

TPL (Malta) Limited

Annual report

Reg. No.: C 99991

For the year ended 31 March 2024

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Directors' report

The Directors present their report and the audited financial statements for the year ended 31 March 2024.

Directors

The Directors of TPL (Malta) Limited (the 'Company') who held office during the year were:

Amul Kamal Kumar Agrawal
Naimi Ashwinbhai Kapashi
Vatsal Rajnikant Pujara

Principal activity of the Company

The Company's principal activity is to hold an investment in a subsidiary.

Review of business

The subsidiary company is still in its startup phase and has not yet commenced operations. As a result, it has not distributed any dividend to date. The Company reported a loss of €10,058 (2023: 10,715) due to administrative expenses. The Directors expects the Company's results to improve once the subsidiary commences operations. The latter are expected to commence during 2024.

Financial risk management

The Company's activities expose them to a variety of financial risks, including market risk credit risk and liquidity risk. Refer to Note 5 in these financial statements.

Results and dividends

The results for the year are as shown in the statement of comprehensive income on page 9. In view of the accumulated loss as at 31 March 2024, the Company had no available profits for distribution.

Future developments

The Directors expect that the activities of the Company will commence in the foreseeable future.

Subsequent events

No significant events having an effect on the financial results and position of the Company have taken place subsequent to year ended 31 March 2024.

Directors' report – continued

Statement of directors' responsibilities for the financial statements

The Directors are required by the Maltese Companies Act (Cap.386) to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial period and of the profit or loss for that year.

In preparing the financial statements, the directors are responsible for:


- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless this is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the International Financial Reporting Standards as adopted by the EU and Maltese Companies Act (Cap.386). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, CSA Audit Ltd, have intimated their willingness to continue in office. A resolution proposing their re-appointment will be put before the members at the next annual general meeting.

On behalf of the board :



Amul Kamal Kumar Agrawal
Director



Vatsal Rajnikant Pujara
Director

Registered office:

Central Business Centre, Level 2,
Triq Hal Tarxien,
Gudja,
GDJ1907
Malta.

23 April 2024



INDEPENDENT AUDITORS' REPORT
To the Shareholders of TPL (Malta) Limited

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying separate financial statements (the "financial statements") of TPL (Malta) Limited (the "Company"):

- Give a true and fair view of the unconsolidated financial position of the Company as at 31 March 2024, and of its unconsolidated financial performance and its cashflows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU ('IFRSs'); and
- Have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386) ('the Act').

What we have audited

The Company's financial statements, which comprise of:

- the statement of financial position as at 31 March 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flow for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities* for the *Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

INDEPENDENT AUDITORS' REPORT
To the Shareholders of TPL (Malta) Limited

Other information

The directors are responsible for the other information. The other information comprises the 'Directors' Report', but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the Directors' Report, which we report separately below in our 'Report on Other Legal and Regulatory Requirements'.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and are properly prepared in accordance with the provisions of the Act for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether to due to fraud or error.

In preparing the financial statements the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the financial reporting process

Auditors' responsibility 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 auditors' 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 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 ISAs, we exercise professional judgement 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.

INDEPENDENT AUDITORS' REPORT
To the Shareholders of TPL (Malta) Limited

Auditors' responsibility for the audit of the financial statements – continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 auditors' 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 auditors' 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 the directors 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.

Report on other Legal and Regulatory Requirements

Opinion on the Directors' Report

The directors are responsible for preparing a directors' report in accordance with the provisions of article 177 of the Act.

We are required to consider whether the information given in the Directors' report for the accounting period for which the financial statements are prepared is consistent with those financial statements; and, if we are of the opinion that it is not, we shall state that fact in our report. We have nothing to report in this regard.

Pursuant to article 179(3) of the Act, we are also required to:

- express an opinion on whether the directors' report has been prepared in accordance with the applicable legal requirements; and
- state whether, in the light of the knowledge and understanding of the entity and its environment obtained in the course of our audit of the financial statements, we have identified material misstatements in the directors' report, giving an indication of the nature of any such misstatements.

INDEPENDENT AUDITORS' REPORT
To the Shareholders of TPL (Malta) Limited

Report on other Legal and Regulatory Requirements – continued

In such regards:

- in our opinion, the Directors' report has been prepared in accordance with the applicable legal requirements; and
- we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception by the Act

Pursuant to articles 179(10) and 179(11) of the Act, we have nothing to report to you with respect to the following matters:

- proper accounting records have not been kept ; or
- the financial statements are not in agreement with the accounting records ; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we require for the purpose of our audit.

