V. P. Gupta & Co.
Chartered Accountants

Independent Auditor's Report

To the Members of Akums Healthcare Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Akums Healthcare Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

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

   The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other

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irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

7. 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

8. 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 Standards on Auditing 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of Board of 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 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;

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DELHI
Chartered Accountants

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure II, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

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

    c) The financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

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

        i. the Company does not have any pending litigations which would impact its financial position as at 31 March 2023;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

        iv.

            a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner

V. P. Gupta & Co. FRN : 000699N DELHI Chartered Accountants whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023.

For **V.P Gupta & Co.**
Chartered Accountants
Firm's Registration No.: 000699N

CA V. P. Gupta
Partner
M. No. 080557
UDIN: 23080557BGYZJA1553

Place: Delhi
Date: May 10, 2023

Annexure "I" referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of Independent Auditor's Report to the members of Akums Healthcare Limited on its financial statements as of and for the year ended 31st March 2023

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i)

a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) As explained to us, the fixed assets have been verified by the management at reasonable intervals on the basis of documentary evidence. No material discrepancies were noticed on such verification.

c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for the goods in transit. No Material discrepancies were noticed on the aforesaid verification.

iii) The Company has not made any investments or provided any guarantee or security or loans and advances in the nature of loans to companies, firms and other parties and accordingly provisions of clause 3(iii)(a) to (f) of the Order are not applicable to the Company.

(iv) The Company has not given any loans, investments, guarantees and security and hence provisions of Section 185 and 186 of the Companies Act are not applicable to the Company.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) In our opinion, the cost records have not been specified by the Central Government. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vii)

a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for a period of more than six months from the date they became payable.

b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax which are outstanding on account of any dispute.

(viii) In our opinion, there is no transaction which was not been recorded in the books of account and have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

V.P. Gupta & Co. FRN: 000699N DELHI Chartered Accountants

(ix)

a) The Company have not taken any loans and accordingly the provisions of clause 3(ix)(a), 3(ix)(c) to 3(ix)(f) of the Order are not applicable.

b) In our opinion, the Company has not been declared wilful defaulter by any bank or financial institution or other lender:

(x) The Company have not raised any money by way of initial public offer or further public offer (including debt instruments) or made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the period and accordingly the provisions of clause 3(x) of the Order are not applicable.

(xi)

a) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

b) In our opinion, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

c) In our opinion, no whistle-blower complaints, have been received during the period by the company;

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013:

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(xvii) The Company has not incurred any cash losses in the financial period and in the immediately preceding financial year;

(xviii) There has been no resignation of the statutory auditors during the period and accordingly this clause is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios and information accompanying the financial statements, our knowledge of the Board of Directors and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on

V. P. Gupta & Co.
FRN : 000699N
DELHI
Chartered Accountants

the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The provisions of Section 135 are not applicable to the Company and accordingly provisions of clause (xx)(a) and (b) of the Order are not applicable

(xxi) Consolidated financial statements are not applicable to the Company and accordingly provisions of clause (xxi) of the Order are not applicable

For **V.P Gupta & Co.**
Chartered Accountants
Firm's Registration No.: 000699N

V.P. GUPTA & CO.
FRN : 000699N
DELHI
Chartered Accountants

CA V. P. Gupta
Partner
M. No. 080557
UDIN: 23080557BGYZJA1553

Place: Delhi
Date: May 10, 2023

Annexure "II" to the independent auditor's report of even date on the financial statements of Akums Healthcare Limited

Report on the Internal Financial Controls under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of "Report on other legal and regulatory requirements" section:

We have audited the internal financial controls with reference to financial statements of **Akums Healthcare Limited** ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

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

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

V. P. Gupta & Co. FRN: 000699N DELHI Chartered Accountants

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2023, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **V.P Gupta & Co.**
Chartered Accountants
Firm's Registration No.: 000699N

