

# **G.P.Rajbahak & Co.**

## **Chartered Accountants**

### **INDEPENDENT AUDITOR'S REPORT**

To Vishal Sharma  
S.R. Batliboi & Co. LLP, Chartered Accountants

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

#### **Opinion**

We have audited the accompanying financial statements of Lifestar Pharmaceuticals Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information. This Financial Statements have been prepared solely to enable Mankind Pharma Limited ("the parent company") to prepare its group consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the group accounting policies, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

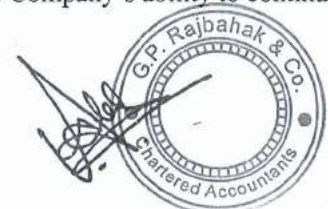
#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue





as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 ISAs, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

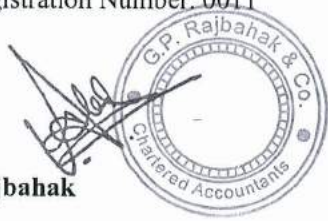


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**For G.P. Rajbahak & Co.**

Chartered Accountants

ICAN Firm Registration Number: 0011



**per Ashesh Rajbahak**

Partner

Membership Number: 278

UDIN: 240507CA00278R3sVV

Place of Signature: Kathmandu, Nepal

Date: May 07, 2024

Lifestar Pharmaceuticals Private Limited  
Balance Sheet as at March 31, 2024  
All amounts are in NPR lacs unless otherwise stated

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,772.08	358.36
Capital work-in-progress	4	77.18	3,777.63
Intangible assets	5	0.76	-
Other non-current assets	7	75.28	143.01
<b>Total non-current assets</b>		<b>4,925.30</b>	<b>4,279.00</b>
<b>Current assets</b>			
Inventories			
Financial assets	8	260.13	67.92
Trade receivables	9	8.16	-
Cash and cash equivalents	6	0.12	86.70
Other current assets	7	43.19	107.25
<b>Total current assets</b>		<b>311.60</b>	<b>261.87</b>
<b>Total assets</b>		<b>5,236.90</b>	<b>4,540.87</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	5,055.20	3,782.35
Other equity	11	(814.18)	500.26
<b>Total equity</b>		<b>4,241.02</b>	<b>4,282.61</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings			
Deferred tax liabilities (net)	12	489.37	-
<b>Total non-current liabilities</b>	13	<b>489.37</b>	<b>2.16</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings			
Trade payables	12	157.16	-
a) total outstanding dues of micro enterprises and small enterprises	15	-	-
b) total outstanding dues of creditors other than micro enterprises and small			
Others	16	157.79	65.12
Other current liabilities	14	173.55	189.98
<b>Total current liabilities</b>		<b>18.01</b>	<b>1.00</b>
<b>Total liabilities</b>		<b>506.51</b>	<b>256.10</b>
<b>Total equity and liabilities</b>		<b>995.88</b>	<b>258.26</b>
		<b>5,236.90</b>	<b>4,540.87</b>

See accompanying notes are forming part of these standalone financial statements

As per our report of even date

4-31

For G.P. Rajbahak & Co.  
Chartered Accountants  
Firm Reg. no. 0011




Ashesh Rajbahak  
Partner  
M.No. 278

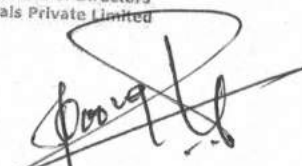


Place: Kathmandu, Nepal  
Date: 07/05/2024

For and on behalf of the Board of Directors  
of Lifestar Pharmaceuticals Private Limited



Abhay Kumar Srivastava  
Director



Chandra Shekhar Roongta  
Director

Place: New Delhi  
Date: 07/05/2024

Place: Birgunj, Nepal  
Date: 07/05/2024



Lifestar Pharmaceuticals Private Limited  
Statement of Profit and Loss for the year ended March 31, 2024  
All amounts are in NPR lacs unless otherwise stated

