

TERUMO PENPOL PRIVATE LIMITED

40TH ANNUAL REPORT

FINANCIAL YEAR
2023–2024

TERUMO PENPOL PRIVATE LIMITED

**Regd. Office: Bhadra Towers, T.C 29/2923, Cotton Hill Road, Vazhuthacaud,
Thycaud P.O, Thiruvananthapuram, Kerala – 695014, India
CIN U33112KL1985PTC004531**

NOTICE TO MEMBERS

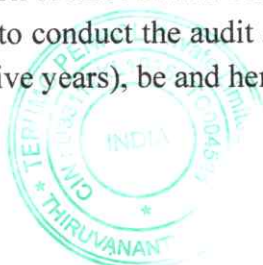
Notice is hereby given that the 40th Annual General Meeting of the Company will be held at 9.00 a.m on Tuesday, 10th September 2024 at the Registered office of the Company at Bhadra Towers, T.C 29/2923, Cotton Hill Road, Vazhuthacaud, Thycaud P.O, Thiruvananthapuram, Kerala - 695014 to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March 2024, Profit and Loss Account for the year ended on that date together with the Schedules and Notes thereon and the Reports of the Directors and Auditors.
2. To appoint the Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the Forty Fifth Annual General Meeting and to fix their remuneration for FY 2024-25 and pass the following resolution as an ordinary resolution.

M/s. B S R and Co has been appointed as the Statutory Auditors of the Company for a period of five years till the conclusion of the Forty Fifth AGM of the Company to be held in the year 2029. To consider and if fit to pass the following resolution as ordinary resolution.

“RESOLVED THAT subject to the provisions of sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013, M/s. B S R and Co (Firm Registration Number 128510W), Embassy Golf Links Business Park, Pebble Beach, B Block, 3rd Floor, No. 13/2, off Intermediate Ring Road, Bengaluru-560 071, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Forty Fifth Annual General Meeting to conduct the audit of the Accounts of the Company for the Financial years 2024-25 to 2028-29(Five years), be and hereby approved



Terumo Penpol Private Limited CIN: U33112KL1985PTC004531, E-Mail: Penpol.info@terumobct.com

Registered Office	: Bhadra Towers, TC 29 / 2923, Cotton Hill Road, Vazhuthacaud, Thycaud P.O, Thiruvananthapuram, Kerala - 695014, India. Phone: +91 471-3015500, +91 471-7145500
Blood Bag Factory	: VP 1/520, Thiruvananthapuram - 695 573, Kerala, India. Phone: +91 471-3052022 / 7192210 / 3015600 / 3015606 / 3015609
Medical Systems Group	: T.C. 27/373, Andoor Buildings, General Hospital Road, Thiruvananthapuram - 695 035, Kerala, India. Phone: +91 471- 7135800
Regional Office	: 3 rd Floor, No-05, Pocket B-3, Sector-17, Dwarka - 110 075, New Delhi, India. Phone: +91 11-46921062

FURTHER RESOLVED THAT, the remuneration of M/s. B S R and Co , Chartered Accountants (Firm Registration Number 128510W), for the audit of accounts for the Financial Year ending 31st March 2025 be fixed as Rs.27.5 lakhs plus out of pocket expenses plus service tax as applicable as fixed by the Board is hereby ratified.

SPECIAL BUSINESS

3. Ratification of appointment of Cost Auditor

To ratify the appointment of BBS Associates, Firm Registration Number 00273 as Cost auditor for the year 2024-25 by passing the following resolution as an Ordinary Resolution:

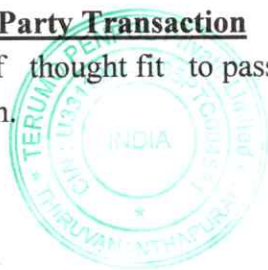
To approve the remuneration of the Cost Auditors for the financial year ending 31st March 2025, and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), BBS Associates ,Firm Registration Number 00273,the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025, to be paid a remuneration of Rs. 242500/- (Rupees Two Lakhs Forty Two Thousand Five Hundred Only) plus, out of pocket expenses plus service tax as applicable.

RESOLVED FURTHER THAT the Managing Director and/or Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. Approval of Related Party Transaction

To consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution.



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As per section 188 of the Companies Act all related party transactions need to be approved by the Audit Committee and those transactions which are not in the ordinary course of business and at arm's length need Board approval and ratification by Shareholders. All related party transactions of Terumo Penpol are in the ordinary course of business and at arm's length. But in order to uphold principles of good corporate governance the Board considered the details of the related party transaction as per the table enclosed and passed the following resolution. The shareholders may ratify the same.

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) (subject to any modification and re-enactment thereof), the consent, sanction, permission or approval as the case may be of the Board of Directors company be and is hereby accorded to enter into any contract or arrangements with related parties Terumo Corporation. Ltd and its subsidiary as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate Company or reimbursement of any transaction or any other transaction of whatever nature with related parties for the financial beginning 1st April 2024 and ending 31st March 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper,



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expedient or incidental thereto for the purpose of giving effects to this Resolution.”

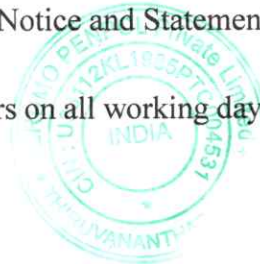
By order of the Board of Directors.

14 -08-2024
Thiruvananthapuram


Sruthi Aravind
Company Secretary & Compliance Officer

Note: -

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. For appointing a proxy, the enclosed form of proxy may be duly completed, stamped and signed should be deposited at the Registered Office of the Company so as to reach not less than 48 hours before the meeting.**
- 2. An Explanatory Statement on the business to be transacted at the meeting is annexed hereto.**
- 3. The Annual Accounts of the Company comprising of the Balance Sheet and Profit and Loss Account together with notes on accounts and Schedules and Auditors Report and Directors' Report are attached as Annexures I & II**
- 4. All documents referred to in accompanying Notice and Statement pursuant to section 102 shall be open for inspection at the registered office of the Company during the office hours on all working days between 8.30 am to 5.30 pm upto the date of conclusion of AGM.**



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5. Members wishing to seek further information or clarification on the Annual Accounts or operations of the Company at the Meeting are requested to send their queries at least a week in advance of the date of the Meeting addressed to the Company Secretary and Compliance officer at the following address:

Terumo Penpol Private Limited,
Bhadra Towers, T.C 29/2923,
Cotton Hill Road, Vazhuthacaud,
Thycaud P.O, Thiruvananthapuram,
Kerala – 695014, India

6. Members / Proxies should bring their copies of Annual Reports and Attendance Slips duly filled in, for attending the meeting Corporate Members are requested to send in advance, duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend the AGM pursuant to section 113 of the Act.
7. Members can inspect the register of director and key managerial personnel and their shareholding, required maintained under section 170 of the Companies Act 2013 and register if contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act 2013 during the course of the meeting at the venue.

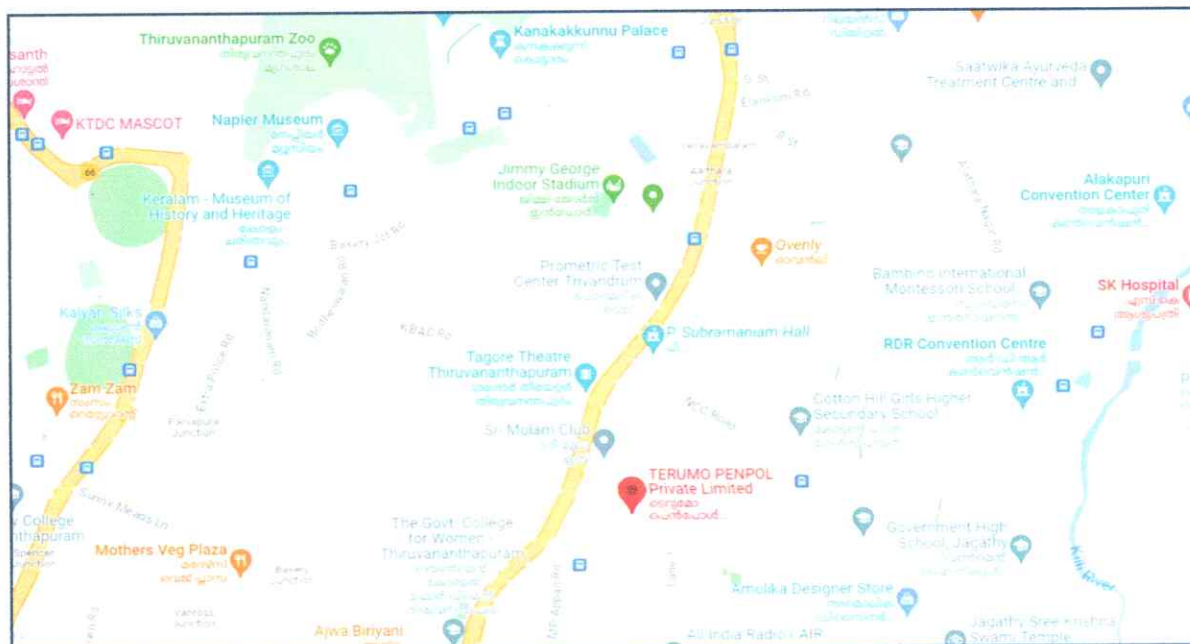


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8. Route map of venue of 40th Annual General Meeting



STATEMENT IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3 of Notice of Annual General Meeting

Ratification of appointment of Cost Auditor:

A proposal for appointment of Cost Auditor for 2024-25 was recommended by the Board. It was proposed to re-appoint M/s. **BBS Associates, Firm Registration Number 00273** as Cost Auditors.

Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 9.00 A.M to 5.00 P.M and shall also available at the meeting.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

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None of the Directors and Key Managerial personnel or relatives of them are interested in the above resolution.

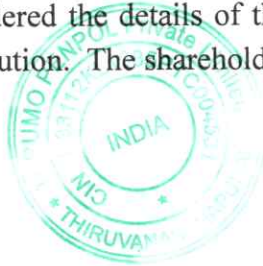
The Board of Directors recommends the resolutions for approval of the shareholders.

Item No. 4 of Notice of Annual General Meeting
Approval of Related Party Transaction for FY 24-25

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As per section 188 of the Companies Act all related party transactions need to be approved by the

Audit Committee and those transactions which are not in the ordinary course of business and at arm's length need Board approval and ratification by Shareholders. All related party transactions of Terumo Penpol are in the ordinary course of business and at arm's length. But in order to uphold principles of good corporate governance the Board considered the details of the related party transaction as per the table enclosed and passed the following resolution. The shareholders may ratify the same.

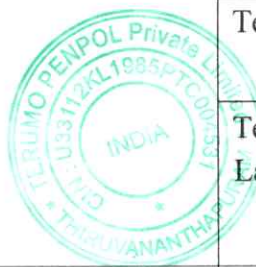


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Particulars	Name of the parties
Ultimate holding company	Terumo Corporation, Japan
Holding company	Terumo Mauritius Holding Limited, Mauritius
Fellow subsidiaries	Terumo BCT Europe
	Terumo BCT Australia PTY Ltd
	Terumo (Thailand) Co., Limited
	Terumo Singapore Pte Ltd.
	PT. Terumo, Indonesia
	Terumo Marketing Philippines, Inc.
	Terumo Vietnam Medical Eqpt Co. Ltd
	Terumo Malaysia SDN, BHD
	Terumo BCT Asia Pte Ltd
	Terumo BCT Vietnam Co. Ltd.
	Terumo BCT Inc -Uruguay
	Terumo BCT Inc - Lakewood
	Terumo BCT Larne
	Terumo BCT Holding Corporation - Lakewood


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Key management personnel	Chetan S. Makam Manoj A Sruthi Aravind U
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Related Party Transactions for FY 24	FY 23 Actual	FY 24 Estimate
	Rs Mn	Rs Mn
Sales	3343	4333
Income from I&D and Support Services	94	52
Purchases	1689	2192
ECB Interest	22	11
ECB repayment	325	432
Royalty	103	116
Remuneration to key managerial personnel	32	10
Others	27	30
Total	5635	7198

14 -08-2024
Thiruvananthapuram

By the order of the Board of Directors



Sruthi Aravind
Company Secretary & Compliance Officer

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**FORM NO. MGT-11
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the
Companies
(Management and Administration) Rules, 2014]

CIN: U33112KL1985PTC004531

Name of the company: Terumo Penpol Private Limited

Registered office: Bhadra Towers, T.C 29/2923, Cotton Hill Road, Vazhuthacaud,
Thycaud P.O, Thiruvananthapuram, Kerala – 695014, India

I/We, being the member (s) of shares of the above named company, hereby
appoint

1. Name :
Address :
E-mail ID :
Signature :

2. Name :
Address :
E-mail ID :
Signature :

3. Name :
Address :
E-mail ID :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the
40th Annual general meeting of the company, to be held on the 10th September 2024 at
9.00 a.m. at Bhadra Towers, T.C 29/2923, Cotton Hill Road, Vazhuthacaud, Thycaud
P.O, Thiruvananthapuram, Kerala – 695014, India and at any adjournment thereof in
respect of such resolutions as are indicated below:

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:



Affix
Revenue
Stamp

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Resolution No.

1

2

3

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



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TERUMOPENPOL.COM

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting its Fortieth Annual Report of Terumo Penpol Private Limited ("the Company") on the business and operations of the Company, along with Audited Statement of Accounts for the Financial Year ended March 31, 2024.

1. FINANCIAL RESULTS

(INR Million)			
Particulars	Standalone		% Change
	2024	2023	
Net Sales	6,220	5240	19%
Other Operating Income	250	275	-9%
Other income	81	52	56%
Total Income	6,550	5568	18%
Expenses	5,416	5052	7%
Profit before Tax	1,135	516	120%
Tax expense	285	139	105%
Profit after taxes	850	377	125%
Other comprehensive (loss)/ income for the year	(29)	1	-3000%
Total Comprehensive income for the period attributable to equity holders	821	378	117%
Surplus - opening balance	3,309	2931	13%
Amount transferred to balance sheet	821	378	117%
Surplus - closing balance	4,130	3309	25%
Earnings per share	123	54	128%
Basic and diluted	123	54	128%

2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

INDIA SALES: PRODUCT AND PROFITABILITY

	FY 22-23 ACTUAL	FY 23-24 PLAN	FY 23-24 ACTUAL	ACHIEVEMENT	GROWTH
	(Rs in Mn)	(Rs in Mn)	(Rs in Mn)	(In %)	(In %)
AC	637.1	749.7	856.9	114%	34%
WB CORE	1,352.0	1,262.5	1,445.4	114%	7%
WBA	59.1	104.5	68.0	65%	15%
PRT	7.7	-	(2.3)	0%	-130%
BCS TOTAL	2,055.9	2,116.6	2,368.0	112%	15%
HARVEST	0.5	-	(0.3)	0%	-165%
CTT	1.9	3.9	1.6	40%	-17%
TS	347.6	360.5	493.7	137%	42%
SERVICE	95.1	88.1	105.6	120%	11%
OTHERS TOTAL	445.1	452.6	600.5	133%	35%
GRAND TOTAL	2,501.0	2,569.2	2,968.6	116%	19%

Strategic Imperative

The objective for fiscal year 2023 was to meet and exceed the revenue plan while driving long-term sustainable business. The essential priorities were:

1. Continuing the transformation of the product portfolio
2. Preventing price erosion and optimizing pricing wherever possible
3. Enhancing consumable-driven device utilization
4. Increasing organizational efficiency

QUARTER WISE SUMMARY

Quarter 1

Our major challenge was to maintain the prices implemented in FY 22. We had capitalized on the unstable competition. The prices of Trima and Optia nearly doubled as FK was undergoing a transformation, merging three divisions to address profitability issues. Haemonetics' distributor,

SPAN, faced issues with their principal, leading them to focus solely on retention. Maco Pharma decided to exit the market due to profitability challenges. Additionally, our price increase was driven by cost escalation, resulting in a substantial rise in the transfer price for commercial operations in India.