V.P. Gupta & Co. FRN 000699N DELHI Chartered Accountants

CA V. P. Gupta
Partner
M. No. 080557
UDIN: 23080557BGYZJA1553

Place: Delhi
Date: May 10, 2023

Akums Healthcare Limited
CIN - U24304DL2020PLC375098
Balance Sheet as at 31 March 2023
(All amounts in ₹ unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2a	24,01,60,431	16,86,82,045
(b) Right-of-use assets	41	17,00,79,053	10,79,64,517
(c) Capital work-in-progress	2b	19,72,73,626	9,31,64,434
(d) Intangible assets	2c	3,12,042	3,97,642
(e) Financial assets			
(i) Others financial assets	3	46,20,644	33,63,269
(f) Non-current tax assets (net)	4	50,71,145	1,97,471
(g) Other non-current assets	5	11,39,02,808	22,23,980
Total non-current assets		**73,14,19,749**	**37,59,93,359**
(2) Current assets			
(a) Inventories	6	1,16,13,738	2,46,62,972
(b) Financial assets			
(i) Trade receivables	7	2,77,19,657	66,59,690
(ii) Cash and cash equivalents	8	1,08,48,784	33,70,130
(c) Other current assets	9	4,54,67,089	2,33,02,464
Total current assets		**9,56,49,268**	**5,79,95,255**
(3) Assets held for sale	10	-	27,55,26,506
Total assets		**82,70,69,017**	**70,95,15,120**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11a	10,00,000	10,00,000
(b) Instrument entirely in nature of equity	11b	62,25,680	-
(c) Other equity	12	55,87,73,875	(5,49,37,569)
Total equity		**56,59,99,555**	**(5,39,37,569)**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	19,09,51,473	72,78,39,313
(ii) Other financial liabilities	14	2,82,574	10,16,041
(b) Provisions	15	42,18,941	6,85,088
Total non-current liabilities		**19,54,52,988**	**72,95,40,442**
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	16		
Total outstanding dues to micro and small enterprises; and		85,94,297	-
Total outstanding dues of creditors other than micro and small enterprises		2,39,18,704	2,58,79,063
(ii) Other financial liabilities	17	3,11,86,658	66,00,332
(b) Other current liabilities	18	17,56,487	14,06,210
(c) Provisions	19	1,60,328	26,642
Total current liabilities		**6,56,16,474**	**3,39,12,247**
Total equity and liabilities		**82,70,69,017**	**70,95,15,120**

Summary of significant accounting policies and other explanatory information 1-41

This is the Balance Sheet referred to in our report of even date

For V.P. Gupta &Co.
Chartered Accountants
Firm Registration No.000699N

CA V.P. Gupta
Partner
Membership No.080557
UDIN: 23080557BGYZJA1553

For and on behalf of Board of Directors of
Akums Healthcare Limited

Dharamvir Malik
Director
DIN: 06758188

Rama Shanker
Director
DIN: 06932049

Place : New Delhi
Date : 10 May 2023

Akums Healthcare Limited
CIN - U24304DL2020PLC375098
Statement of profit and loss for the year ended 31 March 2023
(All amounts in ₹ unless otherwise stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	20	10,10,10,742	68,65,983
Other income	21	2,20,71,836	19,72,235
Total Income		**12,30,82,578**	**88,38,218**
EXPENSES			
Cost of materials consumed		8,18,54,423	46,56,928
Change in inventories of finished goods and work-in-progress	22	6,09,248	(9,90,647)
Employee benefits expense	23	6,79,10,397	1,00,10,143
Other expenses	24	8,31,07,962	1,35,61,635
Total		**23,34,82,030**	**2,72,38,059**
Earnings before interest, depreciation & amortization and tax (EBITDA)		(11,03,99,452)	(1,83,99,841)
Finance costs	25	4,85,32,001	2,81,99,739
Depreciation and amortization	26	1,89,29,621	60,35,325
Loss before tax		**(17,78,61,074)**	**(5,26,34,905)**
Tax expenses:			
Income Tax			
Current year		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		**(17,78,61,074)**	**(5,26,34,905)**
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Re-measurement gains/(losses) on defined benefit plans		(22,01,682)	-
Tax effect relating to these items		-	-
Total other comprehensive income/ (loss), net of tax		**(22,01,682)**	-
Total comprehensive income [comprising of profit/ (loss) for the year and other comprehensive income/ (loss) for the year]		**(18,00,62,756)**	**(5,26,34,905)**
Earnings per equity share of ₹ 10 (31 March 2022: ₹ 10) each			
Basic and diluted	27	(1,778.61)	(526.35)