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>Income</b>			
I Revenue from operations			
Other income	17	15.26	-
<b>I Total income (I)</b>	18	<u>0.28</u>	<u>2.50</u>
<b>II Expenses</b>			
Cost of materials consumed			
Changes in inventories of finished goods, work in progress and stock in trade	19	27.12	1.13
Employee benefits expense	20	(16.32)	-
Finance costs	21	198.38	65.70
Depreciation and amortization expense	22	46.41	-
Other expenses	23	148.62	6.27
<b>Total expenses (II)</b>	24	<u>287.93</u>	<u>45.99</u>
		<u>692.14</u>	<u>119.09</u>
<b>III Loss before tax (I-II)</b>			
		<u>(676.60)</u>	<u>(116.59)</u>
<b>IV Tax Expense:</b>			
Current tax			
Deferred tax	25	-	-
<b>Total tax expense (IV)</b>	25	<u>(2.16)</u>	<u>1.98</u>
		<u>(2.16)</u>	<u>1.98</u>
<b>V Loss for the year (III-IV)</b>			
		<u>(674.44)</u>	<u>(118.57)</u>
<b>VI Other comprehensive income</b>			
(i) Item that will be reclassified to profit or loss			
- Exchange differences in translating the financial statements of foreign operations			
<b>Other comprehensive income for the year (VI)</b>		<u>-</u>	<u>-</u>
<b>VII Total comprehensive loss for the year (V+VI)</b>			
		<u>(674.44)</u>	<u>(118.57)</u>
<b>VIII Earnings per equity share (EPS):</b>			
Basic EPS (in NPR)		(14.37)	(3.13)
Diluted EPS (in NPR)		(14.37)	(3.13)

See accompanying notes are forming part of these standalone financial statements

4-31

As per our report of even date

For G.P. Rajbahak & Co.  
Firm Reg. no. 0011  
Chartered Accountants

Ashesh Rajbahak  
Partner  
M.No. 278



Place: Kathmandu, Nepal  
Date: 07/05/2024

For and on behalf of the Board of Directors  
of Lifestar Pharmaceuticals Private Limited

Abhay Kumar Srivastava  
Director

Chandra Shekhar Roongta  
Director

Place: New Delhi  
Date: 07/05/2024

Place: Birgunj, Nepal  
Date: 07/05/2024





Lifestar Pharmaceuticals Private Limited  
Statement of Cash Flows for the year ended March 31, 2024  
All amounts are in NPR lacs unless otherwise stated

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Operating activities</b>		
Profit/(loss) before tax from continuing operations	(676.60)	(116.59)
Profit/(loss) before tax from discontinuing operations	-	-
<b>Loss before tax</b>	<b>(676.60)</b>	<b>(116.59)</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expense	148.62	6.27
Finance income	(0.03)	-
Finance costs	46.41	-
<i>Working capital adjustments:</i>		
(Increase)/ Decrease in trade receivables	(8.16)	-
(Increase)/ Decrease in inventories	(192.21)	(67.92)
(Increase)/ Decrease in other asset	350.08	633.17
Increase/ (Decrease) in trade payable	92.67	65.12
Increase/ (Decrease) in other financial liability	14.16	-
Increase/ (Decrease) in other liability	17.01	(7.50)
Income tax paid	<b>(208.05)</b>	<b>512.55</b>
<b>Net cash used in operating activities</b>	<b>(208.05)</b>	<b>512.55</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,111.53)	(3,232.86)
Interest received (finance income)	0.03	-
<b>Net cash used in investing activities</b>	<b>(1,111.50)</b>	<b>(3,232.86)</b>
<b>Financing activities</b>		
Proceeds from issue of shares	-	-
Interest paid	632.85	1,927.62
Proceeds from borrowings	(46.41)	-
Share application money received	646.53	-
<b>Net cash flows from financing activities</b>	<b>1,232.97</b>	<b>640.00</b>
<b>Net increase in cash and cash equivalents</b>	<b>(86.58)</b>	<b>(152.59)</b>
Net foreign exchange difference	86.70	239.38
Cash and cash equivalents at the beginning of the year	<b>0.12</b>	<b>86.70</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>0.12</b>	<b>86.70</b>

See accompanying notes are forming part of these standalone financial statements

4-31

As per our report of even date

For G.P. Rajbahak & Co.  
Chartered Accountants  
Firm Reg. no. 0011

Ashesh Rajbahak  
Partner  
M.No. 278



Place: Kathmandu, Nepal  
Date :07/05/2024

For and on behalf of the Board of Directors  
of Lifestar Pharmaceuticals Private Limited

Abhay Kumar Srivastava  
Director

Place :New Delhi  
Date :07/05/2024

Chandra Shekhar Roongta  
Director

Place :Birgunj, Nepal  
Date: 07/05/2024



Lifestar Pharmaceuticals Private Limited  
 Statement of Changes in Equity for the year ended March 31, 2024  
 All amounts are in NPR lacs unless otherwise stated

a. Equity share capital

Particulars	Amount
Equity shares of NPR 100 each issued, subscribed and fully paid	
As at April 01, 2022	
Issue of share capital during the year	1,854.73
As at March 31, 2023	1,927.62
Issue of share capital during the year	3,782.35
As at March 31, 2024	1,272.85
	5,055.20