Our competitors likely faced greater profitability challenges and therefore they didn't decrease their prices which they increased in FY 22 after we increased our prices. But they maintained a 20% to 30% gap below our prices. This kept our price difference with the competition the same but led to an overall increase in the prices of transfusion products in the Indian market, enabling us to retain our prices. We encountered product shortage challenges for filters. The government floated a tender for the bulk procurement of filters for thalassemia patients. In most tenders, our prices were much higher than the competition, so the product shortage didn't have a significant impact. Since these projects were not part of our plan, they didn't affect our business much.

We anticipated stable competition in FY 23, but that did not occur. This unexpected instability led to a substantial increase in government business, which is typically awarded based on the lowest price. Despite our higher prices, we secured government orders, helping us establish a strong benchmark for our new pricing, leading customers to adopt our revised rates.

Most of the Maco customers were converted in FY 22 and began performing in FY 23. The demand for blood products from critical care, elective surgeries, medical tourism, and BMT continued to rise. According to our calculations, blood collection crossed 13 million units, near to equating to 1% of the total population, aligning with WHO's blood donation requirements. The government's blood center upgrades continued, and those centers upgraded in FY 22 began contributing to the increased number of blood donations, significantly impacting India's overall blood collection dynamics later in the year.

The market situation for TBCT in India was favorable. Our team worked diligently to maintain relationships with the customers, ensure product availability, and provide excellent technical and clinical service support which led us to achieve INR 698 million against a plan of INR 603 million, reaching 116% of the plan and marking a 15% growth over the previous year.

Quarter 2

We faced significant challenges with Delcon as their Archimede hybrid model experienced several breakdown issues. With the help of our global team, we successfully relaunched the advanced version of this product, Archimede NG. However, we encountered problems with the 350 ml plate, which our team managed to improve. We provided feedback to Delcon through the global product management team, and Delcon later rectified the issue. During this period, we also faced trouble when Delcon launched a clone product under a different name and authorized a distributor to quote for tenders in Telangana. With the help of our global team, we were able to stop the introduction of that

product. Ultimately, we successfully established Archimede in the Indian market and continued the transition from NVAP blood bags to VAP with this semi-auto adoption.

Our success rate for apheresis increased significantly, and we secured a single order for 33 Trima units from Telangana. This achievement was due to the satisfaction of our 110 Trima customers in Telangana, strong relationships built by our team, a robust distribution network, and destabilized competition.

Our winning rate in overall medical equipment and blood bag tender were low because of the higher price. We also faced challenges because of the nonavailability of CE certification. make in India content of minimum 20% in many of the products and for Mirasol we faced challenge because the product was not exempted from make in India. Competition introduction of medical devices with advance features also eroding our medical equipment market. Despite all these challenges the TBCT advocates in the market who have been using our products for several years opted for our products. In Q2 we achieved INR 1000 mil against the plan of INR 766 mil it was 131% of the plan.

Quarter 3

From September to November in India, mosquito growth typically leads to increased sales of disposables. This year, although there were no signs of an acute dengue fever outbreak, our sales still rose significantly. This was due to FK experiencing product shortages and the devices installed in the previous year beginning to perform, resulting in substantial growth in disposables. We continued our efforts to transition numerous blood centers from NVAP to VAP and remained actively engaged in organizing several low-cost events initiated in FY 22, strengthening our rapport with users. This period also coincides with two major national congresses in India. In FY 23, the AATM was held in India, resulting in three national congresses. We showcased a strong presence, building confidence among customers as a long-term partner.

We had to close our logistics hub in Bhiwandi due to operational challenges related to providing additional support. Despite this, we successfully retained our customers there was no major product crunch and we secured an Optia contract from Uttar Pradesh for 21 devices, which boosted our sales and expanded our presence in the TS market in India. We achieved INR 758 million against a plan of INR 698 million, reaching 109% of the plan.

Quarter 4

India achieved its plan in Q3, and December to February, typically a low-sales period. We shifted our focus to installing the sold devices in the field, ensuring prompt performance, collecting outstanding payments, managing distributor inventory to clear stock for a strong start in FY 24, resolving pending issues such as credit notes and etc, and addressing various organizational efficiency matters. Numerous government projects remained ongoing, including the winning of the Reveos tender in March, which was invoiced in Q1 of FY 24. Our goal was to defer these projects to the following year

wherever feasible, contributing to the successful realization of India's plan. In Q4 we achieved INR 513 mil against the plan of INR 500 mil which is 102% of the plan.

The highlights of the year FY 23-24

- TBCT India achieved sales of INR 2,969 million, surpassing the plan of INR 2,569 million and reaching 116% of the plan, with a 19% growth over the previous year. In FY 22, India had grown 13% over the previous year. This growth was primarily driven by competitive conversions from destabilized competition, Maco Pharma's exit, and new investments made by the government.
- The operating profit plan for FY 23 was 2.9%, while the actual was 6.3%. For FY 22, the planned profit was 0.6%, but the actual achieved was 5.3%. This increased profitability was primarily due to higher selling prices, demonstrating India's alignment with the strategic imperative of long-term sustainable growth.
- In FY 23, India sold 60 Trima devices and 47 Optia devices, adding 107 new apheresis customers. This compares to 101 devices the previous year, reflecting our strategy of expanding consumable-driven device footprint.
- The count of WBA device increased to 9 with 4 customers. 2 more customers added in Q1 of FY 24
- Total 31 Archimede and 56 TSCD devices sold
- India sold 1,820 Penpol-manufactured ME devices, totaling INR 250 million, which is 113% of the plan. However, in FY 22, the total quantity was 2,575 devices amounting to INR 404 million. This decline is attributable to the reasons mentioned earlier.

Fiscal year 2023 was a relatively stable journey with fewer product code changes, stable selling prices, and minimal product supply challenges, with only one or two quality holds. Haemonetics' decision to change its distribution network, FK's merger of three divisions leading to high attrition, and Maco Pharma's exit left customers in a confused state. TBCT India capitalized on this by effectively maintaining relationships with key customers. The price increases by competitors resulted in an overall price rise of Transfusion medicine products in the market. Companies like Polymed, HLL, and J Mitra also revised their blood bag prices but maintained a price gap, positioning their products below TBCT.

We have successfully maintained our position as the market leader with premium, high-quality products. The retention of our customers and the acquisition of new projects can be attributed to our strong and stable team, a robust and emotionally connected distribution network, the swift and effective delivery of technical and clinical services, assertive marketing campaigns, customer training programs, and a strong presence at national conferences and congresses. Additionally, we benefit from the "Make in India" initiative for many of our products, and Terumo Penpol, being a domestic company, has a strong connection with customers. Our manufacturing unit in India allows us to reach customers faster and make many products available in no time, a capability beyond the imagination of our competitors.

Despite the scarcity of resources, we remained steadfast in ensuring the availability of products to our key customers, further affirming our commitment to their needs.

Our Reveos device is gaining traction with "Make in India" sets available, and we are confident in penetrating deeper into the market, aiming to remain the leading company in the transfusion medicine industry. Our Optia device is already established as the best for therapeutics, and Mirasol is gradually gaining traction among tertiary care and teaching institutions. Our plan to move Penpol-manufactured ME business through distributors will further help us win more tenders while saving on operational costs.

We successfully participated in ISTM, ISBTI, and AATM last year, hosting multiple scientific sessions and workshops on our products. We participated in and organized a total of 33 events in FY 23, which helped us educate customers about our products and strengthen our relationships with them.

FUTURE PROSPECTS AND CONSTRAINTS

With the vision of providing access and availability to safe, effective, quality, and affordable medical countermeasures, India is poised to continue growing as the fastest-growing country in Asia. The current CAGR of the MedTech industry in India is 15%. The MedTech industry, estimated at \$11 billion in 2023, is set to reach \$50 billion by 2030, meaning India's market is projected to expand sixfold by 2030. TBCT is positioned to maintain its dominant status in India due to its cutting-edge technology, excellent service support, stable team, and robust infrastructure.

As the government aims to establish a 100% component lab, significant progress has been made from FY 20 to FY 23. Now, substantial growth opportunities will arise for ME and apheresis devices, particularly from the eastern part of India, which is the least developed area in the country. The expansion is planned to be completed by FY 26 as per the government plan. Some of the government's ongoing investment plans include:

- **PM Atmanirbhar Swasth Bharat Yojana (FY 21-FY 26):** Allocating Rs 64,180 crore (\$782 billion) over six years to establish critical care hospital blocks in 602 districts and 12 central institutions.
- **Capital Blood Bank:** To be completed by 2030, serving as an apex center of transfusion medicine in every state. This presents a significant opportunity for Reveos penetration in the coming years.
- **Centers of Excellence:** Establishing 47 centers to tackle sickle cell disease, thalassemia, and hemophilia.

India is projected to continue reporting double-digit growth until 2030, reinforcing its upward trajectory. The effective execution of the "Make in India" initiative for the Reveos set within the context of Whole Blood Automation holds immense strategic importance, poised to accelerate automation adoption in India's transfusion business.

Constraints include the "Make in India" requirements for imported products, MII exemptions, CE certification of ME and blood bags, and a few exceptions required by customers in tenders. Haemonetics distributors are now importing pre-owned apheresis machines. If FK also manages to get

pre-owned devices, it could impact TBCT's business in the private market. With pre-owned devices, they aim to capture customers with lower payment potential, giving them a competitive edge in the market.

3. DIVIDEND

The Directors regret their inability to recommend any dividend for the year under review.

4. SHARE CAPITAL

The Authorised share capital of the Company as at March 31, 2024 is INR 200 Million. The issued, subscribed and paid-up equity capital as on March 31, 2024 was Rs.692.08 Lakhs comprising of the below

The detail of issue of shares during the year under review is:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
Nil	Nil	Nil	Nil	Nil

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

6. CHANGE IN THE NATURE OF BUSINESS

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

7. OTHER STATUTORY COMPLIANCES

The Company has complied with all the mandatory regulatory compliances as required under the Companies Act, 2013, various tax statutes and other regulatory bodies as applicable.

8. DETAILS OF MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED

BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

9. BOARD OF DIRECTORS

The Company believes that a strong, independent and diverse Board leadership ensures the deployment of effective corporate governance. The Company being a Private Company and also according to the provisions of the Articles of Association of the Company, no Director is liable to get re-elected/reappointed during the year under review. The Board of the Company is duly constituted with an optimum balance between Executive and Non-Executive Directors for an effective functioning of the Board. As on March 31, 2024, the Board of the Company consists of total three (03) Directors. The Company's Board consists of a Woman Director. None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164(1) and Section 164(2) of the Act.

The list of directors of the company as on 31st March 2024 is as follows:

SL NO	DIN No.	FULL NAME	DESIGNATION
1	01976851	MAKAM SATHYANARAYANA CHETAN	MANAGING DIRECTOR
3	08656130	MANOJ APPUKUTTAN	WHOLE TIME DIRECTOR
4	08722667	CHUA CHENG CHIN	DIRECTOR

10. CHANGES IN COMPOSITION OF THE BOARD OF DIRECTORS OF THE COMPANY

During the year under review, Mr. Abraham Mathew (DIN: 02221878), Whole time Director of the Company resigned from the Company with effect from 25th September 2023, due to his resignation from the services of the Company. The Board of Directors had placed on record its appreciation on the contribution made by Mr. Abraham Mathew during his tenure as a Director of the Company.

The list of directors of the company during the beginning of the year is as follows:

SL NO	DIN No.	FULL NAME	DESIGNATION
1	01976851	MAKAM SATHYANARAYANA CHETAN	MANAGING DIRECTOR
2	02221878	ABRAHAM MATHEW	WHOLE TIME DIRECTOR
3	08656130	MANOJ APPUKUTTAN	WHOLE TIME DIRECTOR
4	08722667	CHUA CHENG CHIN	DIRECTOR

The list of directors of the company as on 31st March 2024 is as follows:

SL NO	DIN No.	FULL NAME	DESIGNATION
1	01976851	MAKAM SATHYANARAYANA CHETAN	MANAGING DIRECTOR
2	08656130	MANOJ APPUKUTTAN	WHOLE TIME DIRECTOR
3	08722667	CHUA CHENG CHIN	DIRECTOR

11. DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

12. DETAILS OF THE MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met 05 (Five) times during the financial year under review on :-

20/06/ 2023, 16/08/2023, 04/10/2023, 14/12/2023 and 14/03/2024.

The respective attendances of Directors in the said meetings were as follows:

SL NO:	NAME OF THE DIRECTOR	NUMBER OF MEETINGS ENTITLED TO ATTENDED	NUMBER OF MEETINGS ATTENDED
1	CHETAN SATHYANARAYANA MAKAM	5	5
2	ABRAHAM MATHEW	2	2
3	MANOJ APPUKUTTAN	5	5
4	CHUA CHENG CHIN	5	5

*Mr. Abraham Mathew has resigned from the organization w.e.f 25th September 2023

The intervening gap between two consecutive meetings were within the period prescribed under the Companies Act, 2013 and Secretarial Standards on Board Meetings as amended from time to time.

13. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of the Company as on March 31, 2024, are as under:

SL NO	FULL NAME	DESIGNATION
1	CHETAN SATHYANARAYANA MAKAM	Managing Director
2	MANOJ APPUKUTTAN	Whole time Director
3	SRUTHI ARAVIND USHAKUMARI	Company Secretary

**Mr. Abraham Mathew has resigned from the organization w.e.f 25th September 2023

14. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

We shoulder the corporate social responsibility through our activities related to promotion of preventive healthcare, support to local government schools for better learning and identifying and nurturing hidden talent in less privileged children. Being socially responsible, we have designed our CSR policy reaching out to the “quality of life” challenges of the disadvantaged communities.

The company in every financial year in line with the Companies Act, 2013 pledges to spend minimum two percentage of the average net profit made during the three immediately preceding financial years towards CSR initiatives.

The company has constituted a Corporate Social Responsibility Committee comprising:

SL NO	FULL NAME	DESIGNATION
1.	Mr. Chetan Satyanarayana Makam	Managing Director
2.	Mr. Manoj Appukuttan	Wholetime Director
3.	Ms. Chua Cheng Chin	Director

Mr. Chetan Satyanarayana Makam is the Chairman of the committee.

The role of the Committee, inter alia, is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, expenditure to be incurred on the CSR activities, an annual action plan in pursuance of its CSR policy etc. The Company's CSR Policy lays out the vision, objectives and implementation mechanism.

The Company has modified CSR policy of the Company to align with the statutory amendments. The Company's CSR policy is available on the Company's website at <http://www.terumopenpol.com/index.php/csr/terumo-penpol-csr>

The Company's commitment to CSR will be manifested by investing resources in any of the areas stipulated in Schedule VII to the Companies Act, 2013, as amended, from time to time. The Company gives preference to the local area and area around it where it operates for spending the amounts earmarked for CSR activities. During the year the Company has spent Rs. 6,287,077/- as against the statutory requirement of CSR expenditure of Rs. 6,283,994/-, /-. The annual report on the CSR activities is at **Annexure I** to this Report.

15. DETAILS OF CSR COMMITTEE MEETINGS

The CSR committee of the board met 02 (Two) times during the year under review on :-

04th April 2023 and 25th January 2024 respectively.