Summary of significant accounting policies and other explanatory information 1-41

This is the statement of profit and loss referred to in our report of even date

For V.P. Gupta & Co.
Chartered Accountants
Firm Registration No.000699N

CA V.P. Gupta
Partner
Membership No.080557
UDIN: 23080557BGYZJA1553

For and on behalf of Board of Directors of
Akums Healthcare Limited

Dharamvir Malik
Director
DIN: 06758188

Rama Shanker
Director
DIN: 06932049

Place : New Delhi
Date : 10 May 2023

Akums Healthcare Limited
CIN - U24304DL2020PLC375098
Statement of changes in equity for the year ended 31 March 2023
(All amounts in ₹ unless otherwise stated)

a. Equity share capital

Particulars	No. of shares	Amount
As at 1 April 2021	1,00,000	10,00,000
Changes in equity share capital	-	-
As at 31 March 2022	1,00,000	10,00,000
Changes in equity share capital	-	-
As at 31 March 2023	**1,00,000**	**10,00,000**

b. Instruments entirely in nature of equity

Particulars	No. of shares	Amount
As at 1 April 2021	-	-
Changes in OCRPS	-	-
As at 31 March 2022	-	-
Changes in OCRPS	6,22,568	62,25,680
As at 31 March 2023	**6,22,568**	**62,25,680**

c. Other equity

Particulars	Other equity		Total
	Security Premium	Retained earnings	
Balance as at 1 April 2021	-	(23,02,664)	(23,02,664)
Add: (loss) for the year	-	(5,26,34,905)	(5,26,34,905)
Add: Other comprehensive income for the year, net of tax - Remeasurement of defined benefit plans	-	-	-
Balance as at 31 March 2020/ 1 April 2022	-	**(5,49,37,569)**	**(5,49,37,569)**
Add: (loss) for the year	-	(17,78,61,074)	(17,78,61,074)
Add: Other comprehensive income for the year, net of tax			-
- Remeasurement of defined benefit plans	-	(22,01,682)	(22,01,682)
Add: Security Premium on issue of OCRPS	79,37,74,200	-	79,37,74,200
Balance as at 31 March 2023	**79,37,74,200**	**(23,50,00,325)**	**55,87,73,875**

Summary of significant accounting policies and other explanatory information 1-41

This is the statement of change in equity referred to in our report of even date

For V.P. Gupta &Co.
Chartered Accountants
Firm Registration No.000699N

V.P. Gupta & Co. FRN: 000699N DELHI Chartered Accountants

CA V.P. Gupta
Partner
Membership No.080557
UDIN: 23080557BGYZJA1553

For and on behalf of Board of Directors of
Akums Healthcare Limited

Dharamvir Malik
Director
DIN: 06758188

Rama Shanker
Director
DIN: 06932049

Place : New Delhi
Date : 10May 2023

Akums Healthcare Limited
CIN - U24304DL2020PLC375098
Statement of cash flow for the year ended 31 March 2023
(All amounts in ₹ unless otherwise stated)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities			
Net (loss) before tax		**(17,78,61,074)**	**(5,26,34,905)**
Adjustments for:			
Depreciation and amortization		1,89,29,621	60,35,325
Diminution in the value of loans given			
(Profit)/ Loss on sale of property, plant and equipment		-	(1,254)
Profit on sale of investment		-	-
Interest expense		4,85,32,001	2,81,99,739
Interest income		(1,28,994)	(76,575)
Rental income		(2,16,71,250)	(18,75,806)
Operating profit before working capital changes		**(13,21,99,696)**	**(2,03,53,476)**
Adjustments for movement in working capital changes:			
Inventories		1,30,49,234	(2,46,62,972)
Trade receivables		(2,10,59,967)	(66,59,690)
Other financial assets		(12,57,375)	(22,86,499)
Other assets - current and non current		(2,21,64,625)	(2,33,01,697)
Trade payables		66,33,939	2,57,38,259
Other financial liabilities		42,83,938	22,30,091
Provisions		14,65,857	7,11,730
Other liabilities		(3,83,190)	22,15,088
Cash flow generated from operations (gross)		**(15,16,31,885)**	**(4,63,69,166)**
Less: taxes paid (net)		(48,73,674)	(1,97,471)
Net cash flow generated from/ (used in) operating activiti	**(A)**	**(15,65,05,559)**	**(4,65,66,637)**
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment)		(27,96,99,045)	(44,69,83,535)
Proceeds from sale of property plant and equipment		27,11,52,200	4,12,000
Interest received		1,28,994	76,575
Rent received		2,16,71,250	18,75,806
Net cash flow (used in) investing activities	**(B)**	**1,32,53,399**	**(44,46,19,154)**
C. Cash flow from financing activities			
Proceeds from issue of shares/OCRPS		79,99,99,880	-
Proceed from borrowings		58,81,12,160	56,51,62,576
(Repayment of) borrowings		(1,12,50,00,000)	(2,00,00,000)
Payment of lease liabilities		(6,38,49,225)	(2,50,62,119)
Interest paid		(4,85,32,001)	(2,58,42,427)
Net cash flow generated from financing activities	**(C)**	**15,07,30,814**	**49,42,58,030**
Net increase/ (decrease) in cash and cash equivalents	**(A+B+C)**	**74,78,654**	**30,72,240**
Cash and cash equivalents at the beginning of the year (refer note 12a)		33,70,130	2,97,890
Cash and cash equivalents at the end of the year (refer note 12a)		**1,08,48,784**	**33,70,130**