b. Other equity

Particulars	Share application money	Reserves and Surplus	Total
		Retained earnings	
As at April 01, 2022			
Share Application Money Pending Allotment		(21.17)	(21.17)
Loss for the year	640.00		640.00
Other comprehensive income for the year, net of income tax		(118.57)	(118.57)
Total comprehensive income for the year	640.00	(118.57)	521.43
Balance as at March 31, 2023	640.00	(139.74)	500.26
Loss for the year		(674.44)	(674.44)
Share Application Money Pending Allotment		(674.44)	(674.44)
Allotment of shares against pending share application money	(640.00)		
Other comprehensive income for the year, net of income tax			(640.00)
Total comprehensive income for the year	(640.00)	(674.44)	(1,314.44)
Balance as at March 31, 2024	-	(814.18)	(814.18)

See accompanying notes are forming part of these standalone financial statements

4-31

As per our report of even date

For G.P. Rajbahak & Co.  
 Chartered Accountants  
 Firm Reg. no. 0011

Ashesh Rajbahak  
 Partner  
 M.No. 278

Place: Kathmandu, Nepal  
 Date :07/05/2024



For and on behalf of the Board of Directors  
 of Lifestar Pharmaceuticals Private Limited

Abhay Kumar Srivastava  
 Director

Place :New Delhi  
 Date :07/05/2024

Chandra Shekhar Roongta  
 Director

Place :Birgunj, Nepal  
 Date: 07/05/2024



**1 CORPORATE INFORMATION**

Lifestar Pharmaceuticals Private Limited ("Lifestar" or "LPPL" or "the Subsidiary Company") is a private limited company domiciled in Nepal and has its registered office at Birgunj district of Nepal. Lifestar is subsidiary company of India domiciled public limited company "Mankind Pharma Ltd.". The Subsidiary Company is established with principal objective of manufacturing and trading of pharmaceutical and health care products.

**2 Basis of preparation**

**2.01 Basis of preparation of Consolidated Financial Statements**

The Financial Information has been prepared in conformity with the Group accounting policies of Mankind Pharma Limited ("Mankind India"), which are in accordance with the recognition and measurement principles of Indian Accounting Standard notified under section 133 of the Companies Act 2013 (the Act) and other accounting principles generally accepted in India. The Financial Information have been prepared to facilitate the Mankind India in preparation of its consolidated financial statements. The Financial Information includes the disclosures as required under Ind AS to the extent it facilitates and is applicable for preparation of Mankind India's consolidated financial information.

**2.02 Current versus non-current classification**

The assets and liabilities in the balance sheet are classified as current/non-current. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
  - Held primarily for purpose of trading
  - Expected to be realized within twelve months after the reporting period, or
  - cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
  - It is held primarily for purpose of trading
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are classified as non-current.

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

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

**3 Significant accounting policies**

**3.01 Property, plant and equipment**

Property, Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable.

Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Group and the cost of item can be measured reliably.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is calculated on prorata basis on straight-line method using the useful lives of the assets estimated by management. The useful life is as follows:

Assets	Useful life (in years)
Building	30 to 50
Plant and Equipment	10 to 15
Furniture and Fixtures	10
Vehicles	8 and 10
Office Equipment	5
Computer	3
Servers and Networks	6

**3.02 Impairment of non-financial assets**

At each reporting date, the subsidiary company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the subsidiary company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**3.03 Inventories**

**a) Basis of valuation:**

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

**b) Method of Valuation:**

i) Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

ii) Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis.

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





- 3.04 Earnings Per Share**  
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- 3.05 Cash and cash equivalents**  
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.  
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and deposit held at call/current accounts with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- 3.06 Foreign currency translation**
- (i) **Functional and presentation currency**  
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (i.e. Nepalese Rupees 'NPR'). This stand alone financial statement is presented in Nepalese rupee (NPR).
- (ii) **Transactions and balances**  
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.
- 3.07 Standards issued but not yet effective**  
There are no such standards that are issued but not yet effective till March 31, 2024.
- 3.08 Significant accounting judgments, estimates and assumptions**  
The preparation of the Consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability effected in future periods.
- Judgments**  
In the process of applying the accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.
- a) **Property, Plant and Equipment**  
Property, Plant and Equipment represent significant portion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of assets expected useful life and expected value at the end of its useful life. The useful life and residual value of the assets are determined by Management at the time asset is acquired and reviewed periodically including at the end of each year.





4 Capital work-in-progress ageing schedule

Balance as at January 31, 2023

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
1. Projects in progress	77.18	-	-	77.18
<b>Total</b>	<b>77.18</b>	<b>-</b>	<b>-</b>	<b>77.18</b>

As at March 31, 2023

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
1. Projects in progress	2,819.75	957.88	-	3,777.63
<b>Total</b>	<b>2,819.75</b>	<b>957.88</b>	<b>-</b>	<b>3,777.63</b>

Note:

1. Capital work in progress as at March 31, 2024 includes assets under construction at plants and production lines which are pending installation.