The respective attendances of Directors in the said meetings were as follows:

SL No:	Name of the Member	Number of meetings entitled to attended	Number of meetings attended
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1	CHETAN SATHYANARAYANA MAKAM	2	2
2	CHUA CHENG CHIN	2	2
3	MANOJ APPUKUTTAN	2	2

16. ISO CERTIFICATIONS

Your Company has the following ISO certifications

- ISO 9001:2016
- EN ISO 13485:2016
- CE mark for Products
- ISO 14001:2007
- OHSAS 1801:2007
- ANVISA-Brazil
- ARTG-Australia.

17. PUBLIC DEPOSITS:

The Company has not accepted or invited any deposits as per the Companies Act, 2013 during the financial year under review and no amount has remained unpaid or unclaimed as at the end of the financial year. Further there were no deposits which were not in Compliance with the requirements of Chapter V of the Companies Act, 2013.

Unsecured Loan:

Your Company has not availed any unsecured loan from its directors or their relatives during the financial year under review. As on 31/03/2024, your Company does not have any outstanding unsecured loans from its directors and their relatives.

18. REPORT ON SAFETY

Awards and Recognitions

TERUMO PENPOL has received the following award in the year 2023-24

- Received Abhinandan Patra award in very large industry category from National Safety Council.
- Received 2nd price for best safety committee from National Safety Council.

Major Milestone

- Safety policy is updated for the change in occupier, Policy has been audited and found in line with TC / BCT / Kerala Factories rule & ISO standard.
- As a part of environmental conservation activity, around 500 saplings were distributed to our associates.
- Carried out Certified first aider training for 49 company associates.
- Celebrated National safety week with comprehensive firefighting training from Fire and rescue department Kerala.
- Conducted Road safety awareness session by AMVI from Motor vehicle department Kerala.
- Conducted ERT Training for associates, over 120 associates successfully completed the training.
- Successfully completed the surveillance audit of ISO 45001:2018 & ISO 14001:2015.
- Conducted 4 Safety Committee Meetings and around 88 % Points have been addressed.

HSE Awareness Programs / Training

Around 1632 employees from different category have been trained and around 3768 Manhours covered for FY 23.

Category	Contents	Number of participants
Trainee	Basic Safety Induction - Accident, Causes of accident, Hazard & Risk, Control measures and basic safety rules to be followed inside the plant. EHS policy, Cardinal safety rules, Road Safety	879
Associates	Basic Safety Induction - Accident, Causes of accident, Hazard & Risk, Control measures and basic safety rules to be followed inside the plant. EHS policy, Cardinal safety rules, Road Safety , ISO 45001 & ISO 14001 requirements, Root cause analysis.	352
Canteen	Hazard associated with canteen, Firefighting, Knife handling	15

Security & CL	Basic safety induction, Firefighting, basic safety rules to be followed.	386
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19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure II** and is attached to this report.

20. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has a well-established Risk Management policy and has established the procedure commensurate to the potential risks that may affect the company. The Company recognizes that risk is an integral element of insurance business and with a view to mitigate risks, the Company has in place Board approved Risk Management Framework. A strong risk culture is ensured through embedding the principles of Risk Management Framework in strategy and operations. The risk management committee is formed by the company as a good governance practice and mitigation plan is monitored regularly by the Company to ensure timely and appropriate execution. The senior management of the Company is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. The Chief Risk Officer of the Company is responsible for the implementation and monitoring of the Risk Management Framework.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Board of Directors. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Board reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

21. SECRETARIAL STANDARDS

The Directors state that applicable Secretarial standards i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, have been duly followed by the Company.

22. RESEARCH AND DEVELOPMENT

Research & Development activities continue to be an important element of our strategy to keep ahead of the competition and we are collaborating with our affiliate company, Terumo BCT in developing new products and improved components.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 are furnished in **Annexure III (Form AOC 2)** and are attached to this report.

25. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORT

During the year under review, there were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

26. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company but the Company has devised a policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications and other related matters as provided under Section 178(3) of the Companies Act, 2013.

27. ANNUAL RETURN

Pursuant to the provisions of Section 92 (3) and 134 (3) (a) of the Companies Act, 2013, the copy of the Annual Return will be uploaded on the website of the Company; www.terumopenpol.com once it is filed with the Registrar of Companies, after the Annual General Meeting scheduled to be held on 10th September 2024, Tuesday at 9.00 AM

28. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief, and according to the information and explanations obtained by them, your Directors confirm the following in terms of Section 134(5) of the Companies Act, 2013:

- (a) In accordance with the notification issued by the Ministry of Corporate Affairs, with effect from 1 April 2019, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. Previous period numbers in the financial statements have been restated to Ind AS. The financial statements for the year ended 31st March 2024, have been prepared in accordance with Ind AS 1 - Presentation of financial statements as notified under the Companies (Indian Accounting Standards) and applicable accounting standards issued by Institute of Chartered Accountants of India have been followed along with proper explanations to material departures, if any;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

30. PARTICULARS OF EMPLOYEES

The Company affirms that the remuneration is as per the remuneration policy of the Company. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary at Sruthi.U@terumobct.com

31. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

32. AUDITORS

STATUTORY AUDITORS

M/s B S R & Associates LLP, Chartered Accountants, Kochi were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held on 17th July 2019 i.e., from the said Annual General Meeting till the conclusion of the Annual General Meeting to be held till the conclusion of the fortieth AGM of the Company, i.e., 2024.

The notes of the financial statements referred to in the Auditors' Report issued for the financial year ended on 31st March, 2024 are self-explanatory and do not call for any further comments.

33. COST AUDITORS

As per the requirements of the Section 148 of the Companies Act 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained relating to the following divisions to which audit is applicable during FY 2023-24

NAME OF PRODUCT(S) /SERVICE(S)	UOM	C-TA HEADING	APPLICABILITY AS PER RULES DT 30-06-.2014 (TABLE B NON- REGULATED SECTORS -)	
			SL NO REF	PRODUCT CATEGORY
Blood Bag	Pieces	9,018	33	Medical devices
BBR - DF - CRYOBATH	Pieces	8,418	31	Other machinery
Water Bath (T - Bath)	Pieces	8,419	31	Other machinery
Tube Sealer	Pieces	8,422	31	Other machinery
BCM - HS - PI - PE (E)	Pieces	9,018	33	Medical devices
BWS	Pieces	8,423	31	Other machinery

Pursuant to the provisions of Companies Act 2013, the Board of Directors, may re- appoint M/s BBS & Associates, Cost Accountants (Registration No. 00273) as the Cost Auditors of the company to conduct audit of cost records made and maintained by the company for the financial year 2023-2024. A Certificate from M/s BBS & Associates, Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Shareholders in a General Meeting for their ratification. Accordingly, pursuant to recommendation of the Board, a resolution seeking Shareholders' ratification for remuneration payable to the Cost Auditor is included in the notice of the ensuing Annual General Meeting. The Company is required to maintain cost records as specified under Section 148 (1) of the Companies Act, 2013 and such accounts and records are made and maintained by the Company for the financial year 2023-24.

34. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

35. ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK

The Company's approach towards Environmental, Social and Governance ("ESG") is underpinned by a strong focus on fulfilling promises responsibly and sustainably so as to benefit the society, employees, shareholders, communities, and all other stakeholders. The Company is revisiting every facet of the organisation to put in place processes, systems and teams to measure, manage and improve across ESG parameters. The Company's people-centric work culture provides opportunities for growth and mental resilience for the Company's employees, with a Diversity, Equity and Inclusion ("DEI") strategy built around employees, customers, and brand reputation. DEI vision includes building of an inclusive culture that attracts, develops and celebrates diversity thereby driving innovation and delivering value for all our stakeholders.

36. INTERNAL FINANCIAL CONTROLS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

37. TERUMO PENPOL INTERNAL COMMITTEE CONSTITUTED UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment and is committed to provide a safe environment for all, which is achieved through well-established robust mechanism for redressal of complaints reported under it. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at workplace and lays down the guidelines and timelines for the prevention and redressal of complaints pertaining to sexual harassment. Accordingly, the Company has in place the guidelines and policy on prevention of Sexual Harassment at Workplace and a formal process for dealing with complaints of sexual harassment, in compliance with aforesaid Act. The Annual Report on the same has been submitted to the relevant authorities as per the Statute every year. During the year under review, no complaint of sexual harassment was received.

GENERAL

- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

- No fraud has been reported during the audit conducted by the Statutory Auditors and Cost Auditors of the Company.
- During the year, no revision was made in the previous financial statement of the Company.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

To build awareness in this area, the Company has been conducting induction/ refresher programs on a continuous basis. During the year under review, the Company has organized multiple training sessions on the topics of Gender Sensitization and Prevention of Sexual Harassment ("POSH") for its employees.

38. ACKNOWLEDGEMENT

The Directors thank the customers of the Company who continued to have confidence in Terumo Penpol products and voted for Quality. The Directors place on record their sincere thanks to business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. The Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company. The Directors wish to put on record their appreciation for the strong support of Terumo Corporation, Japan in all spheres of activity. The Directors wish to place on record their appreciation for the strong support and leadership of Terumo BCT, USA and Ms. Antoinette Gawin, CEO. The Directors wish to place on record their appreciation of the support extended by The Bank of Tokyo-Mitsubishi UFJ, Ltd. Finally, the Directors wish to place on record their appreciation of the contributions made by all Associates of Terumo Penpol.

By the order of the Board of Directors



Chetan S Makam
Managing Director



Manoj A
Whole Time Director

Date: 14/08/2024

Place: Thiruvananthapuram

ANNEXURE I- ANNUAL REPORT ON CSR ACTIVITIES

Our Mission, “Contributing to Society through Health Care” underlines our societal commitment.

1. Brief Outline about Corporate Social Responsibility (CSR) Policy

The companies CSR focus on Blood donation, Health, Education and Local Community development. Besides, it also undertakes interventions in rural sports mission, environment and hygiene.

Blood donation over the years has been a major spoke of the CSR department of Terumo Penpol, every year it collaborates with dedicated NGO’s for organizing blood donation camps and to create awareness at organizations and educational institutions. It motivates organizations and regular donors by honoring them on the World Blood Donor Day celebrations every year. Besides, it has also identified various events like World Health Day (7th April), National Blood Donor Day (1st October), World AIDS Day (1st December) exclusively to promote voluntary blood donation. Terumo Penpol is synonymous to the blood donation activities at Kerala.

Health sector is another integral sector it supports, by focusing on patients facing challenges due to Thalassemia, Hemophilia, Autism and metabolic disorders. Apart from these it supports the primary health center at Vilappil Grama Panchayath, the first point of access for public with the health setup of our country.

Terumo Penpol supports in setting up libraries at schools across Trivandrum apart from providing notebooks to students from underprivileged backgrounds. Scholarships, Quiz competitions, Science fairs are organized at these schools. Mini Tennis program is envisaged to introduce tennis among the children at the Government schools.

Local community development is shown in various fronts, beginning from full-fledged support to the Community Health Center to the devoted support towards the educational institutions located at the vicinity of the factory.

The CSR maintains a healthy relationship with the local community by attending to genuine needs.

The bed rock of CSR of Terumo Penpol are its core values such as

- Consistency.
- Sustainability
- Focus on neglected areas
- Bang for the buck with clear action plan
- Targeting the deprived society

2. Composition of CSR Committee:

SR. No.	Name of Director Designation / Nature of directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Chetan S Makam, Chairman	2	2
2	Mr. Manoj A , Member	2	2
3	Ms. Chua Cheng Chin, Member	2	2

3. Provide the web-link where the CSR Policy approved by the board is disclosed on the website of the Company.

The weblink for the CSR policy of the Company is as below

CSR POLICY	http://www.terumopenpol.com/index.php/csr/terumo-penpol-csr
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The Board has approved the TPPL CSR Policy based on the recommendations of the CSR Committee and mandatorily reports on CSR in Board's report with explanation on un-expended amount. The Board ensures that surplus arising out of CSR activity will not be part of business profits of the company and is added back in the CSR corpus.

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

N/A

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

N/A

6. Average net profit of the company as per section 135(5) of Companies Act,2013-

Computation of Net Profit as per Section 198 of the Companies Act							INR

	FY 2022-23	FY 2021-22	FY 2020-21	Total(3 Years)	Average	2%
Net Profit as per Profit & Loss A/c	376,392,254	166,168,000	120,836,264	663,396,518	221,132,173	
<u>Less</u>						
Profit on sale of fixed assets	470,000	399,000	-	869,000	289,667	
<u>Add</u>						
Income Tax	139,407,746	88,626,000	52,037,736	280,071,482	93,357,161	
Loss on sale of fixed assets	-	-	-	-	-	
Net Profit computed as per section 198	515,330,000	254,395,000	172,874,000	942,599,000	314,199,667	6,283,993.04
CSR Liability for FY 23-24						6,283,994

7. (a) CSR amount spent or unspent for the financial year

Amount Unspent (in INR)			
Total Amount Spent for the Financial Year (Amount in lakh)		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	Date of transfer
-	INR. 6,287,077/-		

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration No.
1	Promoting Voluntary Blood Donation	Promoting healthcare including Preventive Healthcare	No	All over India		3604839.33			
2	Community Support	Community Support	Yes	Kerala	Trivandrum	207585.5			
3	Education	Promoting Education	Yes	Kerala	Trivandrum	599665.18			
4	Support for Hemophilia Patients	Promoting healthcare including Preventive Healthcare	No	Karnataka	Bangalore	100000			
5	Support to Screening Patients	Promoting healthcare including Preventive Healthcare	No	Delhi	Gurugram	200000			

6	Support for Library	Promoting Education	No	Tamil Nadu	Coimbatore	28116			
7	Support to Women	Promoting Women Empowerment	Yes	Kerala	Trivandrum	50000			
8	Support for Palliative Patients	Promoting healthcare including Preventive Healthcare	No	Karnataka	Bangalore	1080000			
9	Support for Thalassemia Patients	Promoting healthcare including Preventive Healthcare	No	Karnataka	Bangalore	100000			
Total						5970206.01			

(d) Amount spent in Administrative Overheads: 314000

(e) Amount spent on Impact Assessment, if applicable: N/A

(f) Total amount spent for the Financial Year (7b +7c +7d+ 7e): Rs. 6284206.01

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

Sr. No.	Particulars	Amount
1.	Two percent of average net profit of the company as per section 135(5)	INR. 6283994

2.	Total amount spent for the Financial Year	INR. 6284206.01
3.	Excess amount spent for the financial year [(2)-(1)]	INR. 212.01
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	INR. 0
5.	Amount available for set off in succeeding financial years [(3)-(4)]	INR. 212.01

8. (a) Details of Unspent CSR amount for the preceding three financial years

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (Amount in lakh)	Amount spent in the reporting Financial Year (Amount in lakh)	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. (Amount in lakh)
				Name of the Fund	Amount (in lakh)	Date of transfer	

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

Sr. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Amount in lakh)	Amount spent on the project in the reporting Financial Year (Amount in lakh)	Cumulative amount spent at the end of reporting Financial Year. (Amount in lakh)	Status of the project- Completed / Ongoing
Not Applicable								

//Intentionally left blank//

9.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details)	
(a)	Date of creation or acquisition of the capital asset(s).	NA
(b)	Amount of CSR spent for creation or acquisition of capital asset.	NA
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NA
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	NA

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

N/A

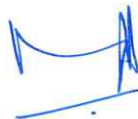
OUR CSR RESPONSIBILITIES

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the projects and activities in compliance with our CSR objectives

By the order of the Board of Directors



Chetan S Makam
Managing Director and
Chairman (CSR Committee)



Manoj A
Whole Time Director



Faith Chua
Director

ANNEXURE II

A) Activities for Conservation of Energy

Highlights of FY'23 are:

Energy conservation initiatives have been implemented in a sustainable manner, focusing on continuous improvement and optimization. Below are some of the key activities undertaken:

- Leveraging advancements in energy efficiency technology across all new requirements, with a gradual transition to more energy-efficient systems.
- Continuing the reuse of water in various operations, including MCDU, PP Cover, boiler, canteen, laundry, and toilets.
- Achieving water, fuel, and electricity savings, alongside productivity improvements, through the optimization of energy usage.
- Consistently maintaining a power factor of 0.99 to minimize line losses and enhance the efficiency of the electrical system.
- Reducing energy consumption in the HVAC system by relocating unnecessary heat loads from centralized HVAC rooms to non-air-conditioned areas, optimizing temperature, relative humidity, and overall operation.
- To ensure consistent protection of natural resources, the following additional measures have been implemented:
 - Managing peak hour load by transferring adjustable loads to off-peak hours.
 - Conducting shift-wise monitoring of all major utility consumptions, including energy usage, with prompt corrective actions on detected abnormalities.
 - Monitoring and controlling utility usage during holidays and weekends.
 - Enhancing the efficiency of compressed air and steam systems through regular monitoring and improvements.