Components of cash and cash equivalents are as below:

	Year ended 31 March 2023	Year ended 31 March 2022
Balance with scheduled banks		
in current accounts	1,08,48,784	33,70,130
in deposit accounts with original maturity of less than 3 months		-
Cash on hand	-	-
	1,08,48,784	**33,70,130**

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Akums Healthcare Limited
CIN - U24304DL2020PLC375098
Statement of cash flow for the year ended 31 March 2023
(All amounts in ₹ unless otherwise stated)

Disclosures as required in terms of Amendment to Ind AS 7 'Statement of cash flows' related to the change in financial liabilities arising from financing activity is as below

Particulars	Borrowings	Total
Net debt as on 1 April 2021	17,88,82,000	17,88,82,000
Cash flows		
Repayments	56,51,62,576	56,51,62,576
Proceeds from issue of financial instrument	(2,00,00,000)	(2,00,00,000)
Non cash changes		-
Interest Accrued but not due	37,94,737	37,94,737
Put option measurement/ fair value changes (refer note 18.1)	-	-
Balance as on 31 Mach 2022	**72,78,39,313**	**72,78,39,313**
Cash flows		
Proceeds		
Repayments	58,71,60,687	58,71,60,687
Proceeds from issue of financial instrument	(1,12,50,00,000)	(1,12,50,00,000)
Non cash changes		
Interest Accrued but not due	9,51,473	9,51,473
Put option measurement/ fair value changes (refer note 18.1)	-	-
Balance as on 31 March 2023	**19,09,51,473**	**19,09,51,473**

Summary of significant accounting policies and other explanatory information 1-41

This is the Statement of cash flows referred to in our report of even date.

For V.P. Gupta & Co.
Chartered Accountants
Firm Registration No.000699N

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CA V.P. Gupta
Partner
Membership No.080557
VDIN: 23080557BGYZJA1553

For and on behalf of Board of Directors of
Akums Healthcare Limited

Dharamvir Malik
Director
DIN: 06758188

Rama Shanker
Director
DIN: 06932049

Place : New Delhi
Date : 10 May 2023

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Akums Healthcare Limited
CIN - U24304DL2020PLC375098
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

1 Company overview and summary of significant accounting policies

1.1 Company overview

Akums Healthcare Limited (the 'Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Delhi.

The Company is engaged in contract manufacturing which involves manufacturing of pharmaceutical formulations and specializes in developing new formulations, undertaking bio equivalence studies, clinical trials, obtaining Drug Controller General of India's (DCGI) approval for manufacturing and marketing new Fixed Dose Combinations (FDCs) & molecules and thereby offering new formulations with Company's own technology to its customers under their brand names.

1.2 Basis of preparation

These financial statement ('financial statement') of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared under the historical cost convention basis except for certain financial assets and liabilities which are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs in two decimals as per the requirement of Schedule III to the Act, unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements of the Company for the year ended 31 March 2023 were approved and authorised for issue by Board of Directors in their meeting held on .... The Board of Directors can permit revisions to these financial statements after obtaining necessary approvals or at the instance of regulatory authorities, as per provisions of the Act.

