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.  | (i) Discounted cash inflows   | Not applicable   |
| Loans given  | Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.  | (i) Discounted cash inflows   | Not applicable   |
| Investment in Unquoted Preference shares - 3% Non-Convertible Cumulative Redeemable Preference Shares          | Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.  | (i) Discounted cash inflows   | Not applicable   |
| Investment in Unquoted Preference shares - 0.1% Optionally Convertible Cumulative Redeemable Preference Shares | Discounted cash flow technique: The valuation model considers present value of expected payments discounted using an appropriate discounting rate.  | (i) Discounted cash inflows   | The estimated fair value would increase/(decrease) if:<br>– the risk adjusted discount rate were lower/(higher)<br>– the cash inflows were higher/(lower)  |

## 24. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to policies and procedures. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment

#### i. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities. The Company monitors the net liquidity position through forecasts on the basis of expected cash flows.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

| March 31, 2024                              | Contractual cash flows |                |                |           |           |                   |
|---|------------------------|----------------|----------------|-----------|-----------|-------------------|
|   | Carrying amount        | Total          | Upto 1 year    | 1-3 years | 3-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |                |                |           |           |                   |
| Borrowings                                  | 657,236                | 657,236        | 657,236        | –         | –         | –                 |
| Other current financial liabilities         | 7,976                  | 7,976          | 7,976          | –         | –         | –                 |
|   | <b>665,212</b>         | <b>665,212</b> | <b>665,212</b> | –         | –         | –                 |

| March 31, 2023                              | Contractual cash flows |                |                |           |           |                   |
|---|------------------------|----------------|----------------|-----------|-----------|-------------------|
|   | Carrying amount        | Total          | Upto 1 year    | 1-3 years | 3-5 years | More than 5 years |
| <b>Non-derivative financial liabilities</b> |                        |                |                |           |           |                   |
| Borrowings                                  | 187,736                | 187,736        | 187,736        | –         | –         | –                 |
| Other current financial liabilities         | 16,748                 | 16,748         | 16,748         | –         | –         | –                 |
|   | <b>204,484</b>         | <b>204,484</b> | <b>204,484</b> | –         | –         | –                 |

#### ii. Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each parties. The demographics of the parties, including the default risk of the industry and country in which the parties operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of parties to which the Company grants credit terms in the normal course of business.

As on March 31, 2024 and March 31, 2023, the Company did not have any significant concentration of credit risk with any external parties. Summary of the Company's exposure to credit risk by age of the outstanding from various parties is as follows:

|                              | Net Carrying amount  |                      |
|------------------------------|----------------------|----------------------|
|                              | As at March 31, 2024 | As at March 31, 2023 |
| <b>Past due not impaired</b> |                      |                      |
| Past due 1–180 days          | 37                   | –                    |
| Past due 181–365 days        | –                    | –                    |
| More than 365 days           | 530                  | 796                  |
| <b>TOTAL</b>                 | <b>567</b>           | <b>796</b>           |

**Expected credit loss assessment for parties as at March 31, 2024 and March 31, 2023**

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to balances outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting parties of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

|                            | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|----------------------------|-------------------------|-------------------------|
| Opening Balance            | 3,416                   | 3,416                   |
| Impairment loss recognised | 127                     | –                       |
| Amounts written off        | –                       | –                       |
| <b>Closing Balance</b>     | <b>3,543</b>            | 3,416                   |

**Cash and bank balances**

The Company held cash and bank balances of ₹ 13,093 thousand at March 31, 2024 (Previous year - ₹ 10,978 thousand). These balances are held with bank with good credit ratings.

**Others**

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

**iii. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price. These will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. The Market risk the Company is exposed can be classified as Currency risk and Interest rate risk . The Company does not have any currency risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing loans, the exposure to risk of changes in market interest rates is minimal. The Company has not have any borrowings.

**24. CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain shareholders and creditor confidence and to sustain future development of the business. The primary objective of the company's management is to maximise the shareholder value.

The company has adequate cash and bank balances and continues to remain debt-free. The company monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements.

**25. INFORMATION PERTAINING TO LOANS AND GUARANTEES GIVEN (UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013) - at transaction cost:**

| Name of the Company                       | Outstanding as at the beginning of the year | Given during the year (including interest accrued if any) | Repaid during the year | Closing at the end of the year | Purpose         |
|---|---|---|------------------------|--------------------------------|-----------------|
| Ellora Resorts Management Private Limited | 70,065                                      | –   | –                      | 70,065                         | General purpose |
| (Previous Year)                           | 70,065                                      | –   | –                      | 70,065                         |                 |
| Wockhardt Limited                         | 1,100,001                                   | 1,174,722   | 704,464                | 1,570,259                      | General purpose |
| (Previous Year)                           | 955,246                                     | 221,055   | 76,300                 | 1,100,001                      |                 |

Note: Refer Note 3 for the investments made by the Company. Further all the amounts mentioned above are the contractual amounts based on the arrangements with the respective parties.



26. As part of Corporate Social Responsibility (CSR), the Company has made contribution of ₹ 1,100 thousand during the year (Previous year - ₹ 800 thousand) for spending on CSR activities. The aforesaid amount has been included in Note 18 - Miscellaneous expenses. Also Refer note 21.

| <b>Details of CSR is as below:</b>  | <b>Current year</b>                                     | <b>Previous Year</b>                            |
|---|---|---|
| Amount required to be spent during the year   | 1,036   | 1,148   |
| Amount spent  | 1,100   | 1,100   |
| Shortfall at the year end (excess payment during previous year adjusted against current year payment) | Nil   | Nil   |
| total of previous year shortfall  | Nil   | Nil   |
| Reason for shortfall  | NA  | NA - excess payments of earlier years adjusted  |
| Nature of CSR activities  | Promoting health care including preventive health care. | Eradication of Hunger, Poverty and Malnutrition |

**27. SUBSEQUENT EVENTS**

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

28. Previous year figures have been regrouped wherever necessary to conform to current year classification.

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**As per our attached report of even date**

**For J. L. Thakkar & Co.**  
Firm Regn No. 110898W  
Chartered Accountants

**J. L. Thakkar** – Membership No: 032318  
Proprietor

Place : Mumbai  
Date : August 26, 2024

**For and on behalf of the Board of Directors**

**Huzaifa Khorakiwala**  
Director  
DIN: 02191870

**Zahabiya Khorakiwala**  
Director  
DIN: 00102689





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