Annexure A2

FORM – A

Disclosure of particulars with respect to conservation of Energy

POWER AND FUEL CONSUMPTION

Sl: no:	Description	As on 31 st March 2024	As on 31 st Mar 2023
	Production (SBE)	43,477,189.00	43,127,095.00
	POWER AND FUEL CONSUMPTION		
1.	ELECTRICITY		
A.	Purchased		
	Units (KWH)	12,519,555.00	12,432,275.00
	Total Amount (INR)	92,597,755.00	86,897,446.29
	Rate /Unit (Rs/kWh)	7.40	6.99
B.	Own Generation through diesel generators		
	Units (KWH)	18225.77	41,347.00
	Units per Lts of Diesel Oil - (kWh/lit)	2.4	2.69
	Cost per unit - (Rs/kWh)	43.11	29.99
C.	Furnace Oil Consumption	804,387.00	810,635.00
	Total Amount (INR)	40,696,474.00	43,046,181.00
2.	Consumption per unit production (SBE)		
	Electricity (EB + DG)	0.284	0.289
	Furnace Oil (Lts)	0.018	0.018
	Water (Lts)	1.01	1.02
3.	Cost per unit production (SBE)		
	Electricity cost (INR)	2.15	2.02
	Furnace Oil cost (INR)	0.94	0.95
	Water Cost (INR)	0.06	0.03
	Total Utility cost per unit Production (SBE) INR	3.12*	3.04

- The cost per unit of production has slightly increased due to rising electricity tariffs and fuel prices. However, the impact been, minimized through ongoing efficiency improvement programs and other cost reduction measures.

ANNEXURE – A3

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

Research and Development

1.0 Specific areas in which R & D was carried out by the Company:

- i. Development of non-DEHP plasticized PVC based blood bags to meet REACH regulations by May 2030.
 - a. Developed 4 alternate plasticizers and formulations for extruded sheets, extruded tubes and injection molded components
 - b. Design verification build for REVEOS and manual blood bags completed.
- ii. Solution stability aging studies of PAGGSM which is an alternate additive solution for red cell preservation in non- DEHP plasticized PVC blood bags is in progress. Accelerated aging studies has been completed and room temperature aging studies in progress.
- iii. Blood performance studies and functional studies of non-DEHP plasticized PVC bags underway.
- iv. Functional studies of Disposable products from TPPL and TBCT Vietnam.
- v. Sustenance projects –
 - a. Alternate vendors for PVC resin
 - b. EU-MDR remediation completed
 - c. GAP assessment for blood bag standards completed
 - d. Support for marketing, sales and production, standardization of blood bag labels.
 - e. CE mark removal for Domestic Manual bags
- vi. Reveos 2.0

The Reveos US project was mainly for US market with complete Electronics and Software System upgradation to latest CAN bus distributed architecture on a Linux platform along with many other newly developed modules

- The design changes included new electronic boards with SBC, new hydraulic assembly, new bucket assembly, liner, new display, display module, new barcode, front and rear panel etc.,
- Sip 5 initial build completed in Lakewood along with support provided for EMI EMC testing.

- As part of verification testing, formal/510K verification of LLRs completed
- Supported the production team in preparing the CAD models for the fixtures, updated the CAD for MOPs, and updated the pFMEA documents.
- As an additional activity, completed all Reveos 1.0 CAD assemblies.

The project was completed with new design control procedures. As part of production transfer now supporting LW team for post launch activities.

- vii. TRAC EUMDR- Document remediation progressing for EUMDR requirement. Design plan, Product Requirement and Low-level Requirement documents completed. Detailed design Document, Review reports , Verification Plan , Verification Protocol and Verification Reports etc., need to be completed.
- viii. Sterile tubing Welder Development Feasibility
Midsize welders feasibility completed with
 - Bigger copper wafer prototype development to weld tubes from 4mm ~ 9.5mm OD
 - Insert type clamp concept to weld different tube sizes on same machine
- ix. TRAC II Tray for ARCL – Tray modification as per customer (ARCL) requirement. Design, 3D printed proto, Mold design, final production, QA checking and packing completed and sent 500 nos trays to Australia for ARCL. Received Tops Patient Impact Award for this project.
- x. Support to Rika - Orion Sustaining – Design review completed, and review report shared to Lakewood for further proceedings
- xi. Sustenance Engineering Support for TPPL & TBCT
 - EUMDR implementation in Blood Collection Monitor- Labels and IFU updated with BSI notified body number.
 - CE mark removal in Deep freezers and Blood Bank Refrigerators- Lables & IFU updated by removing CE symbol and Authorized representative address.
 - Material data collection and material testing coordination for TBCT/TPPL products
 - Obsolescence management- Alternate component/source identification, design change for components having no direct alternates
- xii. Uninterrupted manufacturing of products with obsolescence management and other supports.

- xiii. Compliance to the latest Indian/International regulations to meet current/ new market demands.

2.0 Benefits derived as a result of above R & D:

Implementation of the above developments resulted in:

1. Reveos 2.0 launch enables the sale opening into US market.
2. Inhouse expertise acquired welder technology.
3. High level of customer satisfaction and reputation from TRAC II ARCL Tray project
4. TRAC II EUMDR enables the business continuity with compliance.
5. Enhanced capability to take up global projects with higher complexity. Adoption of global design controls and windchill implementation helped in being Design Authority of products developed for other TBCT sites improving efficiency in development cycles.
6. Capability for doing Aging/Stability studies and other verifications of Disposable Blood Bags.
7. Blood storage quality assessment of blood bags resulted in savings in test expenses and project time.
8. Development of new products ongoing for enhanced market potential .
9. Continued supply of products in European countries.
10. Revenue for TPPL on execution of global projects .

3.0 Future plan of action:

- Launch of a new 500 ml REVEOS SKU for European Market
- Launch of Existing REVEOS products in Brazil.
- Launch of all Manual blood bags with compliance to EU-MDR regulations
- Design verification phase of the development of non DEHP plasticized PVC blood bags in the completion phase followed by implementation activities such as validation, registration etc.
- Alternate Vendors for Labels, and APIs.
- Sustenance projects to support operations teams for existing products in the market
- Launch of Non-D transfer bags in Market with CE marking.

- Support studies to global sites for disposable products development.
- Sterile Welding Feasibility continuation
- Reveos 2.0
 - Support for Post launch activities
 - Support for Sanquin project
- TSCD III development (Subject to management approval)
- TRAC EUMDR- Document remediation for EUMDR requirement continuation.
- IT Connectivity for Blood Collection Monitor (subject to Marketing approval)
- RFID implementation in Blood Bank Refrigerators and Platelet Incubators (subject to Marketing approval)
- Recertification/Gap assessment of products as per the latest standard amendments
- Sustenance engineering support for TBCT sites & TPPL
- New projects of TBCT/TPPL – based on the requirements.

4.0	Expenditure on R & D:	INR Million
a.	Capital	0.598.00
b.	Recurring	121
c.	Total	122
d.	Total R & D expenditure as a % of gross turnover	1.86%

5.0 Technology Absorption, Adoption, and Innovation:

- a. Technology absorption of the processes resulted in -

Development of products involving new technologies and enhanced capabilities of associates for future needs.

- b. Benefits derived because of the above efforts

New products with latest technologies, highly skilled resources for current & future growth.

- c. Technology imported

- | | | | |
|----|---------------------|---|-----|
| a. | Technology imported | : | Nil |
| b. | Year of import | : | N.A |

- c. Has technology been fully absorbed : N.A
d. If not fully absorbed, areas where this : N.A
has not taken place, reasons therefore
and future plan of action

By the order of the Board of Directors



Chetan S Makam
Managing Director



Manoj A
Wholetime Director

Date: 14/08/2024

Place: Thiruvananthapuram

Annexure – A4**Foreign Exchange Earnings and Outgo****INR MM**

Foreign exchange earnings and outgo		FY 2024	FY 2023
1	Foreign exchange earnings	3,331.36	2,792.84
2	CIF Value of imports	2967.01	2,359.62
3	Expenditure in foreign currency	124.97	130.21

Activities relating Exports

During the year under review the Export turnover was INR 3331.36 million against INR 2792.84 million in the previous year

By the order of the Board of Directors**Chetan S Makam**
Managing Director**Manoj A**
Wholetime Director

Date: 14/08/2024

Place: Thiruvananthapuram

FORM NO. AOC-2

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

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis:

All Contracts/transactions/arrangements entered by the Company during the financial year with the Related Parties were in ordinary course of business and on an arm's length basis. Brief details are provided below. For more details please refer relevant clause of Audit Report and its Notes to the financial statements.

Transaction Category	FY 23	FY 22
a) Purchases	1689	1404
b) Sales	3343	2816
c) Expenses	27	44
d) Repayment of borrowings	325	325
e) Interest on borrowings	22	29
f) Royalty	103	101
g) Remuneration	32	27
h) Income from support service	94	116

By the order of the Board of Directors


Chetan S Makam
Managing Director


Manoj A
Wholtime Director

Independent Auditor's Report

To the Members of Terumo Penpol Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Terumo Penpol Private Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's and Board of Directors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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.

Registered Office:

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

Terumo Penpol Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Continued)

Terumo Penpol Private Limited

- 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), the 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 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 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 28 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 39(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 39(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.

Independent Auditor's Report (Continued)

Terumo Penpol Private Limited

- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used an accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- The feature of recording audit trail (edit log) facility was not enabled at the database level for accounting software used for maintaining the books of account relating to general ledger.
- In the absence of sufficient audit evidence, we are unable to comment whether audit trail feature was enabled and operated throughout the year for all the relevant transactions recorded in the accounting software used for maintaining the books of account relating to payroll records.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instances of the audit trail feature being tampered with.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

**BABY
PAUL**

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by BABY PAUL
Date: 2024.08.14
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Baby Paul

Partner

Place: Thiruvananthapuram

Date: 14 August 2024

Membership No.: 218255

ICAI UDIN:24218255BKFWHE3625

Annexure A to the Independent Auditor's Report on the Financial Statements of Terumo Penpol Private Limited for the year ended 31 March 2024

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

- (i) (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 maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Land at Kattakada, Thiruvananthapuram	Rs. 1.33 million	Terumo Penpol Private Limited	No	NA	Land purchased by the Company for construction of private road to factory. The title is under dispute. (Refer note 4(a) to the Financial Statements).

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

Annexure A to the Independent Auditor's Report on the Financial Statements of Terumo Penpol Private Limited for the year ended 31 March 2024 (Continued)

- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Duty of Customs, Service tax or other statutory dues which have not been deposited on account of any dispute are as follows:

Annexure A to the Independent Auditor's Report on the Financial Statements of Terumo Penpol Private Limited for the year ended 31 March 2024 (Continued)

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Act 1944	Excise duty	0.07 million	May 2015	The Commissioner (Appeals), Kochi	
Finance Act, 1994	Service tax	3.93 million	01 October 2006 to 31 March 2012	Customs, Excise and Service Tax Appellate Tribunal, Bangalore	
Customs Act., 1962	Customs duty	0.97 million	1 April 2006 to 31 March 2021	The Deputy commissioner ACC Kochi	
Customs Act., 1962	Customs duty	2.44 million	2012-2013	The Commissioner (Appeals) Cochin	Rs. 1.60 million paid under protest
Customs Act., 1962	Customs duty	53.17 million	2017-18 and 2018-19	CESTAT Chennai and Kochi	Rs. 0.76 million paid under protest

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

Annexure A to the Independent Auditor's Report on the Financial Statements of Terumo Penpol Private Limited for the year ended 31 March 2024 (Continued)

- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of Terumo Penpol Private Limited for the year ended 31 March 2024 (Continued)

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.:116231W/W-100024

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by BABY PAUL
Date: 2024.08.14
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Baby Paul

Partner

Place: Thiruvananthapuram

Date: 14 August 2024

Membership No.: 218255

ICAI UDIN:24218255BKFWHE3625

Annexure B to the Independent Auditor's Report on the financial statements of Terumo Penpol Private Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of Terumo Penpol Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of Terumo Penpol Private Limited for the year ended 31 March 2024 (Continued)

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements

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

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No.:116231W/W-100024

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Date: 2024.08.14
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Baby Paul

Partner

Place: Thiruvananthapuram

Date: 14 August 2024

Membership No.: 218255

ICAI UDIN:24218255BKFWHE3625

Terumo Penpol Private Limited
Balance sheet as at 31 March 2024
 (All amounts in Indian rupee millions)

	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,969.33	2,036.35
Capital work-in-progress	4	-	11.65
Right-of-use assets	35	30.45	35.03
Intangible assets	5	1.40	2.51
Financial assets			
Trade receivables	6	0.05	3.56
Other financial assets	7	35.63	37.06
Income tax assets, net	27	17.82	15.19
Other non-current assets	8	507.51	276.62
Total non-current assets		2,562.19	2,417.97
Current assets			
Inventories	9	1,665.74	1,544.06
Financial assets			
Trade receivables	6	1,125.37	1,202.75
Cash and cash equivalents	10	690.69	330.61
Other bank balances	11	23.57	24.84
Other financial assets	7	15.48	27.92
Other current assets	8	77.72	177.78
Total current assets		3,598.57	3,307.96
TOTAL ASSETS		6,160.76	5,725.93
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	69.21	69.21
Other equity		4,248.49	3,427.44
Total equity		4,317.70	3,496.65
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	108.36	758.46
Lease liabilities	35	24.65	27.26
Other financial liabilities	14	19.68	19.68
Provisions	15	178.48	179.72
Deferred tax liabilities, net	27	62.92	80.21
Total non-current liabilities		394.09	1,065.33
Current liabilities			
Financial liabilities			
Borrowings	13	433.40	108.35
Lease liabilities	35	6.58	7.22
Trade payables	16		
Total outstanding dues of micro and small enterprises		18.13	17.08
Total outstanding dues of creditors other than micro and small enterprises		835.05	845.84
Other financial liabilities	14	85.91	93.92
Provisions	15	22.18	23.25
Other current liabilities	17	47.72	54.33
Current tax liabilities, net		-	13.96
Total current liabilities		1,448.97	1,163.95
Total liabilities		1,843.06	2,229.28
TOTAL EQUITY AND LIABILITIES		6,160.76	5,725.93