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in the standalone financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to newly effective Ind AS.

The 'Ministry of Corporate Affairs ('MCA') notifies new accounting standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from 1 April 2021.

1.3 Use of judgment, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, 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 assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions

The Company based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements and key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Significant management judgement in applying accounting policies and estimation uncertainty

a) **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

b) **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

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Significant management judgement in applying accounting policies and estimation uncertainty

c) **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of Company's plant and equipment.

d) **Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

e) **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

f) **Contingent liabilities** – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

1.4 Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis if any, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method. The following useful life of assets has been taken by the Company:

Asset class	Useful lives
Buildings	30 years
Plant and equipments	15 years
Furniture and fittings	10 years
Vehicles	8/10 years
Office equipment	5 years
Computers	3/6 years
Research and development equipments	10 years
Electrical installation	10 years
Pollution control equipments	15 years

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

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De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

1.5 Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Subsequent measurement (amortisation)

All intangible assets are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The cost thereof is amortized over a period of 5 years. The amortization period and the amortization method for intangible assets are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Revenue expenditure on research is recognised as expense in the year in which it is incurred and are included with the respective nature of account heads in the standalone statement of profit and loss.

Capital expenditure on research is shown as addition to property, plant and equipment and depreciation is computed in a manner prescribed for property, plant and equipment.

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognized.

The Company classifies asset as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale, if the Management expects to complete the sale within one year from the date of classification.
Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell.

1.6 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognizes the difference between the fair value at initial recognition and the transaction price as a gain or loss.

- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognizes that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

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Subsequent measurement of financial assets and financial liabilities is described below.
Non-derivative financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

(i) **Financial assets at amortized cost** – a financial instrument is measured at amortized cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method.

(ii) **Financial assets at fair value**

Investments in equity instruments other than above – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Company also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

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

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1.7 Fair value measurement

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

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.8 Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss for financial assets carried at amortized cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

The Company writes off trade receivables after it is established beyond doubt that the account is uncollectible. Financial assets that are written-off are still subject to enforcement activity by the Company.

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1.8 Impairment of financial assets

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

1.9 Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

1.10 Provisions and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for:

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

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

1.11 Operating expenses

Operating expenses are recognised in the standalone statement of profit or loss upon utilisation of the service or as incurred.

1.12 Foreign currency transactions and translations

i. Initial recognition

The Company's standalone financial statements are presented in Indian Rupee ('INR'), which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

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1.12 Foreign currency transactions and translations

ii. Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

iii. Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

1.13 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.14 Taxes

Current income-tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Current income-tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred tax assets are reviewed at each balance sheet date and derecognized to the extent it is no longer probable that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax ('MAT') credit is recognized as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of profit and loss and presented as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not probable that the Company will pay normal income tax during the specified period.

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1.15 Employee benefits

The Company provides post-employment benefits through various defined contribution and defined benefit plans:

Defined contribution plans

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

Defined benefit plans

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering services (such as, salaries, wages, short-term compensated absences, performance incentives, expected cost of bonus, ex-gratia, etc.) are classified as short-term employee benefits. Expense in respect of short-term employee benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred. The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits; and
- when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

1.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and on hand and bank deposit with banks where original maturity is three months or less.

1.17 Inventories

Inventories include raw material, stores and spares, finished goods, work in progress and packing material.

Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

(i) Raw materials and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost includes direct expenses and is determined on the basis of weighted average method. Cost of raw materials and packing materials is computed on weighted average basis.

(ii) Stores and spares - at cost or net realisable value, whichever is less. Cost is computed on weighted average basis.

(iii) Work in progress - includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

(iv) Finished goods - includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for expired stock and slow moving inventory , if required is made based on management's best estimates of net realisable value of such inventories.

1.18 Revenue recognition

The five step model of Ind AS 115 - 'Revenue from Contracts from Customers' is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:
• Step 1: Identify the contract with the customer
• Step 2: Identify the performance obligations in the contract
• Step 3: Determine the transaction price
• Step 4: Allocate the transaction price to the performance obligations
• Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

- Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer (usually on dispatch of the goods from the factory) which coincides with the performance obligation under the contract with the customer.

- Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer.

Revenue also excludes goods and service tax (GST) collected from customers, since GST not received by the Company on its own account. Rather, it is collected tax on value added to the commodity/services by the seller, on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Accordingly, it is excluded from revenue. Revenue from the sale of goods is net of returns.

1.19 Other income

Other income is comprised primarily of interest income, exchange gain/loss on translation of other assets and liabilities.

Interest
Interest income is recognised as and when due on the time proportion basis by using effective interest method. Interest income is included under the head "other income" in the standalone statement of profit and loss.

1.20 Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.21 Leases

The Company as a lessee
The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortization and impairment losses.

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The Company as a lessee
Right-of-use assets are amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the standalone Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor
Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition:
Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our balance sheet for year ended 31 March 2019.
On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and a lease liability. The effect of this adoption is insignificant on the profit before tax, net profit for the year and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:
1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

1.22 Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company operates in a single segment of production of pharmaceuticals and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed by the Company under note no 46.

The board of directors of the Company has been identified as being the chief operating decision maker by the management of the Company.

1.23 Earnings before interest, tax, depreciation and amortization (EBITDA)
The Company presents EBITDA in the statement of profit and loss; this is not specifically required by Ind AS 1 or defined under Ind AS. Schedule III to the Act allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/ sector-specific disclosure requirements or when required for compliance with the amendments to the Act or under Ind AS.

Measurement of EBITDA
Accordingly, the Company has elected to present earnings before interest, tax, depreciation and amortization ('EBITDA') as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss). In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

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2a. Property, plant and equipment

Particulars	Property, plant and equipment									
	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipment	Computers	Research and development equipments	Electrical installation	Pollution control equipments	Total
Gross Block										
Balance as at 1 April 2021	9,45,58,990	-	-	-	-	-	-	-	-	9,45,58,990
Additions	1,95,26,209	4,19,82,093	15,36,361	2,30,363	85,13,163	27,20,323	41,502	54,50,357	10,484	8,00,10,855
Disposals/ adjustments	-	(4,18,186)	-	-	(15,700)	-	-	-	-	(4,33,886)
Balance as at 31 March 2022/ 1 April 2022	**11,40,85,199**	**4,15,63,907**	**15,36,361**	**2,30,363**	**84,97,463**	**27,20,323**	**41,502**	**54,50,357**	**10,484**	**17,41,35,959**
Additions	1,32,82,181	6,44,20,140	14,22,452	43,719	36,02,069	21,51,284	68,34,016	1,13,40,466	61,542	10,31,57,869
Disposals/ adjustments	-	(70,41,874)	(18,461)	(87,799)	(71,70,586)	-	(20,536)	(2,76,326)	-	(1,46,15,582)
Balance as at 31 March 2023	**12,73,67,380**	**9,89,42,173**	**29,40,352**	**1,86,283**	**49,28,946**	**48,71,607**	**68,54,982**	**1,65,14,497**	**72,026**	**26,26,78,246**
Accumlated depreciation										
Balance as at 1 April 2021	4,83,589	-	-	-	-	-	-	-	-	4,83,589
Charge for the year	35,33,369	5,03,277	4,27,537	-	2,08,762	1,61,411	3,611	1,54,216	1,282	49,93,465
Reversal of disposal	-	(22,494)	-	-	(646)	-	-	-	-	(23,140)
Balance as at 31 March 2022/ 1 April 2022	**40,16,958**	**4,80,783**	**4,27,537**	-	**2,08,116**	**1,61,411**	**3,611**	**1,54,216**	**1,282**	**54,53,914**
Charge for the year	47,34,508	70,77,366	5,27,967	-	8,12,383	8,29,386	5,06,512	26,07,446	13,764	1,71,09,332
Reversal of disposal	-	-	-	-	-	-	-	(45,431)	-	(45,431)
Balance as at 31 March 2023	**87,51,466**	**75,58,149**	**9,55,504**	-	**10,20,499**	**9,90,797**	**5,10,123**	**27,16,231**	**15,046**	**2,25,17,815**
Net block										
As at 31 March 2022	**11,00,68,241**	**4,10,83,124**	**11,08,824**	**2,30,363**	**82,89,347**	**25,58,912**	**37,891**	**52,96,141**	**9,202**	**16,86,82,045**
As at 31 March 2023	**11,86,15,914**	**9,13,84,024**	**19,84,848**	**1,86,283**	**39,08,447**	**38,80,810**	**63,44,859**	**1,37,98,266**	**56,980**	**24,01,60,431**

Notes:

(II). Refer note 30 for disclosures of contractual commitments for the acquisition of property, plant and equipment.