The Principal authorized to sign on behalf of CSA Audit Ltd on the audit resulting in this independent auditors' report is Norbert Bugeja.



CSA Audit Ltd
Registered Auditors


23 April 2024


Statement of financial position

	Note	As at 31 March	
		2024 €	2023 €
ASSETS			
Non-current assets			
Investment in subsidiary	6	15,950,000	3,455,000
Total non-current assets		15,950,000	3,455,000
Current assets			
Trade and other receivables	7	-	756
Cash and cash equivalents	8	23,785	30,812
Total current assets		23,785	31,568
Total assets		15,973,785	3,486,568
EQUITY AND LIABILITIES			
Equity			
Share capital	9	16,000,000	3,505,000
Accumulated loss		(31,670)	(21,612)
Total equity		15,968,330	3,483,388
Current liabilities			
Trade and other payables	10	5,455	3,180
Total current liabilities		5,455	3,180
Total equity and liabilities		15,973,785	3,486,568

The accompanying notes are an integral part of these financial statements.

The financial statements on pages 8 to 24 were approved and authorised for issue by the board of directors on 23 April 2024 and signed on its behalf by:


Amul Kamal Kumar Agrawal
Director


Vatsal Rajnikant Pujara
Director

Statement of comprehensive income

		Year ended 31 March	Year ended 31 March
	Note	2024	2023
		€	€
Administrative expenses	11	(9,580)	(10,354)
Operating loss		(9,580)	(10,354)
Finance expense	12	(478)	(361)
Total comprehensive loss		(10,058)	(10,715)

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity

	Share capital €	Accumulated Losses €	Total €
Balance as at 1 April 2023	1,005,000	(10,897)	944,103
Transactions with owners of the Company			
Contribution and distributions			
Increase in share capital	2,500,000	-	2,500,000
Comprehensive Income			
Loss for the year	-	(10,715)	(10,715)
Balance as at 31 March 2023	<u>3,505,000</u>	<u>(21,612)</u>	<u>3,483,388</u>
Balance as at 1 April 2024	3,505,000	(21,612)	3,483,388
Transactions with owner of the Company			
Contribution and distributions			
Increase in share capital	12,495,000	-	12,495,000
Comprehensive Income			
Loss for the year	-	(10,058)	(10,058)
Balance as at 31 March 2024	<u>16,000,000</u>	<u>(31,670)</u>	<u>15,968,330</u>

The accompanying notes are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 March	
		2024 €	2023 €
Cash flows generated from operating activities			
Loss for the year		(10,058)	(10,715)
Movement in working capital for:			
Trade and other receivables		756	(756)
Trade and other payables		2,275	500
Net cash used in operations		(7,027)	(10,971)
Cash flows from investing activities			
Investment in subsidiary		(12,495,000)	(2,500,000)
Net cash used in investing activities		(12,495,000)	(2,500,000)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		12,495,000	2,500,000
Net cash generated from financing activities		12,495,000	2,500,000
Movement in cash and cash equivalents		(7,027)	(10,971)
Cash and cash equivalents at the beginning of the year		30,812	41,783
Cash and cash equivalents at the end of the year	8	23,785	30,812

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

1 Basis of preparation

1.1 Basis of measurement and statement of compliance

These financial statements of TPL (Malta) Limited (the 'Company') have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs), and with the requirements of the Maltese Companies Act (Cap.386).

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Board to exercise their judgement in the process of applying the Company's accounting policies (Note 4 - Critical accounting estimates and judgements).

In accordance with Article 174 of the Maltese Companies Act (Cap, 386) the Company has taken advantage of the exemption from consolidation due to the fact that the company forms part of a larger group with the consolidation being prepared by Torrent Pharmaceuticals Limited. Due to this statutory exemption the Company has also been exempted from the requirement for consolidation under IFRS10 and prepare separate financial statements.

These financial statements have been prepared under the historical cost convention.

1.2 Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency.

2 Summary of material accounting policies

The principal material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Foreign currency translation

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency differences arising on retranslation are recognised in profit or loss.

2.2 Investment in subsidiary

A subsidiary is an entity which is controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

An investment in a subsidiary is initially measured at cost.

2 Summary of significant accounting policies - continued

2.2 Investment in subsidiary - continued

After initial recognition, the investment in subsidiary is measured using the cost method. Under the cost method, the investment is measured at cost less accumulated impairment losses. Distributions received from the subsidiary are recognised as investment income in profit or loss when the Company's right to receive the dividend is established.

2.3 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment is reviewed for possible reversal of the impairment at the end of each reporting period.