Material accounting policies
The accompanying notes form an integral part of these financial statements
As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm's registration number: 116231W/W-100024

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BABY PAUL
Date: 2024.08.14
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Baby Paul
Partner
Membership No.: 218255

Thiruvananthapuram
14 August 2024

for and on behalf of the Board of Directors of
Terumo Penpol Private Limited
 CIN: U33112KL1985PTC004531

MAKAM SATHYAN ARAYANA CHETAN Digitally signed by MAKAM SATHYANARAYANA CHETAN
Date: 2024.08.14 14:28:50 +05'30'

Chetan S Makam
Managing Director
DIN: 01976851

Sruthi Aravind
Company Secretary
Membership No: A43982

Thiruvananthapuram
14 August 2024

MANOJ APPUKUTTAN

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Manoj Appukuttan
Director
DIN: 08656130

Terumo Penpol Private Limited
Statement of profit and loss for the year ended 31 March 2024
(All amounts in Indian rupee millions)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	18	6,469.59	5,515.39
Other income	19	80.88	52.48
Total income		6,550.47	5,567.87
Expenses			
Cost of materials consumed	20	1,852.27	1,818.45
Purchases of stock-in-trade	21	1,502.68	1,172.72
Changes in inventories of finished goods, work in progress and stock-in-trade	22	(129.27)	(123.84)
Employee benefits	23	856.30	837.68
Impairment losses on financial and contract assets	31C	3.28	1.70
Finance costs	24	25.41	32.33
Depreciation and amortisation	25	266.08	247.77
Other expenses	26	1,038.88	1,065.26
Total expenses		5,415.63	5,052.07
Profit before tax		1,134.84	515.80
Tax expense	27		
Current tax		301.97	120.04
Deferred tax (credit)/charge		(17.29)	19.37
Total tax expense		284.68	139.41
Profit for the year		850.16	376.39
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of net defined benefit liability		(38.90)	2.07
Current tax credit/ (charge) relating to the above		9.79	(0.60)
Other comprehensive (loss)/gain net of taxes		(29.11)	1.47
Total comprehensive income for the year		821.05	377.86
Earning per equity share (equity share of face value of Rs.10 each)	29		
Basic and diluted (Rs.)		122.85	54.39

Material accounting policies

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/W-100024

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Baby Paul

Partner

Membership No.: 218255

Thiruvananthapuram

14 August 2024

for and on behalf of the Board of Directors of

Terumo Penpol Private Limited

CIN: U33112KL1985PTC004531

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Chetan S Makam

Managing Director

DIN: 01976851

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Date: 2024.08.14
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Sruthi Aravind

Company Secretary

Membership No: A43982

Thiruvananthapuram

14 August 2024

**MANOJ
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Manoj Appukuttan

Director

DIN: 08656130

Terumo Penpol Private Limited
Statement of cash flows for the year ended 31 March 2024
(All amounts in Indian rupee millions)

	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Profit before taxes	1,134.84	515.80
Adjustments for:		
Depreciation and amortisation	266.08	247.77
Gain on sale of property, plant and equipment (net)	(0.45)	(0.47)
Finance costs	25.41	32.33
Interest income under the effective interest method	(16.23)	(3.98)
Interest on income tax refund	(1.91)	(0.85)
Liabilities/ provisions no longer required written back	(7.91)	(8.72)
Impairment losses on financial and contract assets	3.28	1.70
Unrealised foreign exchange Loss/(Gain)	9.60	(4.84)
Operating cash flow before working capital changes	1,412.71	778.74
Increase in inventories	(157.42)	(218.80)
Decrease/(Increase) in trade receivables	78.74	(307.30)
(Increase) in financial assets and other assets	(106.74)	(111.51)
Increase/ (decrease) in financial liabilities and other liabilities	(48.27)	355.33
Net cash generated from operating activities before taxes	1,179.02	496.46
Income tax paid, net	(320.47)	(107.37)
Net cash generated from operating activities (A)	858.55	389.09
Cash flow from investing activities		
Acquisition of property, plant and equipment and capital work in progress	(156.73)	(142.15)
Acquisition of intangible assets	-	(2.28)
Proceeds from sale of property, plant and equipment	2.48	1.37
Interest received	16.30	3.64
Net cash used in investing activities (B)	(137.95)	(139.42)
Cash flow from financing activities		
Repayment of borrowings	(325.05)	(325.05)
Payment of lease liabilities	(10.12)	(6.34)
Finance costs	(25.41)	(32.33)
Net cash (used in)/ generated from financing activities (C)	(360.58)	(363.72)
Net decrease in cash and cash equivalents (A+B+C)	360.02	(114.05)
Cash and cash equivalents at the beginning of the year	330.61	444.76
Effect of exchange gain on cash and cash equivalents	0.06	(0.09)
Cash and cash equivalents at the end of the year	690.69	330.61
Refer to note 10 - cash and cash equivalents		

Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

Particulars	As at 1 April 2023	Loan availed/ repaid, net	Principal payment of lease liability	Interest payment on lease liability	Non cash changes	As at 31 March 2024
Non-current borrowings (including current maturities:	866.81	(325.05)	-	-	-	541.76
Lease liabilities (refer note 35)	34.49	-	(7.31)	(2.81)	6.87	31.23
Total	901.30	(325.05)	(7.31)	(2.81)	6.87	572.99

Particulars	As at 1 April 2022	Loan availed/ repaid, net	Principal payment of lease liability	Interest payment on lease liability	Non cash changes	As at 31 March 2023
Non-current borrowings (including current maturities:	1,191.86	(325.05)	-	-	-	866.81
Lease liabilities (refer note 35)	5.14	-	(5.06)	(1.28)	35.69	34.49
Total	1,197.00	(325.05)	(5.06)	(1.28)	35.69	901.30

Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows"

Material accounting policies - Refer note 3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

for B S R & Associates LLP
Chartered Accountants
Firm's registration number: 116231W/W-100024

BABY PAUL
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Date: 2024.08.14 15:41:36 +05'30'

Baby Paul
Partner
Membership No.: 218255
Thiruvananthapuram
14 August 2024

for and on behalf of the Board of Directors of
Terumo Penpol Private Limited
CIN: U33112KL1985PTC004531

MAKAM SATHYAN ARAYANA CHETAN
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Chetan S Makam
Managing Director
DIN: 01976851
SRUTHI ARAVIN D U
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Sruthi Aravind
Company Secretary
Membership No: A43982

Thiruvananthapuram
14 August 2024

MANOJ APPUKUTTAN
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Manoj Appukuttan
Director
DIN: 08656130

A Equity share capital

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at 31 March 2024	69.21	-	69.21
As at 31 March 2023	69.21	-	69.21

B Other equity

Particulars	Reserves and surplus			Items of other comprehensive income	Total other equity attributable to equity holders of the Company
	Securities premium	Capital redemption reserve	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Balance as at 1 April 2023	59.01	59.10	3,309.33	-	3,427.44
Total comprehensive income for the year ended 31 March 2024					
Profit for the year	-	-	850.16	-	850.16
Other comprehensive loss, net of tax	-	-	-	(29.11)	(29.11)
Total comprehensive income	-	-	850.16	(29.11)	821.05
Transferred to retained earnings	-	-	(29.11)	29.11	-
Balance at the 31 March 2024	59.01	59.10	4,130.38	-	4,248.49

Balance as at 1 April 2022	59.01	59.10	2,931.47	-	3,049.58
Total comprehensive income for the year ended 31 March 2023					
Profit for the year ended 31 March 2023	-	-	376.39	-	376.39
Other comprehensive income, net of tax	-	-	-	1.47	1.47
Total comprehensive income	-	-	376.39	1.47	377.86
Transferred to retained earnings	-	-	1.47	(1.47)	-
Balance at the 31 March 2023	59.01	59.10	3,309.33	-	3,427.44

The description of the nature and purpose of each reserve within equity is as follows:

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

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company’s inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to or any other appropriations to specific reserves.

Capital redemption reserve

Capital Redemption Reserve is created at a sum equal to value of preference shares redeemed by the Company as stipulated by Companies Act.

Other comprehensive income

Other comprehensive income (OCI) comprises of actuarial gains and losses that are recognised in other comprehensive income.

Material accounting policies - Refer note 3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

for B S R & Associates LLP
Chartered Accountants
Firm's registration number: 116231W/W-100024

BABY PAUL
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BABY PAUL
Date: 2024.08.14
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Baby Paul
Partner
Membership No.: 218255
Thiruvananthapuram
14 August 2024

for and on behalf of the Board of Directors of
Terumo Penpol Private Limited
CIN: U33112KL1985PTC004531

MAKAM SATHYANA RAYANA CHETAN
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by MAKAM SATHYANARAYA NA CHETAN
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Chetan S Makam
Managing Director
DIN: 01976851
SRUTHI ARAVIN
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Sruthi Aravind
Company Secretary
Membership No: A43982

Thiruvananthapuram
14 August 2024

MANOJ APPUKUTTAN
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Manoj Appukuttan
Director
DIN: 08656130

Terumo Penpol Private Limited
Notes to the financial statements

1. Company overview

Terumo Penpol Private Limited ('the Company') incorporated in 1983 as Peninsula Polymers Limited is a wholly owned subsidiary of Terumo Mauritius Holding Limited, Mauritius and its ultimate holding company is Terumo Corporation, Japan. The Company is engaged in the business of manufacture and sale of blood bags and medical equipment, trading of medical equipment and related disposables, and rendering of maintenance services. The registered office of the Company is at Thiruvananthapuram, Kerala.

2. Basis of preparation

A. Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013, (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 14 August 2024.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts are presented in Indian Rupees in millions, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Net defined benefit liability	Fair value of plan asset less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

There are no judgements made by the Company that have significant effects on the amounts recognised in the financial statements.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2024 is included in the following notes:

- Note 4 and 5 - Measurement of useful life and residual value of property, plant and equipment and intangible assets;
- Note 27 - Recognition of deferred tax asset;
- Note 28- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 31 – Financial Instruments measurement of ECL allowances for trade receivables;
- Note 30 - Measurement of defined benefit obligations: key actuarial assumptions;

Terumo Penpol Private Limited
Notes to the standalone financial statements (continued)

2. Basis of preparation (continued)

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Company's Board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Financial instruments – Note 31

F. Current/ Non-current classification

Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

3 Material accounting policies

3.1 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

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 directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any.

Borrowing costs directly attributable to the acquisition, construction or production of those property plant and equipments that necessarily take a substantial period of time to get ready for their intended use, are capitalized. Other borrowing costs are accounted as an expense in the statement of profit and loss.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any.

Terumo Penpol Private Limited
Notes to the standalone financial statements (continued)

3. Material accounting policies (continued)

3.1 Property, plant and equipment (continued)

i. Recognition and measurement (continued)

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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are shown under other non-current assets.

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.

iii. Depreciation

Depreciation on property, plant and equipment are provided on the straight-line method over the useful lives of the assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Leasehold improvements are amortised over the lease term or useful lives of assets, whichever is lower.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of assets	Useful life of asset in years
Factory building	30
Plant and equipment*	4-20
Office equipments	5
Computers and network equipments*	3-5
Furniture and fixtures	10
Vehicles*	10

* For the above mentioned classes of assets, the Company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice, where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation method, useful lives and residual values are reviewed at each financial yearend and adjusted if appropriate.

Terumo Penpol Private Limited
Notes to the standalone financial statements (continued)

3. Material accounting policies (continued)

3.2 Intangible assets

Amortisation

Intangibles assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use and is included in depreciation and amortisation in statement of profit or loss.

The estimated useful lives are as follows:

Class of assets	Years
Computer software	3

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit or loss as incurred.

3.3 Inventories

Inventories are carried at the lower of cost and net realizable value. Cost comprises purchase price, cost of conversion and other costs incurred in bringing the inventory to its present location and condition. The cost is calculated on weighted average cost method, except for traded goods, spares and raw-materials, which is calculated using specific identification method. Production overheads used for the valuation of finished goods are allocated on the basis of normal capacity of production facilities.

The comparison of cost and net realisable value of inventory is made on an item by item basis. The net realisable value of work in progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed their net realisable value.

The provision for inventory obsolescence is assessed annually and is provided as considered necessary.

3.4 Impairment

i. Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

3. Material accounting policies (continued)

3.4 Impairment (continued)

Presentation of allowance for expected credit losses in the balance sheet:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

ii. Impairment of non- financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount i.e. the higher of the fair value less cost to sell and the value-in-use is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3. Material accounting policies (continued)

3.5 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the periods during which the related services are rendered by employees.

Defined Benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in other comprehensive income (OCI). The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

Other long term employee benefits- Compensated absences

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in other comprehensive income in the period in which they arise.

3. Material accounting policies (continued)

3.6 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for. A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Warranties

The Company provides its customers with a fixed-period warranty for correction of errors / replacements of defective products. Costs associated with such services / replacements are accounted at the time when related revenues are recorded and included in the profits and loss account. The Company estimates such costs based on historical experience.

3.7 Revenue

Revenue from contract with customers

The Company generates revenue from manufacturing and sale of blood bags, medical equipments and other related activities.

Revenue is recognised upon transfer of control of promised goods or services to customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Disaggregation of revenue

The Company disaggregates revenue from manufactured goods (blood bags, medical equipments and semi finished goods) and traded goods (medical equipments and disposables). The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following details provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Terumo Penpol Private Limited
Notes to the standalone financial statements (continued)

3. Material accounting policies (continued)

3.7 Revenue (continued)

Contract balances

The Company classifies the right to consideration in exchange for sale or services as trade receivables and advance consideration as advance from customers. Deferred revenue represents amount billed in respect of which services has not yet been provided.

Revenue from sale of manufactured and traded goods

Revenue from sale of manufactured and traded goods is recognised when the control in the goods are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount of revenue recognised is net of sales returns, taxes and duties, wherever applicable

Other operating income

The Company's revenue from other operating income comprises primarily of service in nature and is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is recognised net of discounts and concessions.

The finance income from installment sales of equipment is recognised as revenue, over the period of the contract, using the time proportionate method.

Product support and maintenance are recognised on a straight line basis over the tenor of the contract as the service involve indeterminable number of acts over the contract period.

The income from support services are recognised as income on cost plus basis as per the contract.

3.8 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

3.9 Leases

a) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, if applicable.

3. Material accounting policies (continued)

3.9 Leases (continued)

a) Measurement of leases as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located, if any. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116, Leases, to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

3.10 Recognition of interest income or interest expense

Interest on deployment of surplus funds is recognized using the time proportionate method, based on the transactional interest rates.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

3. Material accounting policies (continued)

3.11 Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit or loss, if applicable. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by 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 if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.12 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3. Material accounting policies (continued)

3.13 Financial instruments

i. Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Terumo Penpol Private Limited
Notes to the standalone financial statements (continued)

3. Material accounting policies (continued)

3.13 Financial instruments (continued)

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

3. Material accounting policies (continued)

3.13 Financial instruments (continued)

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.15 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of equity shares in computing the diluted earnings per share comprise the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earnings per share, only potential equity shares that are dilutive, i.e. which reduces earnings per share or increases loss per share are included.

3.16 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

Terumo Penpol Private Limited
Notes to the standalone financial statements (*continued*)

3. Material accounting policies (continued)

3.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

3.17 Change in material accounting policies

Material accounting policy information

The Company adopted Disclosure of Accounting policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'Material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity- specific accounting policy information that users need to understand other information in the financial statements.