2. The Company undisputedly possesses the title deeds for all properties held by the Company, presented under 'Freehold land' in the above schedule. Further, the Company does not hold any property where-in the title deed does not convey a lucid ownership interest in favor of the Company with respect to such property.



**Lifestar Pharmaceuticals Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2024**  
**All amounts are in NPR lacs unless otherwise stated**

	As at March 31, 2024	As at March 31, 2023
<b>5 Intangible assets</b>		
<b>Carrying amounts of :</b>		
Computer Software	0.76	-
Computer software		-
	<u>0.76</u>	<u>-</u>
	<u>Computer software</u>	<u>Total</u>
<b>Balance as at April 01, 2023</b>	-	
Additions	0.96	0.96
Disposals	-	-
<b>Balance as at March 31, 2024</b>	<u>0.96</u>	<u>0.96</u>
<b>Balance as at April 01, 2023</b>	-	
Amortisation expense	0.20	0.20
Disposals	-	-
<b>Balance as at March 31, 2024</b>	<u>0.20</u>	<u>0.20</u>
<b>Carrying amount</b>		
<b>Balance as at March 31, 2023</b>	-	-
<b>Balance as at March 31, 2024</b>	0.76	0.76





**Lifestar Pharmaceuticals Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2024**  
**All amounts are in NPR lacs unless otherwise stated**

**6 Cash and cash equivalents**

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- In current account		85.34
Cash in hand	0.12	1.36
	<u>0.12</u>	<u>86.70</u>

**7 Other assets**

**Non-Current  
(unsecured and considered good)**

	As at March 31, 2024	As at March 31, 2023
Capital advances	75.28	143.01
	<u>75.28</u>	<u>143.01</u>

**Current**

**(unsecured and considered good)**

	As at March 31, 2024	As at March 31, 2023
Prepaid expenses		
Advances to vendors	15.06	5.96
Advances to employees	5.35	11.09
Other Receivables	4.99	4.68
	17.79	85.52
	<u>43.19</u>	<u>107.25</u>

**8 Inventories**

	As at March 31, 2024	As at March 31, 2023
Raw materials In hand	108.35	64.20
In transit	86.52	-
Work in progress	0.35	-
Finished goods	15.97	-
Construction materials, stores and spares	48.94	3.72
	<u>260.13</u>	<u>67.92</u>



Lifestar Pharmaceuticals Private Limited  
Notes forming part of the financial statements for the year ended March 31, 2024  
All amounts are in NPR lacs unless otherwise stated

	As at March 31, 2024	As at March 31, 2023
<b>9 Trade receivables</b>		
Unsecured, considered good	8.16	-
Significant increase in credit risk	-	-
	<b>8.16</b>	

a. The average credit period to customers ranges upto 60 days. No interest is charged on trade receivables upto the due date from the date of the invoice. Thereafter, interest is charged at 14% per annum on the outstanding balance.

**b. Trade Receivables ageing schedule**

	As at March 31, 2024					Total
Particulars	Current but not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	
Undisputed Trade Receivables - considered good	6.34	1.82	-	-	-	8.16
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
	<b>6.34</b>	<b>1.82</b>				<b>8.16</b>



**Lifestar Pharmaceuticals Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2024**  
**All amounts are in NPR lacs unless otherwise stated**

	Equity shares	
	As at March 31, 2024	As at March 31, 2023
10 Share capital		
Authorised		
6,600,000 equity shares of NPR 100 each (March 31, 2023 : 6,600,000 equity shares of NPR 100 each)	6,600.00	6,600.00
Issued, subscribed and fully paid up		
4,535,294 equity shares of NPR 100 each (March 31, 2023 : 3,782,353 equity shares of NPR 100 each)	5,055.20	3,782.35
	<b>5,055.20</b>	<b>3,782.35</b>

**Notes:**

**(i) Rights, preferences and restrictions attached to Equity Shares**

The Company has only one class of equity shares having a par value of NPR 100 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential assets of the Company in proportion to the number of equity shares held by the shareholders.