2.4 Financial instruments

2.4.1 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 (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2.4.2 Classification and subsequent measurement

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

2 Summary of significant accounting policies - continued

2.4 Financial instruments – continued

2.4.2 Classification and subsequent measurement - continued

(ii) 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 a portfolio 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 the portfolio 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;
- how the performance of the portfolio is evaluated and reported to the Company management;
- 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;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- 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.

(iii) 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-rate features;
- prepayment and extension features; and

2 Summary of significant accounting policies - continued

2.4 Financial instruments – continued

2.4.2 Classification and subsequent measurement - continued

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or

premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(iv) *Financial assets – Subsequent measurement and gains and losses*

(a) *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 profit or loss.

(b) *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 profit or loss.

(v) *Financial liabilities – Subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, 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 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 profit or loss.

2.4.3 Derecognition

(i) *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 either:

2 Summary of significant accounting policies - continued

2.4 Financial instruments – continued

2.4.3 Derecognition - continued

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(ii) 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 of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.4.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position 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.

2.5 Impairment on Financial instruments and contract assets

The Company recognises loss allowances for Expected credit losses (ECLs) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

2 Summary of significant accounting policies - continued

2.5 Impairment on Financial instruments and contract assets - continued

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs 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 entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

2 Summary of significant accounting policies- continued

2.5 Impairment on Financial instruments and contract assets - continued

Presentation of allowance for ECL in the statement of financial position
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 when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.8 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax on the fair valuation of property, plant and equipment is charged or credited directly to the revaluation reserve. Deferred tax on the difference between the actual depreciation on the asset and the equivalent depreciation based on the historical cost of the asset is realised through profit or loss.

2 Summary of significant accounting policies - continued

2.8 Current and deferred tax – continued

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3 New or revised standards or interpretations

New standards adopted at 1 April 2023

During the year ended 31 March 2024, the Company has applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies
- Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

New and revised IFRS Accounting Standards in issue but not yet effective and not yet adopted by EU

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS that have been issued and are not yet effective.

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 - Non-current Liabilities with Covenants*
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements*
- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

* These amendments had not yet been adopted by the EU.

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the director, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

5 Financial risk management

The Company is exposed to a variety of financial risks. market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Company's management under the oversight of the directors and focuses on actively securing the Company's short to medium term cash flows by minimizing the exposure to financial risk.

(a) Market risk

(i) Interest rate risk

The Company is not exposed to interest rate risk as it does not have any financial assets and liabilities which bear an interest.

(ii) Currency risk

The Company is not significantly exposed to currency risk since it has no significant financial assets or financial liabilities denominated in foreign currencies.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. Credit risk arises mainly from cash and cash equivalents.

	Note	2024 €	2023 €
Cash and cash equivalents	8	23,785	30,812

The maximum exposure to credit risk at the reporting date in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Company does not hold any collateral as security in this respect.

Cash and cash equivalents

The Company's cash and cash equivalents are held with local financial institutions with high quality standing or rating and are settled on demand. Management considers the probability of default to be close to zero as the financial institutions have a strong capacity to meet their contractual obligations in the near term. As a result, while cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss is insignificant.

5 Financial risk management – continued

(c) Liquidity risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally of the trade and other payables.

Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company's obligations towards third party payables.

Management monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Company's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments. The financial liabilities are payable on demand. The liquidity risk is not considered significant in view that the company has adequate cash reserves to meet its liabilities.

(d) Fair values

The carrying amounts of cash at bank, receivables and trade and other payables approximate their fair values in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The fair value of balances with related parties which are short term or repayable on demand is equivalent to their carrying amount.

(e) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's strategy remains unchanged from the previous year.

The capital structure consists of equity attributable to equity holders comprising issued share capital and retained earnings as disclosed in the statement of changes in equity.

6 Investment in subsidiary

	2024	2023
	€	€
Cost at 1 April		
Opening carrying amount	3,455,000	955,000
Additions	12,495,000	2,500,000
Cost and carrying amount at 31 March	15,950,000	3,455,000

This subsidiary operates in the pharmaceutical industry. They principally test and store pharmaceutical products.

6 Investment in subsidiary - continued

The subsidiary at 31 March 2024 and 31 March 2023, is shown below:

	Registered office	Class of shares held	Percentage of shares held	
			2024	2023
Torrent Pharma (Malta) Limited	Central Business District, Level 2 Triq Hal Tarxien, Gudja GDJ1907 Malta	Ordinary	99.9%	99.9%

The authorised share capital of the Company is Twenty-Five Million Euro (€ 25,000,000) divided into Twenty-Four million nine hundred and ninety-nine thousand nine hundred and ninety-nine (24,999,999) ordinary A shares and one (1) Ordinary B share, all of Euro one (€ 1) each.