4 Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Buildings	Plant and equipment	Leasehold improvement	Furniture and fixtures	Vehicles	Office equipments	Computers	Total (A)	Capital work- in - progress (B)
Gross carrying value										
Balance as at 1 April 2022	85.71	643.25	1,879.74	-	25.43	0.61	18.74603	46.54	2,700.03	-
Additions	-	2.28	65.58	6.09	4.09	-	1.72	10.58	90.34	11.65
Disposals	-	(0.34)	(47.24)	-	(0.33)	-	(0.40)	(0.13)	(48.44)	-
Capitalisation	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	85.71	645.19	1,898.08	6.09	29.19	0.61	20.07	56.99	2,741.93	11.65
Balance as at 1 April 2023	85.71	645.19	1,898.08	6.09	29.19	0.61	20.07	56.99	2,741.93	11.65
Additions	-	9.63	142.33	-	3.46	-	0.88	35.20	191.50	-
Disposals	-	-	(24.33)	-	(1.88)	-	(3.06)	(13.48)	(42.75)	-
Capitalisation	-	-	-	-	-	-	-	-	-	11.65
Balance as at 31 March 2024	85.71	654.82	2,016.08	6.09	30.77	0.61	17.89	78.71	2,890.68	-
Accumulated depreciation										
Balance as at 1 April 2022	-	34.55	432.00	-	7.19	0.29	9.85	28.96	512.84	-
Depreciation expense	-	25.82	198.08	0.02	3.14	0.10	3.41	9.70	240.27	-
Disposals	-	-	(46.69)	-	(0.33)	-	(0.38)	(0.13)	(47.53)	-
Balance as at 31 March 2023	-	60.37	583.39	0.02	10.00	0.39	12.88	38.53	705.58	-
Accumulated depreciation										
Balance as at 1 April 2023	-	60.37	583.39	0.02	10.00	0.39	12.88	38.53	705.58	-
Depreciation expense	-	26.23	214.82	0.02	3.34	0.10	2.41	9.23	256.15	-
Disposals	-	-	(22.18)	-	(1.72)	-	(3.00)	(13.48)	(40.38)	-
Balance as at 31 March 2024	-	86.60	776.03	0.04	11.62	0.49	12.29	34.28	921.35	-
Carrying amounts (net)										
As at 31 March 2024	85.71	568.22	1,240.05	6.05	19.15	0.12	5.60	44.43	1,969.33	-
As at 31 March 2023	85.71	584.82	1,314.69	6.07	19.19	0.22	7.19	18.46	2,036.35	11.65

a) There are no immovable properties whose title deeds are not held in the name of the Company as at 31 March 2024 and 31 March 2023 other than the below:
- Free hold land includes land purchased by the Company for construction of private road to factory amounting to Rs. 1.33 Million, the title to which is under dispute. The case is pending with Thiruvananthapuram District Court.

b) Ageing of capital work in progress

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at 31 March 2024					
Projects in progress		-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
Balance as at 31 March 2023					
Projects in progress	11.65				11.65
Projects temporarily suspended	-	-	-	-	-
Total	11.65	-	-	-	11.65

c) There are no projects under capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024 and 31 March 2023.

5 Intangible assets

Particulars	Computer software
Gross carrying value	
Balance as at 1 April 2022	14.37
Additions	2.28
Disposals	(0.02)
Balance as at 31 March 2023	16.63
Balance as at 1 April 2023	16.63
Additions	-
Disposals	-
Balance as at 31 March 2024	16.63
Accumulated amortisation	
Balance as at 1 April 2022	12.16
Amortisation expense	1.98
Disposals	(0.02)
Balance as at 31 March 2023	14.12
Balance as at 1 April 2023	14.12
Amortisation expense	1.11
Disposals	
Balance as at 31 March 2024	15.23
Carrying amounts (net)	
As at 31 March 2024	1.40
As at 31 March 2023	2.51

	As at 31 March 2024	As at 31 March 2023
6 Trade receivables		
Non-current		
<i>Unsecured</i>		
Considered good	0.05	3.56
Credit impaired	0.22	0.65
	0.27	4.21
Allowances for expected credit loss	(0.22)	(0.65)
Net trade receivables	0.05	3.56
Current		
<i>Unsecured</i>		
Considered good	1,125.37	1,202.75
Credit impaired	111.37	107.66
	1,236.74	1,310.41
Allowances for expected credit loss	(111.37)	(107.66)
Net trade receivables	1,125.37	1,202.75
	1,125.42	1,206.31

The Company’s exposure to credit risks and loss allowances related to trade receivables are disclosed in note 31
Also refer note 34 for receivables from related parties.

Trade receivables ageing schedule

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed							
Trade receivables considered good	1,055.63	43.51	3.98	12.20	-	1.69	1,125.42
Trade receivables which have significant increase in credit risk							
Trade receivables - credit impaired	0.90	2.71	0.46	1.75	10.84	103.34	111.59
Disputed							
Trade receivables considered good	-	-	-	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	1,056.53	46.22	4.44	13.95	10.84	105.03	1,237.01

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed							
Trade receivables considered good	1,097.64	92.50	8.05	4.60	1.69	1.83	1,206.31
Trade receivables which have significant increase in credit risk							-
Trade receivables - credit impaired	3.48	4.21	1.61	26.87	12.40	59.74	108.31
Disputed							
Trade receivables considered good	-	-	-	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	1,101.12	96.71	9.66	31.47	14.09	61.57	1,314.62

7 Other financial assets

Non-current		
<i>Unsecured, considered good</i>		
Rent and other deposits	19.37	20.90
Balance in banks for margin money	16.26	16.16
	35.63	37.06
Current		
<i>Unsecured, considered good</i>		
Earnest money deposits	8.48	13.03
Due from related parties	3.88	11.42
Interest accrued on fixed deposits with banks	3.12	3.47
	15.48	27.92
	51.11	64.98

The Company’s exposure to credit risks and loss allowances related to other financial assets are disclosed in note 31.

	As at 31 March 2024	As at 31 March 2023
8 Other assets		
Non-current		
<i>Unsecured, considered good</i>		
Advances for capital goods	19.00	9.70
Balances with government authorities	497.36	275.77
Less: Provision for impairment	(8.85)	(8.85)
	507.51	276.62
Current		
<i>Unsecured, considered good</i>		
Prepaid expenses	21.24	15.66
Balances with government authorities	21.60	119.28
Advance for supply of goods and services	31.29	41.22
Staff advances	2.66	1.47
Export incentives receivable	0.07	0.07
Insurance receivable	0.86	0.08
	77.72	177.78
	585.23	454.40
9 Inventories		
<i>Valued at lower of cost and net realisable value</i>		
Raw materials		
PVC compound	37.99	91.42
Others*	563.23	503.87
	601.22	595.29
Stores and spares	287.19	242.99
Work-in-progress		
Blood bags	1.81	-
Medical equipments	0.31	0.31
	2.12	0.31
Finished goods		
Blood bags	274.00	317.40
Medical equipments	59.35	42.34
	333.35	359.74
Traded goods		
TRIMA 80300	84.62	13.72
Spectra Optia 61000	62.22	30.91
Others*	325.22	310.26
	472.06	354.88
Less: Provision for slow/ non moving inventory	(30.20)	(9.15)
	441.86	345.73
	1,665.74	1,544.06
<i>* Individual items do not exceed 10% of the value of inventory.</i>		
10 Cash and cash equivalents		
Balance with banks	690.61	330.53
Cash on hand	0.08	0.08
	690.69	330.61
11 Other bank balances		
Balance in banks for margin money	23.57	24.84
	23.57	24.84

12 Equity share capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10/- each	14,000,000	140.00	14,000,000	140.00
10% redeemable cumulative preference shares of Rs 10 each	6,000,000	60.00	6,000,000	60.00
Total	20,000,000	200.00	20,000,000	200.00
Issued, subscribed and paid-up				
Equity shares of Rs. 10 each	6,920,800	69.21	6,920,800	69.21
Total	6,920,800	69.21	6,920,800	69.21

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up				
At the beginning of the year	6,920,800	69.21	6,920,800	69.21
Shares issued for cash	-	-	-	-
At the end of the year	6,920,800	69.21	6,920,800	69.21

b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. All the equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any called up on the shares may lead to the forfeiture of shares. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, remaining after the distribution of all preferential amounts in proportion to the number of equity shares held.

c) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Terumo Mauritius Holding Limited, Mauritius, holding company and its nominees	6,920,800	69.21	6,920,800	69.21

d) Details of shareholders holding more than 5% shares of the Company in each class of shares

Name of the shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares	%	Number of shares	%
<i>Equity shares of Rs.10/- each</i>				
Terumo Mauritius Holding Limited, Mauritius, holding company and its nominees	6,920,800	100.00%	6,920,800	100.00%

e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has not allotted any fully paid-up equity shares by way of bonus shares nor has bought back any class of equity shares nor has there been any issue for consideration other than for cash during the period of five years immediately preceding the balance sheet date.

f) The Company does not have promoter shareholding as at 31 March 2024 and 31 March 2023. Hence the disclosure is not applicable to the Company.

	As at 31 March 2024	As at 31 March 2023
13 Borrowings		
Non-current		
<i>Unsecured term loan from related parties</i>		
Terumo BCT Holding Corporation, Lakewood, USA	541.76	866.81
Less: current maturity of non-current borrowings	(433.40)	(108.35)
	108.36	758.46
Current		
<i>Unsecured term loan from related parties</i>		
Current maturities of long-term borrowings	433.40	108.35
	433.40	108.35
Total borrowings	541.76	866.81
Information about the Company’s exposure to interest rate and liquidity risks are included in note 31.		
(i) Details of terms of repayment in respect of the unsecured long-term borrowings:		
The rupee term loan taken from Terumo BCT Holding Corporation, Lakewood, USA on 30 April 2018, carries an interest of 2.84% per annum. The amount is repayable in 13 quarterly installments commencing from 31 March 2022. During 2022-23, the Company had restructured the repayment terms with Terumo BCT Holding Corporation. The Company has paid two additional instalments in September 2023 and December 2023.		
14 Other financial liabilities		
Non-current		
Trade/ security deposits	19.68	19.68
	19.68	19.68
Current		
Dues to creditors for capital goods	19.85	23.17
Accrued salaries and benefits	66.06	70.75
	85.91	93.92
	105.59	113.60
15 Provisions		
Non-current		
<i>Provision for employee benefits</i>		
Net defined benefit liability - Gratuity	128.56	135.58
Provision for warranty cost	6.50	4.50
Compensated absences	43.42	39.64
	178.48	179.72
Current		
<i>Provision for employee benefits</i>		
Compensated absences	15.68	15.75
Provision for warranty cost	6.50	7.50
	22.18	23.25
	200.66	202.97

As at
31 March 2024

As at
31 March 2023

16 Trade payables

Total outstanding dues of micro and small enterprises	18.13	17.08
Total outstanding dues of creditors other than micro and small enterprises	835.05	845.84
	853.18	862.92

All trade payables are ‘current’.

Trade payables ageing schedule
As at 31 March 2024

Particulars	Outstanding for following periods					
	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed						
MSME	-	18.13	-	-	-	18.13
Others	678.40	131.83	10.28	8.92	5.55	834.98
Unbilled	0.03	-	-	0.04	-	0.07
Disputed						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	678.43	149.96	10.28	8.96	5.55	853.18

As at 31 March 2023

Particulars	Outstanding for following periods					
	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed						
MSME	-	17.08	-	-	-	17.08
Others	371.00	396.33	9.31	3.71	8.82	789.17
Unbilled	56.67	-	-	-	-	56.67
Disputed						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	427.67	413.41	9.31	3.71	8.82	862.92

The Company’s exposure to currency and liquidity risks related to trade payables is disclosed in note 31

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (“the Act”) based on the information available with the Company are given below:

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	18.13	17.08
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

17 Other liabilities

Current		
Statutory dues payable	17.73	19.70
Deferred income	22.23	22.93
Advances from customers	7.76	11.70
	47.72	54.33

	Year ended 31 March 2024	Year ended 31 March 2023
18 Revenue from operations		
<i>Sale of products</i>		
Own manufactured	4,625.55	3,998.05
Traded	1,594.11	1,242.39
Other operating revenues	249.93	274.95
	6,469.59	5,515.39
Own manufactured		
Blood bags	4,305.86	3,626.56
Medical equipments	305.81	346.79
Others	13.88	24.70
	4,625.55	3,998.05
Traded		
Medical equipments	447.60	379.53
Disposables	1,146.51	862.86
	1,594.11	1,242.39
Other operating revenues comprises:		
Service income	105.61	95.14
Scrap sales	48.98	59.70
Finance income from equipment sale	1.20	4.31
Income from support services	94.14	115.80
	249.93	274.95

(A) Disaggregate of revenue information

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue by nature		
Own manufactured	4,625.55	3,998.05
Traded	1,594.11	1,242.39
Other operating revenues	249.93	274.95
Total	6,469.59	5,515.39
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Timing of revenue recognition		
Products and services transferred at a point in time	6,362.78	5,415.94
Products and services transferred over time	106.81	99.45
Total	6,469.59	5,515.39

(B) Contract balance

The following table provides information about contract liabilities from contract with customers

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables	1,125.42	1,206.31
Contract liabilities (advances from customers)	7.76	77.61
Total	1,133.18	1,283.92

19 Other income

Interest income under the effective interest method on:

Deposits with banks	15.95	3.64
Lease deposits	0.28	0.34
Interest on income tax	1.91	0.85
Net gain on account of foreign exchange fluctuations	53.71	37.90
Gain on sale of property, plant and equipment (net)	0.45	0.47
Liabiliites no longer required written back	7.91	8.72
Other non operating income	0.67	0.56
	80.88	52.48

Terumo Penpol Private Limited
Notes to the financial statements (continued)
(All amounts in Indian rupee millions)

	Year ended 31 March 2024	Year ended 31 March 2023
20 Cost of materials consumed		
PVC compound	389.87	391.64
Others*	1,462.40	1,426.81
	1,852.27	1,818.45
<i>* Do not individually exceed 10% of value of consumption</i>		
21 Purchases of stock-in-trade		
Medical equipments	445.70	356.53
Disposables	1,056.98	816.19
	1,502.68	1,172.72
22 Changes in inventories of finished goods, work-in-progress and stock in trade		
Opening inventory*		
Finished goods	359.74	324.85
Work-in-progress	0.31	1.43
Stock-in-trade	345.73	263.51
	705.78	589.79
Less: Closing inventory*		
Finished goods	325.24	359.74
Work-in-progress	2.12	0.31
Stock-in-trade	471.95	345.73
	799.31	705.78
Increase in inventories	(93.53)	(115.99)
Less : Transfers to property, plant and equipment	(35.74)	(7.85)
Net increase in inventories	(129.27)	(123.84)
<i>* Value of inventory is net of provision for slow/ non moving inventory</i>		
23 Employee benefits		
Salaries and allowances	699.69	699.39
Contributions to provident and other funds	74.36	75.47
Staff welfare expenses	82.25	62.82
	856.30	837.68
24 Finance costs		
Interest on loan	22.39	29.26
Interest on lease liabilities (refer note 35)	2.81	1.28
Other interest	0.21	1.79
	25.41	32.33
25 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 4)	256.15	240.27
Depreciation on right-of-use assets (refer note 35)	8.82	5.52
Amortisation of intangible assets (refer note 5)	1.11	1.98
	266.08	247.77