**a) Issued equity capital**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Equity shares outstanding at the beginning of the year				
Add : Issued during the year	3,782,353	3,782.35	1,854,730	1,854.73
Equity shares outstanding at the end of the year	1,272,847	1,272.85	1,927,623	1,927.62
	<b>5,055,200</b>	<b>5,055.20</b>	<b>3,782,353</b>	<b>3,782.35</b>

**(ii) Shares held by each shareholder holding more than 5 percent shares:**

Equity shares	As at March 31, 2024		As at March 31, 2023	
	Numbers	% holding	Numbers	% holding
Mankind Pharma Limited	4,296,712	85.00%	3,215,000	85.00%
Chandra Shekhar Roongta	758,488	15.00%	567,353	15.00%
	<b>5,055,200</b>	<b>100.00%</b>	<b>3,782,353</b>	<b>100.00%</b>



**Lifestar Pharmaceuticals Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2024**  
**All amounts are in NPR lacs unless otherwise stated**

	<u>As at</u> <u>March 31, 2024</u>	<u>As at</u> <u>March 31, 2023</u>
<b>11 Other equity</b>		
Retained earnings	(814.18)	(139.74)
Share applicaton money pending allotment	-	640.00
	<u>(814.18)</u>	<u>500.26</u>
<b>11.1 Retained earnings</b>		
Balance at the beginning of the year	(139.74)	(21.17)
Profit/ (loss) for the year	(674.44)	(118.57)
<b>Balance at the end of the year</b>	<u>(814.18)</u>	<u>(139.74)</u>





Lifestar Pharmaceuticals Private Limited  
 Notes forming part of the financial statements for the year ended March 31, 2024  
 All amounts are in NPR lacs unless otherwise stated

	As at March 31, 2024	As at March 31, 2023
<b>12 Borrowings</b>		
<b>Non-current (Secured, at amortised cost)</b>		
Bank loans	489.37	-
	<b>489.37</b>	<b>-</b>
<b>Current (Secured, at amortised cost)</b>		
Bank Loan		
Current maturity of long term loan	90.69	-
Cash credit facility from bank	10.00	-
	56.47	-
	<b>157.16</b>	<b>-</b>

Note:

a) Working capital loan (TR and STL) from Nabil Bank Limited are secured by hypothecation of stocks and book debts and carry interest rate in the range of 10% to 13% p.a. These loans are repayable on demand.

b) The Company has not defaulted on repayment of loans and interest during the year.

c) Movement of borrowing during the year is as follows:

Particulars	Non current Borrowings		Current Borrowings		Net Debts	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Opening balances						
Cash Inflows	489.37	-	-	-	-	-
Cash Outflows	-	-	157.16	-	-	-
Other non-cash adjustments	-	-	-	-	646.53	-
<b>Closing balances</b>	<b>489.37</b>	<b>-</b>	<b>157.16</b>	<b>-</b>	<b>646.53</b>	<b>-</b>



Lifestar Pharmaceuticals Private Limited  
Notes forming part of the financial statements for the year ended March 31, 2024  
All amounts are in NPR lacs unless otherwise stated

	As at March 31, 2024		As at March 31, 2023	
<b>13 Deferred tax balances</b>				
Deferred tax liabilities		(88.08)		(2.16)
Deferred tax assets		88.08		-
<b>Deferred tax assets / (liabilities) (net)</b>		<b>-</b>		<b>(2.16)</b>
<b>Year ended March 31, 2024</b>	<b>Opening Balance</b>	<b>Recognised in Profit or loss</b>	<b>Recognised in other comprehensive Income</b>	<b>Closing balance</b>
<b>Deferred tax liabilities in relation to</b>				
Property, plant and equipment	(2.16)	(85.92)	-	(88.08)
Investments	-	-	-	-
	<b>(2.16)</b>	<b>(85.92)</b>	<b>-</b>	<b>(88.08)</b>
<b>Deferred tax assets in relation to</b>				
Deferred tax on carry forwarded losses and dep	-	288.23	-	288.23
Deferred Tax Asset limited to Deferred Tax liability	-	(200.15)	-	(200.15)
	<b>-</b>	<b>88.08</b>	<b>-</b>	<b>88.08</b>
<b>Deferred tax liabilities (net)</b>	<b>(2.16)</b>	<b>2.16</b>	<b>-</b>	<b>0.00</b>
<b>Year ended March 31, 2023</b>	<b>Opening Balance</b>	<b>Recognised in Profit or loss</b>	<b>Recognised in other comprehensive Income</b>	<b>Closing balance</b>
<b>Deferred tax liabilities in relation to</b>				
Property, plant and equipment	(0.18)	(1.98)	-	(2.16)
	<b>(0.18)</b>	<b>(1.98)</b>	<b>-</b>	<b>(2.16)</b>
<b>Deferred tax liabilities (net)</b>	<b>(0.18)</b>	<b>(1.98)</b>	<b>-</b>	<b>(2.16)</b>

Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.