By virtue of extraordinary resolution dated 1 December 2022, the Company issued 2,500,000 ordinary 'A' shares each at a nominal value of €1 each.

By virtue of extraordinary resolution dated 22 September 2023, the Company increased its authorised share capital by 11,000,000 ordinary 'A' shares each at a nominal value of €1 each and issued 1,495,000 ordinary 'A' shares each at a nominal value of €1 each.

By virtue of extraordinary resolutions dated 28 November 2023, the Company issued 5,000,000 ordinary 'A' shares each at a nominal value of €1 each.

By virtue of extraordinary resolution dated 27 March 2024, the Company increased its authorised share capital by 9,000,000 ordinary 'A' shares each at a nominal value of €1 each and issued 6,000,000 ordinary 'A' shares each at a nominal value of €1 each.

7 Trade and other receivables

	2024	2023
	€	€
Prepayments	-	756

8 Cash and cash equivalents

For the purposes of the statement of cash flows, the year-end cash and cash equivalents comprise the following:

	2024	2023
	€	€
Cash at bank	23,785	30,812

9 Share Capital

Ordinary share capital

	2024	2023
	€	€
Authorised		
24,999,999 (2023: 4,999,999) "A" and 1 "B" ordinary shares of €1 each	<u>25,000,000</u>	5,000,000
Issued and fully paid		
15,999,999 "A" and 1 "B" ordinary shares of €1 each	16,000,000	-
3,504,999 "A" and 1 "B" ordinary shares of €1 each	-	<u>3,505,000</u>
	<u>16,000,000</u>	3,505,000

The authorised share capital of the Company is Twenty-Five million Euro (€ 25,000,000) divided into Twenty-Four million nine hundred and ninety-nine thousand nine hundred and ninety-nine (€24,999,999) ordinary A shares and one (1) Ordinary B share, all of Euro one (€ 1) each.

By virtue of an extraordinary resolution dated 1 December 2022, the Company issued 2,500,000 ordinary 'A' shares each at a nominal value of €1 each.

By virtue of an extraordinary resolution dated 22 September 2023, the Company increased its authorised share capital by 11,000,000 ordinary 'A' shares each at a nominal value of €1 each and issued 1,495,000 ordinary 'A' shares each at a nominal value of €1 each.

By virtue of an extraordinary resolution dated 24 November 2023, the Company issued 5,000,000 ordinary 'A' shares each at a nominal value of €1 each.

By virtue of an extraordinary resolution dated 27 March 2024, the Company increased its authorised share capital by 9,000,000 ordinary 'A' shares each at a nominal value of €1 each and issued 6,000,000 ordinary 'A' shares each at a nominal value of €1 each.

The issued share capital of the Company is divided into ordinary 'A' shares and ordinary 'B' Shares. The holders of ordinary 'A' Shares have the rights normally competent to holders of ordinary shares, including the right to receive notice, to attend and to vote at a general meeting of the Company, as well as the right to receive dividends, and to participate in the distribution of the assets of the Company at any time, in particular upon the liquidation or winding-up of the same.

The holders of the ordinary B shares have the right to receive notice and to attend any general meeting but have no right to vote at any meeting of the Company, nor have any right, at any time, to receive dividends or to participate in the distribution of assets of the Company upon liquidation and winding-up or at such other time.

10	Trade and other payables		
		2024	2023
		€	€
	Accruals	<u>5,455</u>	<u>3,180</u>

11	Administrative expenses		
		2024	2023
		€	€
	Professional fees	8,080	8,954
	Audit fee	1,500	1,400
		<u>9,580</u>	<u>10,354</u>

12	Finance costs		
		2024	2023
		€	€
	Bank charges	<u>473</u>	<u>361</u>

13 Taxation

No tax charge has been provided during the year under review in view of the losses incurred.

14 Related party

14.1 Parent Company and Ultimate Controlling Party:

TPL (Malta) Limited is fully owned by Torrent Pharmaceuticals Ltd parent company and its shareholders and associated companies are related parties.

The Ultimate holding company is Torrent Investments Private Limited, whilst the next most senior parent company that prepares consolidated financial statements is Torrent Pharmaceuticals Limited which have its registered address at Torrent House, Off Ashram Road, Ahmedabad, Gujarat, India. The consolidated financial statements are available for public use on their website.

15 Statutory information

TPL (Malta) Limited is registered in Malta as a limited liability company under the Maltese Companies Act (Cap. 386). The registered address office is Central Business Centre, Level 2, Triq Hal Tarxien, Gudja, GDJ1907, Malta.