	Year ended 31 March 2024	Year ended 31 March 2023
26 Other expenses		
Consumption of stores and spares	60.67	49.38
Power and fuel	136.40	132.14
Carriage inwards	159.04	199.67
Subcontractor charges	218.51	201.93
Testing expenses	29.89	59.54
Rent	12.09	13.44
Repairs and maintenance		
Machinery	25.04	20.84
Others	24.58	20.26
Insurance	19.44	16.31
Personnel training expenses	1.96	1.40
Rates and taxes	8.50	24.64
Freight	59.11	28.38
Royalty	102.58	100.95
Travelling and conveyance	39.36	33.35
Marketing and sales promotion	18.22	19.89
Legal, professional and consultancy (refer note (i) below)	22.45	15.84
Communication	25.07	24.79
Sales commission	-	20.57
Printing and stationery	6.52	5.94
Bank charges	2.95	2.90
Service and warranty cost	33.58	48.76
Corporate Social Responsibility (refer note (ii) below)	6.29	6.73
Miscellaneous expenses	26.63	17.61
	1,038.88	1,065.26

Notes:

(i) Payments to the auditors include payments to statutory auditor (net of taxes, where applicable) :

(a) To statutory auditors		
Audit	2.47	2.31
Reimbursement of expenses	0.64	0.07
	3.11	2.38

(ii) Corporate Social Responsibility (CSR) expenditure

a) Gross amount required to be spent during the year	6.29	6.73
b) Amount approved by the Board to be spent during the year	6.29	6.73
c) Amount spent during the year on	-	-
i) Construction / acquisition of an asset	-	-
ii) On CSR purposes other than (i) above	6.29	6.73
Unspent amount in relation to:		
Ongoing project	-	-
Other than ongoing project	0.31	-
d) (Shortfall) / Excess at the end of the year	-	-
e) Total of previous year shortfall	-	-
f) Details of related party transactions	-	-
g) Where a provision is made with respect to a	-	-
h) Reason for shortfall:		
For the year ending 31 March 2024 and 31 March 2023	NA	NA
vi) Nature of CSR activities	-	-
- Healthcare support	5.17	5.88
- Education	0.74	0.50
- Others	0.69	0.34
	6.60	6.73

Details of project and other than ongoing project

Particulars	Opening balance		Amount required to be spent	Amount spent during the year		Closing balance	
	With Company	In separate CSR unspent A/c		From Company's bank A/c	From separate CSR unspent A/c	With Company (Note 1)	In separate CSR unspent A/c
As at 31 March 2024	-	-	5.17	5.17	-	-	-
As at 31 March 2023	-	-			-	-	-

Note 1 - In the year ended 31 March 2023 Company had transferred unspent amount pertaining to the previous year to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

	As at 31 March 2024	As at 31 March 2023
27 Income taxes		
Income tax assets, net	17.82	15.19
Provision for income tax, net	-	13.95

(a) Amount recognised in statement of profit and loss

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax	296.66	132.48
Income tax for credit - earlier years	5.31	(12.44)
Deferred tax (credit)/ charge	(17.29)	19.37
Tax expenses	284.68	139.41

(b) Amount recognised in other comprehensive income

Particulars	Year ended 31 March 2024			Year ended 31 March 2023		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of net defined benefit liability	(38.90)	9.79	(29.11)	2.07	(0.60)	1.47
	(38.90)	9.79	(29.11)	2.07	(0.60)	1.47

(c) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax	1,134.84	515.80
Statutory income tax rate	25.17%	29.12%
Tax using the Company’s statutory tax rate	285.62	150.20
Permanent differences	1.59	3.96
Income tax for credit - earlier years	5.31	(12.44)
Other temporary differences	2.01	(2.32)
Change in income tax rate	(10.88)	-
Tax expense	283.64	139.41

The Taxation Laws (Amendment) Ordinance, 2019, provide domestic companies a non-reversible option to pay corporate tax at concessional rate and the Company has adopted the reduced rates during the year ended 31 March 2024.

(d) Recognised deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax asset		
Allowance for expected credit loss	28.09	33.02
Provision for employee benefits	29.30	34.60
Lease liabilities, impact on account of Ind AS 116	(0.20)	(0.16)
Total deferred tax assets (A)	57.19	67.46
Deferred tax liabilities		
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961	120.11	147.67
Total deferred tax liability (B)	120.11	147.67
Deferred tax liabilities, net	62.92	80.21

The Company offsets tax assets and liabilities 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 relating to income taxes levied by the same tax authority.

(ii) Movement in temporary differences

Particulars	Balances as at 1 April 2022	Recognised in Profit and loss during 2022-23	Recognised in OCI during 2022- 23	Balances as at 31 March 2023	Recognised in Profit and loss during 2023-24	Recognised in OCI during 2023- 24	Balances as at 31 March 2024
Allowance for expected credit loss	35.10	(2.08)	-	33.02	(4.93)	-	28.09
Provision for employee benefits	29.27	5.93	(0.60)	34.60	(5.30)	-	29.30
Other timing differences	-	-	-	-	-	-	-
Lease liabilities, impact on account of Ind AS 116	-	(0.16)	-	(0.16)	(0.04)	-	(0.20)
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961	(124.61)	(23.06)	-	(147.67)	27.56	-	(120.11)
Net deferred tax assets/ (liabilities)	(60.24)	(19.37)	(0.60)	(80.21)	17.29	-	(62.92)

28 Contingent liabilities and commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Contingent liabilities		
Claims against the Company not acknowledged as debts		
(i) KSEB matter (Refer note 1(a) below)	3.28	3.28
(ii) National Pharmaceutical Pricing Authority (Refer note 1(b) below)	164.45	164.45
(iii) Service tax related matters (Refer note 1(c) below)	3.93	3.93
(iv) Customs duty related matters (Refer note 1(d) and 3 below)	56.58	56.58
(v) Income tax related matters (Refer note 1(e) below)	26.64	-
Export obligations (Refer note 2 below)	-	452.36
Bank guarantee	16.50	6.19
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	58.79	10.49

1. Claims against the Company not acknowledged as debts include the following items:

a) The Company has received two notices from Kerala State Electricity Board Limited claiming additional connected load in medical systems group amounted to Rs 2.47 million and a short assessment bill for 12 months amounting to Rs 0.81million. The Company had filed separate appeals before High court of Kerala and stay is granted. The Management believes that the position taken by the company is tenable and the liability will be waived completely, therefore no adjustment has been made to the financial statements.

b) The Company received a show cause notice dated 15 January 2018 from the National Pharmaceutical Pricing Authority ('NPPA') regarding monitoring of non-scheduled formulation of medical devices 'Blood Bags, Blood Transfusion Set' for violation of Para 20 of DPCO, 2013. On 01 June 2018 the Company has received a demand notice directing to deposit Rs 164.45 millions being the amount overcharged on certain products and interest on the same. The Company filed a writ petition against the same before Hon'ble High Court of New Delhi. The High court vide order dated 25 February 2019, has set aside the order and directed NPPA to consider the quantum of the amount recoverable as being overcharged by the Company. NPPA has submitted a petition for condonation of this delay with Hon. High Court and on 31 July 2023, the appeal filed by NPPA was dismissed and NPPA was directed to reconsider documents submitted by the Company. At the request of NPPA, the Company resubmitted the documents including a Chartered Accountant certified sales data for the relevant products from May 2013 month onwards. The Company is now awaiting a reply from NPPA.

c) The Company has received service tax demands for the period from 1 October 2006 to 31 March 2015, wherein demand for tax has been raised against the Company on account of salary paid by the Company to few of its employees who are also employees of the holding company, Terumo Corporation, Japan. The Company has filed an appeal against the demands received. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements.

d) The Company has received customs duty demands for the period from 1 April 2012 to 31 March 2013, wherein demand for duty and penalty has been raised against the Company on account of imported 'blood component separator', 'compressor for Tace II' and 'TSCD wafer' being classified under a tariff head that is not in line with the tariff head as contended by the authorities. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demands received.

e) During the current year, the Company has received a draft income tax assessment order for AY 2021-22, with respect to the adjustment of towards payment of royalty to its related party and certain other disallowances. The Company has filed an application against these contentions before Dispute Resolution Panel (DRP) and a hearing was held in July 2024. While the Company awaits further orders from DRP, the management believes that, the position taken on these matters is tenable and hence no adjustment is required to be made to the financial statements as on 31 March 2024.

2.The Company had obtained duty free/ concessional duty licenses for import of raw materials and capital goods by undertaking export obligations under the Export Promotion Capital Goods and advance license scheme. As at 31 March 2024, the Company has discharged all the export obligations (31 March 2023: Rs. 452.36 million).

3.In FY 2022-23 the Company had received two show cause notices from the Commissioner of Customs-Import Commissionerate, Chennai & Cochin for an aggregate demand amount of Rs. 53.17 million, on the contention that the Company had failed to comply with the pre-import conditions while claiming advance authorisation benefits. During FY 2023-24, the Company received order confirming the demands. The Company has filed appeal with CESTAT Chennai and Bangalore against the orders. The management, based on legal opinion obtained, believes that the position taken by the Company is tenable, therefore no adjustment has been made to the financial statements.

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

29 Earnings per share (Basic and diluted)

The calculation of profit attributable to equity share holders and weighted average number of equity shares outstanding for the purpose of basic earnings per share calculations are as follows:

i) Net profit attributable to equity share holders

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net profit for the year, attributable to the equity share holders	850.16	376.39

ii) Weighted average number of equity shares

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance (refer note 12) [Nos. in millions]	6.92	6.92
Shares issued for cash	-	-
Weighted average number of equity shares of Rs. 10 each for the year [Nos.in millions]	6.92	6.92
Earnings per share, basic and diluted	122.85	54.39

The Company does not have any potentially dilutive equity shares.

30 Employee benefit obligations

a. Defined benefit plan

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 (‘Gratuity Act’). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee’s length of service and salary at retirement/termination age, carried out by an independent actuary. Compensated absences, a defined benefit plan, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary.

A Based on an actuarial valuation, the following table sets out the status of the gratuity plan and the amounts recognised in the Company’s financial statements as at balance sheet date:

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit obligation liability	302.25	285.46
Plan assets	173.69	149.88
Net defined benefit liability	128.56	135.59
Compensated absences	59.10	55.39
Total employee benefit liability	187.66	190.98

B Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at beginning of the year	285.46	283.60
Benefit paid	(57.51)	(33.67)
Current service cost	14.85	16.32
Past service cost	-	-
Interest cost	20.55	18.43
Actuarial (gain)/loss recognised in other comprehensive income	-	-
- changes in demographic assumptions	2.66	-
- changes in financial assumptions	29.92	(10.44)
- experience adjustments	6.32	11.22
Balance at the end of the year	302.25	285.46

C Reconciliation of fair value of plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Opening fair value of plan assets	149.88	151.65
Contributions by employer	70.00	20.19
Benefits paid	(57.51)	(33.67)
Interest income on plan assets	11.32	8.86
Remeasurement on plan assets excluding amounts included in net interest on the net defined benefit liability/(asset)		2.85
Effect of acquisition/(divestiture)	-	-
Transfer In/(Out)	-	-
Change in foreign exchange rates	-	-
Closing fair value of plan assets	173.69	149.88
Net defined benefit (liability)	128.56	135.58

D (i) Expenses recognised in the statement of profit & loss account

Current service cost	14.85	16.32
Past service cost	-	-
Interest cost	9.23	9.58
Gratuity cost	24.08	25.90

(ii) Remeasurements recognised in other comprehensive income

Acturial (gain)/loss on defined benefit obligation	38.90	(2.07)
	38.90	(2.07)

E Assumptions used to determine benefit obligations:

(i) Principal actuarial assumptions at the reporting date (expressed as weighted average)

Particulars	31 March 2024	31 March 2023
Discount rate	7.00%	7.20%
Future salary growth	8.00%	6.00%
Attrition rate	6.00%	3.00%
Interest rate for interest on net DBO	7.20%	6.50%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Weighted average duration of defined benefit obligation	5 years	6 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	31 March 2024		31 March 2023	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(13.39)	15.09	(13.39)	15.09
Future salary growth	15.12	(13.65)	15.12	(13.65)
Withdrawal rate	0.88	(0.98)	0.88	(0.98)

Although the analysis does not take account of the full distribution of the cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

F Actuarial assumptions for compensated absences

Particulars	31 March 2024	31 March 2023
Discount rate	7.00%	7.20%
Future salary growth	8.00%	6.00%
Attrition rate	6.00%	3.00%

G Expense recognised in profit or loss:

Defined contribution plan	Year ended 31 March 2024	Year ended 31 March 2023
Contribution to provident fund	46.35	45.67

31 Financial instruments - Fair values and risk management
A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2024		Carrying amount				Fair value			
Particulars	Note	Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets									
Cash and cash equivalents	10	690.69	-	-	690.69	-	-	-	-
Other bank balances	11	23.57	-	-	23.57	-	-	-	-
Trade receivables	6	1,125.42	-	-	1,125.42	-	-	-	-
Other financial assets	7	51.11	-	-	51.11	-	-	-	-
Total		1,890.79	-	-	1,890.79	-	-	-	-
Financial liabilities									
Trade payables	16	-	-	853.18	853.18	-	-	-	-
Borrowings	13	-	-	541.76	541.76	-	-	-	-
Lease liabilities	35	-	-	31.23	31.23	-	-	-	-
Other financial liabilities	14	-	-	105.59	105.59	-	-	-	-
Total		-	-	1,531.76	1,531.76	-	-	-	-

31 March 2023		Carrying amount				Fair value			
Particulars	Note	Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets									
Cash and cash equivalents	10	330.61	-	-	330.61	-	-	-	-
Other bank balances	11	24.84	-	-	24.84	-	-	-	-
Trade receivables	6	1,206.31	-	-	1,206.31	-	-	-	-
Other financial assets	7	64.98	-	-	64.98	-	-	-	-
Total		1,626.74	-	-	1,626.74	-	-	-	-
Financial liabilities									
Trade payables	16	-	-	862.92	862.92	-	-	-	-
Borrowings	13	-	-	866.81	866.81	-	-	-	-
Lease liabilities	35	-	-	34.48	34.48	-	-	-	-
Other financial liabilities	14	-	-	113.60	113.60	-	-	-	-
Total		-	-	1,877.81	1,877.81	-	-	-	-

The Company has not disclosed the fair value of cash and bank balances, loans, trade receivables, other financial assets, borrowings, trade payables and other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

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

Fair value

The fair value of cash and cash equivalents, trade receivables, other receivables, unbilled revenues, trade payables, current financial liabilities and borrowings approximate their carrying amount.

31 Financial Instruments- Fair values and risk management (continued)

B Measurement of fair values

The Company does not have any assets or liabilities measured at fair value.

C Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk.

i) 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 Board of directors oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.
The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade receivables based on the past and the recent collection trend. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables.

The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

Allowance for credit loss	As at 31 March 2024	As at 31 March 2023
Balance at the beginning	108.31	120.54
Bad debts written off	-	(5.08)
Impairment loss (reversed)/ recognised	3.28	(7.15)
Balance at the end	111.59	108.31

Ageing period	Average loss rate	
	31 March 2024	31 March 2023
Not due	0.09%	0.14%
Less than 6 months	5.86%	4.34%
6 months to 1 year	10.37%	27.37%
1 to 2 years	12.58%	88.51%
2 to 3 years	99.91%	87.99%
More than 3 years	100.00%	100.00%

Credit risk on cash and cash equivalent and other bank balances is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

iii) 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, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2024.

Particulars	Less than 1 year	More than 1 year	Total
Lease liabilities	9.07	27.67	36.74
Trade payables	853.18	-	853.18
Borrowings + interest	433.40	119.92	553.32
Other financial liabilities	85.91	19.68	105.59
Total	1,381.56	167.27	1,548.83

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2023.