Lifestar Pharmaceuticals Private Limited  
Notes forming part of the financial statements for the year ended March 31, 2024  
All amounts are in NPR lacs unless otherwise stated

	As at March 31, 2024	As at March 31, 2023
<b>14 Other liabilities</b>		
Current		
Statutory liabilities	18.01	1.00
Others		
	<u>18.01</u>	<u>1.00</u>
<b>15 Trade payables</b>		
Current		
i. total outstanding dues of micro enterprises and small enterprises		
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	157.79	65.12
	<u>157.79</u>	<u>65.12</u>

Particulars	Unbilled due	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1-2 years	2-3 years	
<b>As at March 31, 2024</b>						
Total outstanding dues of micro enterprises and small enterprises	-	86.52	-	-	-	86.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	71.27	-	-	-	71.27
		<u>86.52</u>				<u>157.79</u>

Particulars	Unbilled due	Not due	Outstanding for following periods from due date of payment			Total
			Less than 1 year	1-2 years	2-3 years	
<b>As at March 31, 2023</b>						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	65.12	-	-	-	65.12
		<u>65.12</u>				<u>65.12</u>

	As at March 31, 2024	As at March 31, 2023
<b>16 Other financial liabilities</b>		
Current		
Capital creditors	159.39	189.98
Interest accrued on borrowings	14.16	-
	<u>173.55</u>	<u>189.98</u>



**Lifestar Pharmaceuticals Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2024**  
**All amounts are in NPR lacs unless otherwise stated**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>17 Revenue from operations</b>		
<b>17.1 Revenue from contracts with customers</b>		
Sale of products	15.26	-
Sale of services	-	-
	<b>15.26</b>	-
<b>18 Other income</b>		
Others	0.28	2.50
	<b>0.28</b>	<b>2.50</b>





**Lifestar Pharmaceuticals Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2024**  
**All amounts are in NPR lacs unless otherwise stated**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>19 Cost of raw material and components consumed</b>		
<b>a Raw material and components consumed</b>		
Inventory at the beginning of the year	67.92	-
Add: Purchases	154.07	69.05
Less: inventory at the end of the year	(194.87)	69.05
	<u>27.12</u>	<u>(67.92)</u>
		<u>1.13</u>
<b>20 Changes in inventories of finished goods, work in progress and stock in trade</b>		
<b>Opening Stock:</b>		
Finished goods	-	-
Work in progress	-	-
Stock in trade	-	-
a. In hand	-	-
b. In transit	-	-
	-	-
<b>Closing Stock:</b>		
Finished goods	15.97	-
Work in progress	0.35	-
Stock in trade	-	-
a. In hand	-	-
b. In transit	-	-
	16.32	-
<b>Net decrease/(increase)</b>	<u>(16.32)</u>	<u>-</u>
<b>21 Employee benefits expense</b>		
Salaries and wages	183.93	65.70
Staff welfare expenses	14.45	-
	<u>198.38</u>	<u>65.70</u>
<b>22 Finance Costs</b>		
Interest expense on borrowings	46.41	-
	<u>46.41</u>	<u>-</u>
<b>23 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	148.43	6.27
Amortisation of intangible assets	0.19	-
	<u>148.62</u>	<u>6.27</u>



24 Other expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of packing materials	1.66	
Consumption of stores and spares	21.67	
Power and fuel	61.75	1.65
Rent	-	4.37
Repair and maintenance	-	-
- Machinery	1.95	-
- Building	1.29	-
- others	7.75	-
Insurance	31.82	2.64
Rates and taxes	9.31	-
Communication expenses	2.91	6.57
Postage and courier	1.87	1.58
Travelling and conveyance	50.66	-
Printing and stationery	5.50	9.40
Freight cartage and other distribution cost	0.04	2.66
Commission and brokerage	4.80	-
Donation and contributions	0.06	-
Legal and professional charges	10.49	0.45
Payments to auditors	1.24	1.36
Security expenses	9.71	6.08
Testing and inspection charges	34.65	6.91
Bank charges	4.25	-
Miscellaneous expenses	24.55	2.33
<b>Total</b>	<b>287.93</b>	<b>45.99</b>

Note:

Payments to the auditors (excluding input tax)

I To statutory auditors \*

a) Audit fees

1.24

1.36



Lifestar Pharmaceuticals Private Limited  
Notes forming part of the financial statements for the year ended March 31, 2024  
All amounts are in NPR lacs unless otherwise stated

	Year ended March 31, 2024	Year ended March 31, 2023
<b>25 Income taxes</b>		
<b>25.1 Income tax recognised in the Statement of profit and loss</b>		
<b>Current tax</b>		
In respect of the current year	-	-
In respect of the previous year	-	-
<b>Deferred tax</b>		
In respect of the current year	-	-
Impact of change in tax rate	(2.16)	1.98
	<b>(2.16)</b>	<b>1.98</b>
<b>Total income tax expense recognised in the current year</b>	<b>(2.16)</b>	<b>1.98</b>
Tax expense	(2.16)	1.98
<b>Total income tax expense recognised in the current year</b>	<b>(2.16)</b>	<b>1.98</b>



## 26 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity and borrowing based. The funding requirements are met through a mixture of equity, borrowings from BFI's and internal fund generation as per the Company's policy to meet anticipated funding requirements. The Company is not subject to any externally imposed capital requirements.