2b. Ageing of capital work-in-progress

31 March 2023

Particulars	Ageing				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Building	13,22,33,862	-	-	-	13,22,33,862
Plant and equipments	3,49,88,026	3,00,51,738	-	-	6,50,39,764
	16,72,21,888	3,00,51,738	-	-	19,72,73,626

31 March 2022

Particulars	Ageing				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Building	4,25,90,875	-	-	-	4,25,90,875
Plant and equipments	3,78,09,419	-	-	-	3,78,09,419
Others	1,27,64,140	-	-	-	1,27,64,140
	9,31,64,434	-	-	-	9,31,64,434

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2c. Intangible assets

Particulars	Software	Total
Gross carrying value		
Opening balance as at 1 April 2021	-	-
Additions during the year	4,28,000	4,28,000
Closing balance as at 31 March 2022/ 1 April 2022	**4,28,000**	**4,28,000**
Additions during the year	-	-
Closing balance as at 31 March 2023	**4,28,000**	**4,28,000**
Amortisation		
Accumulated as at 1 April 2021	-	-
Charge for the year	30,358	30,358
Balance as on 31 March 2022/ 1 April 2022	**30,358**	**30,358**
Charge for the year	85,600	85,600
Balance as on 31 March 2023	**1,15,958**	**1,15,958**
Net carrying value		
As at 31 March 2022	3,97,642	3,97,642
As at 31 March 2023	**3,12,042**	**3,12,042**

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Particulars	As at 31 March 2023	As at 31 March 2022
3. Other financial assets		
Security deposits	46,20,644	33,63,269
	46,20,644	**33,63,269**
4. Non-current tax assets		
Advance income-tax (net of provision)	50,71,145	1,97,471
	50,71,145	**1,97,471**
5. Other non-current assets		
Unsecured, considered good		
Capital advances	11,39,02,808	22,23,980
	11,39,02,808	**22,23,980**
6. Inventories		
(mode of valuation refer note 1.17 on inventories)		
Raw materials		
on hand	21,49,482	1,46,97,358
in transit	-	64,330
Packing materials		
on hand	33,05,021	19,26,375
in transit	10,977	51,650
Work in progress	2,52,142	-
Finished goods	1,29,257	9,90,647
Stores and spares		
on hand	54,42,657	65,31,104
in transit	3,24,202	4,01,508
	1,16,13,738	**2,46,62,972**
7. Trade receivables		
Trade receivables -considered good(secured)	-	-
Trade receivables-considered good (unsecured)	2,77,19,657	66,59,690
Trade receivables-which have significant increase in credit risk	-	-
	2,77,19,657	**66,59,690**
Dues from related party (refer note 33 and 35)	49,79,180	-
8. Cash and cash equivalents		
Balance with scheduled banks		
in current accounts	1,08,48,784	33,70,130
	1,08,48,784	**33,70,130**

Refer note 43 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

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Particulars	As at 31 March 2023	As at 31 March 2022
9. Other current assets		
Unsecured, considered good		
Advance to suppliers and others	3,30,641	3,03,309
Prepaid expenses	11,05,669	1,51,463
Balance with statutory authorities	4,40,30,779	2,28,47,692
	4,54,67,089	**2,33,02,464**
10. Assets held for sale		
Land and Building (refer note below)	-	27,55,26,506
	-	**27,55,26,506**

Note:
The management vide board resolution dated 14th March 2022 approved to sell off the Land and Building located at Plot No. 1A, Sector-10, Integrated Industrial Estate, SIDCUL, Village Selampur Mehdood, Ranipur, Haridwar, Uttarakhand -249403. In current year the sale has been concluded and the land and building shown as assets held for sale in previous year has been sold. The resultant profit & loss has been shown in the statement of profit & loss. The Land and building has been sold to Akome lifecare private limited during the year (refer note 33) . Accordingly, in terms of Ind AS 105 - 'Non-current assets held for sale and discontinuing operations', the Land and Building situated at Ranipur, Haridwar was presented as 'Assets held for sale' separately from other assets in the balance sheet of previous year. The carrying value of asset held for sale as on the date of agreement did not exceeded the fair value less cost to sell and hence there was no impairment loss recognised in the statement of profit and loss account.