Particulars	Less than 1 year	More than 1 year	Total
Lease liabilities	9.88	31.99	41.87
Trade payables	862.92	-	862.92
Borrowings + interest	108.35	780.04	888.39
Other financial liabilities	113.60	-	113.60
Total	1,094.75	812.03	1,906.78

Financial assets carried at amortised cost consists of cash and cash equivalents, deposits, etc. where the Company has assessed the counterparty credit risk and Trade receivables which is valued considering provision for allowance using expected credit loss method (if any).

31 Financial Instruments- Fair values and risk management (continued)

iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Company. The functional currency of company is Rs. The currencies in which these transactions are primarily denominated is EUR and US dollar.

The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows.

As at 31 March 2024	MYR	AUD	JPY	EURO	USD
Financial assets					
Trade receivables	49.42	8.22	-	398.46	425.38
Cash and cash equivalents	-	-	-	224.82	95.90
Net exposure to foreign currency risk (assets)	49.42	8.22	-	623.28	521.28
Financial liabilities					
Trade payables	-	-	19.51	136.44	479.45
Net exposure to foreign currency risk (liabilities)	-	-	19.51	136.44	479.45

As at 31 March 2023	MYR	AUD	JPY	EURO	USD
Financial assets					
Trade receivables	-	-	-	319.23	491.49
Cash and cash equivalents	-	-	-	188.01	16.99
Net exposure to foreign currency risk (assets)		-	-	507.24	508.48
Financial liabilities					
Trade payables	-	-	5.99	0.86	307.61
Net exposure to foreign currency risk (liabilities)		-	5.99	0.86	307.61

Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit or (loss)		Impact on equity, net of tax	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
USD Sensitivity				
INR/USD - Increase by 1%	10.01	10.44	7.49	7.40
INR/USD - Decrease by 1%	(10.01)	(10.44)	(7.49)	(7.40)
EUR Sensitivity				
INR/EUR - Increase by 1%	7.60	5.88	5.69	4.17
INR/EUR - Decrease by 1%	(7.60)	(5.88)	(5.69)	(4.17)
AUD Sensitivity				
INR/AUD - Increase by 1%	*	*	*	*
INR/AUD - Decrease by 1%	*	*	*	*
MYR Sensitivity				
INR/MYR - Increase by 1%	*	*	*	*
INR/MYR - Decrease by 1%	*	*	*	*
JPY Sensitivity				
INR/JPY - Increase by 1%	0.20	0.53	0.15	0.38
INR/JPY - Decrease by 1%	(0.20)	(0.53)	(0.15)	(0.38)

* Amount is below the rounding off norms adopted by the Company.

31 Financial Instruments- Fair values and risk management (continued)

Unhedged foreign currency exposure
(iv) Market risk (continued)
Foreign currency risk (continued)

Assets
At at 31 March 2024

Particulars	Foreign currency	Amount in foreign currency	Amount in INR
Foreign currency assets	USD	6.40	521.28
	EURO	7.11	623.28
	MYR	2.90	49.42
	AUD	0.15	8.22

At at 31 March 2023

Particulars	Foreign currency	Amount in foreign currency	Amount in INR
Foreign currency assets	USD	6.32	508.49
	EURO	5.80	507.24
	MYR	-	-
	AUD	-	-

Liabilities
At at 31 March 2024

Particulars	Foreign currency	Amount in foreign currency	Amount in INR
Foreign currency liabilities	USD	5.63	479.45
	EURO	1.47	136.44
	JPY	31.24	19.51

At at 31 March 2023

Particulars	Foreign currency	Amount in foreign currency	Amount in INR
Foreign currency liabilities	USD	6.39	535.50
	EURO	0.88	80.69
	JPY	79.78	53.06

Interest rate risk exposure

The Company has borrowings in the form of loan from group company. The interest rate on this loan is fixed and therefore the Company does not expect any interest rate risk. The Company does not have borrowing with variable interest rate in the current year and in the previous year.

32 Capital Management

Risk Management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future developments of the business. The Company is focused on maintaining a strong equity base to ensure independence, security as well as financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company.

The capital structure as of 31 March 2024 and 31 March 2023 was as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Total liabilities	1,843.06	2,229.28
Less: cash and cash equivalents	(690.69)	(330.61)
Net debt (A)	1,152.37	1,898.67
Total equity (B)	4,317.70	3,496.65
Debt to equity ratio (A/B)	0.27	0.54

There are no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

33 Segment information

Ind AS 108 “Operating Segment” (“Ind AS 108”) establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Members of Board of the Company have been identified as the CODM as defined by Ind AS 108 "Operating Segments". All operating segments’ operating results are reviewed regularly by the Company’s CODM to make decisions about resources to be allocated to the segments and assess their performance.

The Company has structured its business broadly into two verticals – Blood Bag and Equipment, disposables and others. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income. Similarly certain assets and liabilities of the Company are used interchangeably between segments which have been disclosed as unallocated assets and liabilities.

A. Business segments:
The business segments of the Company are as follows:
i) Blood Bags
ii) Medical Equipment, disposables & others

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Segment revenue		
Blood bags	4,368.72	3,710.96
Equipment, disposables & others	2,100.87	1,804.43
Total	6,469.59	5,515.39
Segment results before tax		
Blood bags	1,285.44	804.63
Equipment, disposables & others	202.33	84.54
Total	1,487.77	889.17
Less:		
Finance cost	25.41	32.33
Other unallocatable expenditure net of un-allocable income	327.52	341.04
Profit before tax	1,134.84	515.80

Particulars	As at 31 March 2024	As at 31 March 2023
Segment assets		
Blood bag	4,228.87	3,874.95
Equipments, disposables & others	1,266.94	1,220.58
Un-allocated	664.95	630.39
Total	6,160.76	5,725.92
Segment liabilities		
Blood bag	1,198.40	1,513.25
Equipments, disposables & others	337.30	223.53
Un-allocated	307.36	492.50
Total	1,843.06	2,229.28

B. Geographical segments
Geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue is based on the geographical location of the customers and segment assets are based on the geographical location of the assets.

(i) Revenue from operations		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
India	3,126.78	2,704.92
Europe	1,953.34	1,427.97
Uruguay	682.28	964.39
Others	707.19	418.12
	6,469.59	5,522.26

(ii)Total assets		
Particulars	As at 31 March 2024	As at 31 March 2023
India	5,007.98	4,710.20
Europe	398.46	319.23
Uruguay	218.93	282.69
Others	535.39	413.80
	6,160.76	5,725.92

34 Related party transactions

(A) Related party relationships:

Description of relationship	Names of related parties
Ultimate holding company	Terumo Corporation, Japan
Holding company	Terumo Mauritius Holding Limited, Mauritius
Fellow subsidiaries	Terumo BCT Europe N.V Terumo BCT Australia PTY Ltd Terumo (Thailand) Co., Limited Terumo Singapore Pte Ltd. PT. Terumo, Indonesia Terumo Marketing Philippines, Inc. Terumo BCT (Hong Kong) Ltd Terumo Vietnam Medical Eqpt Co. Ltd Terumo Malaysia SDN, BHD Terumo BCT Asia Pte.Ltd, Singapore Terumo BCT Vietnam Co. Ltd. Terumo BCT Uruguay S.A. Terumo BCT Larne Terumo BCT Inc, Lakewood, USA Terumo BCT Holding Corporation, Lakewood, USA
Directors and Key Management Personnel (KMP)	Makham Sathyanarayana Chetan- Managing Director Abraham Mathew- Wholetime Director (till 25-09-2023) Manoj Appukuttan- Wholetime Director Chua Cheng Chin- Director Sruthi Aravind, Company Secretary

(B) Details of related party transactions during the year ended 31 March 2024

Name of related party	Description of Transaction	Volume of transactions		Outstanding balance- receivable/(payable)	
		Year ended 31 March 2024	Year ended 31 March 2023	As at 31 March 2024	As at 31 March 2023
Terumo Corporation Japan and its branches	Purchases (including capital expenditure)	300.41	280.52	(132.29)	(163.30)
	Sales	0.01	0.04	-	-
	Sales - Semi-finished goods and raw materials	0.59	-	-	-
	Income from support services	1.29	-	0.73	-
	Royalty	102.58	100.95	(23.47)	(24.80)
	Expenses incurred on behalf of Ultimate Holding Company	0.25	0.06	-	-
	Expenses incurred by Ultimate Holding Company	0.68	-	-	-
Terumo BCT Europe N.V	Purchases	2.58	1.92	(1.75)	(0.56)
	Sales	1,953.34	1,427.97	397.84	318.22
	Sales - Semi-finished goods and raw materials	0.00	0.01	0.00	-
	Income from support services	3.03	0.76	-	-
	Expenses incurred by fellow subsidiary	0.72	-	-	-
	Expenses incurred on behalf of fellow subsidiary	1.47	1.80	0.62	1.01
Terumo BCT Uruguay S.A.	Sales	682.28	964.39	218.53	282.54
	Sales - Semi-finished goods and raw materials	0.11	1.01	-	0.15
	Expenses incurred on behalf of fellow subsidiary	0.77	1.92	0.40	-
Terumo Malaysia SDN, BHD	Sales	142.62	189.47	49.39	66.75
	Expenses incurred on behalf of fellow subsidiary	0.03	0.02	0.03	-
Terumo BCT Asia Pte.Ltd, Singapore	Purchases	735.10	627.24	(96.19)	(150.43)
	Sales	109.22	124.35	27.84	69.18
	Income from support services	3.94	6.77	-	1.48
	Expenses incurred by fellow subsidiary	0.43	-	-	-
	Expenses incurred on behalf of fellow subsidiary	2.32	3.80	2.31	-
Terumo BCT Holding Corporation, Lakewood, USA	Interest on borrowings (includes borrowing cost capitalised)	22.39	29.26	-	-
	Repayment of borrowings	325.05	325.05	(541.76)	(866.81)
Terumo BCT Vietnam Co. Ltd.	Purchases	651.13	494.27	(96.76)	(108.80)
	Sales	-	0.04	-	-
	Income from support services	1.80	0.68	1.28	0.57
	Sales - Semi-finished goods and raw materials	0.06	7.55	-	-
Other fellow subsidiaries	Sales	454.55	101.05	163.73	45.79
	Income from support services	84.07	90.21	8.39	26.05
	Expenses incurred by fellow subsidiaries	15.83	16.40	(1.81)	-
	Expenses incurred on behalf of fellow subsidiaries	4.54	37.00	10.39	-
Key Management Personnel	Directors' remuneration	31.81	27.10	-	-

35 Leases

The Company has taken office premises on lease from various parties. The leases typically run for a period of 1 year - 5 years. Lease payments are renegotiated nearing the expiry to reflect market rentals.

(i) Lease liabilities

Following are the changes in the lease liabilities for the year ended 31 March 2024 and 31 March 2023:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	34.48	5.14
Additions	4.06	34.41
Finance cost accrued during the period	2.81	1.28
Payment of lease liabilities	(10.12)	(6.34)
Balance at the end of the year	31.23	34.48
Non-current lease liabilities	24.65	27.26
Current lease liabilities	6.58	7.22

(ii) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	9.07	9.88
One to five years	27.67	31.99
More than five years	-	-
Total undiscounted lease liabilities	36.74	41.87

(iii) Right-of-use assets

Right-of-use assets are presented on the balance sheet.

As at 31 March 2024 and 31 March 2023

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	35.03	4.72
Addition to right-of-use assets	4.24	35.83
Depreciation for the year (refer note 25)	(8.82)	(5.52)
Balance at the end of the year	30.45	35.03

(iv) Amounts recognised in statement of profit or loss

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation on right-of-use assets (refer note 25)	8.82	5.52
Interest on lease liabilities (refer note 24)	2.81	1.28

(v) Amounts recognised in statement of cash flows

Particulars	As at 31 March 2024	As at 31 March 2023
Total cash out flow for leases	10.12	6.34

36 Disclosure of ratios

The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023

Particulars	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Variance	Note
Current ratio	Current assets	Current liabilities	2.48	2.84	(12.68)%	
Debt-Equity ratio	Debt consists of borrowings and lease liabilities	Total equity	0.27	0.54	(50.85)%	1
Debt service coverage ratio	Earning for debt service = Profit for the year + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	2.51	0.89	182.02%	2
Return on equity ratio	Profit for the year	Average shareholders equity	21.76%	11.38%	91.22%	3
Inventory turnover ratio	Revenue from operations	Average inventory	2.05	2.03	0.99%	
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	5.75	4.57	25.82%	4
Trade payables turnover ratio	Net purchases	Average trade payables	5.46	5.19	5.20%	
Net capital turnover ratio	Revenue from operations	Current asset- current liabilities	3.01	2.57	17.12%	
Net profit ratio	Profit for the year	Revenue from operations	13.14%	6.82%	92.67%	3
Return on capital employed	Earnings before interest and taxes	Capital employed = Tangible net worth + borrowings + lease liabilities + deferred tax liabilities	22.21%	11.36%	95.51%	3
Return on investment	Profit after tax	Shareholders equity	19.69%	10.76%	82.92%	3

Note

1. The variance in the current year is on account of higher profits earned and repayments of borrowings as per the re-payment schedule.
2. Debt service coverage ratio in current year has improved due to higher profits earned in the current year as well as reduction in loan balance on account of repayment. The ratio had increased in previous year too due to slightly better profits over the earlier year and repayment of loans.
3. The variance is on account of higher profits earned in the current year on account of better business.
4. The variance is on account of higher revenue and better collection of trade receivables in the current year.

37 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92- 92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating this information. The Company is required to update and put in place information latest by the due date for filling of its income tax return. Management is of the opinion that its international transactions are at arm's length so that the aforesaid update will not have any impact on the financial statements.

38 Provision for warranty

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	12.00	9.00
Charge for the year	7.75	7.71
Amount utilized	(6.75)	(4.71)
Closing balance	13.00	12.00

Warranty costs are estimated by the management on the basis of technical evaluation and experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods. The amount of provision which are expected to be utilized within a period of one year is classified as current and rest is classified as non current.

39 (a) 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 Group 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Group from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

40 Additional regulatory information

Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

- (i) The Company has not revalued its property, plant and equipment and intangible assets.
- (ii) The Company does not have any loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties either severally or jointly with any other person, that are (a) repayable on demand or (b) without specifying any terms or period of repayment.
- (iii) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (iv) The Company does not have any borrowings from banks or financial institutions that are secured against current assets.
- (v) The Company has not been declared as wilful defaulters by any bank or financial institution or government or any other government authority.
- (vi) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (vii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company has not entered into any scheme of arrangement as per sections 230 to 237 of the Companies Act, 2013.
- (x) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xi) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm's registration number: 116231W/W-100024
BABY PAUL
Digitally signed by
BABY PAUL
Date: 2024.08.14
15:42:31 +05'30'
Baby Paul
Partner
Membership No.: 218255

Thiruvananthapuram
14 August 2024

for and on behalf of the Board of Directors of
Terumo Penpol Private Limited
CIN: U33112KL1985PTC004531

MAKAM SATHYAN ARAYANA CHETAN
Digitally signed
by MAKAM SATHYANARAYA NA CHETAN
Date: 2024.08.14
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Chetan S Makam
Managing Director
DIN: 01976851

SRUTHI ARAVIN
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by SRUTHI ARAVIND U
Date: 2024.08.14
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Sruthi Aravind
Company Secretary
Membership No: A43982

Thiruvananthapuram
14 August 2024

MANOJ APPUKUTTAN
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by MANOJ APPUKUTTAN
Date:
2024.08.14
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Manoj Appukuttan
Director
DIN: 08656130