The following table summarizes the capital structure of the Company:

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents (Note 6)	0.12	86.70
<b>Total Cash (a)</b>	<b>0.12</b>	<b>86.70</b>
Loan from BFI	646.53	-
<b>Total debt (b)</b>	<b>646.53</b>	<b>-</b>
<b>Net debt (c = (b-a))</b>	<b>646.41</b>	<b>(86.70)</b>
Total equity (see Statement of changes in Equity)	4,241.02	4,282.61
<b>Net debt to equity ratio</b>	<b>0.15</b>	<b>(0.02)</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

## 27 Financial Instruments

### Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised.

### Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

March 31, 2024	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
<b>Financial assets</b>					
Trade receivables	-	-	8.16	8.16	8.16
Cash and cash equivalents	-	-	0.12	0.12	0.12
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8.28</b>	<b>8.28</b>	<b>8.28</b>
<b>Financial liabilities</b>					
Trade payables	-	-	157.79	157.79	157.79
Other financial liabilities	-	-	173.55	173.55	173.55
Borrowings	-	-	646.53	646.53	646.53
<b>Total</b>	<b>-</b>	<b>-</b>	<b>977.87</b>	<b>977.87</b>	<b>977.87</b>
<b>March 31, 2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	86.70	86.70	86.70
<b>Total</b>	<b>-</b>	<b>-</b>	<b>86.70</b>	<b>86.70</b>	<b>86.70</b>
<b>Financial liabilities</b>					
Trade payables	-	-	65.12	65.12	65.12
<b>Total</b>	<b>-</b>	<b>-</b>	<b>65.12</b>	<b>65.12</b>	<b>65.12</b>

### Risk management objectives

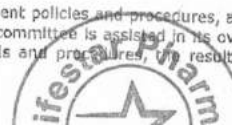
The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk;
- Interest rate risk; and
- Credit risk

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

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

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee 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 audit committee.





a) Liquidity

The Company requires funds both for short-term operational needs as well as for long-term investment programme mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening our balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

Financial liabilities	As at March 31, 2024		
	Less than 1 year	More than 1 year	Total
Trade payables	157.79	-	157.79
Other financial liabilities	173.55	-	173.55
Borrowings	157.16	489.37	646.53
	<b>488.50</b>	<b>489.37</b>	<b>977.87</b>

Financial liabilities	As at March 31, 2023		
	Less than 1 year	More than 1 year	Total
Trade payables	65.12	-	65.12
	<b>65.12</b>	<b>-</b>	<b>65.12</b>

b) Interest rate risk

The exposure of the Company's financial assets to interest rate risk is as follows:

	As at	Total	Floating rate financial asset	Fixed rate financial asset	Non-interest bearing financial asset
Financials assets	March 31, 2024	8.28	-	-	8.28
Financials assets	March 31, 2023	86.70	-	-	86.70

The exposure of the Company's financial liabilities to interest rate risk is as follows:

	As at	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial liabilities	March 31, 2024	977.87	-	-	977.87
Financial liabilities	March 31, 2023	65.12	-	-	65.12

c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company regularly monitors its counterparty limits by reviewing the outstanding balance and ageing of the same.

Possible credit risk

Credit risk management

Credit risk related to bank balances

Company holds bank balances with reputed and creditworthy banking institution within the approved exposures limit of each bank. None of the Company's cash equivalents, including time deposits with banks, are past due or impaired.

The carrying value of the financial assets other than cash represents the maximum credit exposure. The Company's maximum exposure to credit risk at March 31, 2024 is NPR 8.16 and as at March 31, 2023 is NPR 85.34 lacs.



**Lifestar Pharmaceuticals Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2024**  
**All amounts are in NPR lacs unless otherwise stated**

**28 Related Party Disclosures**

In accordance with the requirements of International Accounting Standard (IAS) - 24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions / year end balances with them.

**A. List of Related Parties (with whom the company had transactions during the year)**

Holding company	Mankind Pharma Limited
Fellow subsidiary	Pharma Force Lab
	Medipack Innovations Private Limited
	Mediforce Healthcare Private Limited
	Viridhi International Pvt. Ltd.
Entity related to KMP	

**B. Transactions during the year**

Particulars		Holding Company	Fellow Subsidiary	Entity related to KMP	Total
<b>a. Sale of Products</b>					
Viridhi International Pvt. Ltd.	March 31, 2024	-	-	15.26	15.26
	March 31, 2023	-	-	-	-
<b>b. Purchase of raw material</b>					
Mankind Pharma Limited	March 31, 2024	102.54	-	-	102.54
	March 31, 2023	43.57	-	-	43.57
Pharma Force Lab	March 31, 2024	-	3.54	-	3.54
	March 31, 2023	-	4.87	-	4.87
Medipack Innovations Private Limited	March 31, 2024	-	0.90	-	0.90
	March 31, 2023	-	2.19	-	2.19
Mediforce Healthcare Private Limited	March 31, 2024	-	1.44	-	1.44
	March 31, 2023	-	-	-	-
<b>c. Guarantee Commission</b>					
Mankind Pharma Limited	March 31, 2024	4.80	-	-	4.80
	March 31, 2023	-	-	-	-
<b>d. Purchase of plant and machinery</b>					
Mankind Pharma Limited	March 31, 2024	91.83	-	-	91.83
	March 31, 2023	18.43	-	-	18.43
<b>e. Capital contribution received</b>					
Mankind Pharma Limited	March 31, 2024	441.71	-	-	441.71
	March 31, 2023	1,615.00	-	-	1,615.00
<b>f. Share application money received</b>					
Mankind Pharma Limited	March 31, 2024	-	-	-	-
	March 31, 2023	640.00	-	-	640

**C. Balances outstanding at the year end**

Particulars		Holding Company	Fellow Subsidiary	Entity related to KMP	Total
<b>a. Trade Receivables</b>					
Viridhi International Pvt. Ltd.	March 31, 2024	-	-	8.16	8.16
	March 31, 2023	-	-	-	-
<b>b. Trade Payables</b>					
Mankind Pharma Limited	March 31, 2024	103.86	-	-	103.86
	March 31, 2023	43.57	-	-	43.57
Medipack Innovations Private Limited	March 31, 2024	-	-	-	-
	March 31, 2023	-	2.19	-	2.19
Mediforce Healthcare Private Limited	March 31, 2024	-	-	-	-
	March 31, 2023	-	1.14	-	1.14
Pharma Force Lab	March 31, 2024	-	-	-	-
	March 31, 2023	-	0.05	-	0.05
<b>c. Capital Payables</b>					
Mankind Pharma Limited	March 31, 2024	91.84	-	-	91.84
	March 31, 2023	24.47	-	-	24.47
<b>d. Equity share capital</b>					
Mankind Pharma Limited	March 31, 2024	4,297	-	-	4,297
	March 31, 2023	3,215	-	-	3,215
<b>e. Share application money received</b>					
Mankind Pharma Limited	March 31, 2024	-	-	-	-
	March 31, 2023	640.00	-	-	640



**Other Information**

- A. **Basis for segmentation**  
The Company operates in a single business segment i.e., Pharmaceutical products, which is considered the only reportable segment as per IFRS - 8, "Operating Segments". The products being sold under this segment are of similar nature and comprises of pharmaceutical products only. The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on financial information for the entity in totality on a periodic basis.
- B. **Geographic information**  
The Company operates only in Nepal and does not have any separate identifiable geographic segment.
- C. **Major Customer**  
For the financial year ended March 31, 2024, the company has a single customer that accounts for 100% of its revenue. However, for the previous financial year ended March 31, 2023, no single customer accounted for 10% or more of the company's total revenue.

**29 Contingent liabilities and commitments (to the extent not provided for)**

The Company does not have any contingent liabilities and commitments as at March 31, 2024 and as at March 31, 2023.

- 30 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 31 The company has regrouped/reclassified certain balances for March 31, 2023 to conform with current year's presentation, none of which it believes to be material, hence no additional disclosure are provided.

As per our report of even date

For G.P. RajbahaK & Co.  
Chartered Accountants  
Firm Reg. no. 0011

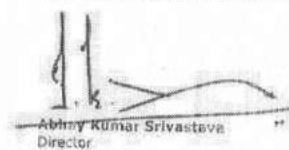


Ashesh RajbahaK  
Partner  
M.No. 278



Place: Kathmandu, Nepal  
Date: 07/05/2024

For and on behalf of the Board of Directors  
of Lifestar Pharmaceuticals Private Limited



Abhinav Kumar Srivastava  
Director

Place: New Delhi  
Date: 07/05/2024



Chandrashekhhar Roongta  
Director

Place: New Delhi  
Date: 07/05/2024