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Particulars	As at 31 March 2023	As at 31 March 2022
11. (a) Equity share capital		
Authorized		
100,000 (31 March 2022: 100,000) equity shares of ₹ 10 (31 March 2022: ₹ 10) each	10,00,000	10,00,000
Issued, subscribed and fully paid up		
100,000 (31 March 2022: 100,000) equity shares of ₹ 10 (31 March 2022: ₹ 10) each	10,00,000	10,00,000
	10,00,000	**10,00,000**
11. (b) Instruments entirely in nature of equity		
Authorized		
650,000 (31 March 2022: 0) optionally convertible reedeemable prefrence shares of ₹ 10 each	65,00,000	-
Issued, subscribed and fully paid up		
622,568 optionally convertible reedeemable prefrence shares of ₹ 10 each	62,25,680	-
	62,25,680	**-**

11.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000
Add: Issued during the year	-	-	-	-
At the end of the year	**1,00,000**	**10,00,000**	**1,00,000**	**10,00,000**

11.2 Reconciliation of instruments entirely in nature of equity outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	-	-
Add: Issued during the year	6,22,568	62,25,680	-	-
At the end of the year	**6,22,568**	**62,25,680**	**-**	**-**

11.3 Terms/rights attached to equity shares

The Company has only one class of equity shares having face value of ₹ 10 per share. Each equity shareholder is entitled to one vote per share.

In the event of winding up of the Company, the equity shareholders will be entitled to be repaid remaining assets of the Company, after distribution of all preferential amounts, in the ratio of the amount of capital paid on such equity shares.

11.4 Terms/rights attached to OCRPS

The Company has only one class of prefrence shares (Optionally convertible reedeemable prefrence share) having face value of ₹ 10 per share. Prefrence share will carry preferential right via-a-via equity share of the company with respect to payment of dividend and repayment in case of winding up or repayment of capital of the company.Dividend should be paid to these share holders on a non cumalative basis @ 0.0001% or such other rate as prescribed by the board.

Each OCRPS shall either be reedemed @ ₹ 10 per share or converted into (One) equity share of ₹ 10 each.These OCRPS hold voting rights as per the provisions of the Companies Act, 2013

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11.5 Details of shareholders holding more than 5% shares in the Company*

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% Holding	No. of shares	% Holding
Equity Shares				
Akums Drugs and Pharmaceuticals Ltd and its nominees#	1,00,000	100.00%	1,00,000	100.00%
Optionally Convertible Reedemable Prefrence Share				
Pure & Cure Healthcare Limited	6,22,568	100.00%	-	100.00%

promoters of the Company. There has been no change during the year in the number of shares held by them from the preceding year.

**As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.*

11.6 No shares have been issued as bonus shares or issued for consideration other than cash or bought back during the period of five years immediately preceding the reporting date.

11.7 No shares have been reserved for issue under options.

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Particulars	As at 31 March 2023	As at 31 March 2022
12. Other equity		
(a) Retained earnings		
Balance as per last financial statements	(5,49,37,569)	(23,02,664)
Add: Profit/ (loss) for the year	(17,78,61,074)	(5,26,34,905)
Add: Other comprehensive income for the year		
- Remeasurement of defined benefit plans	(22,01,682)	-
Balance as at end of the year	**(23,50,00,325)**	**(5,49,37,569)**
(b) Security Premium		
Add: Security Premium on issue of OCRPS	79,37,74,200	-
Total	**55,87,73,875**	**(5,49,37,569)**

Nature of reserves
The description of nature and purpose of each of the above reserve within equity is as under:

1.Retained earnings
Retained earnings are the profits that the Company has earned till date and not distributed. Retained earnings is a free reserve available to the Company.

2.Security Premium
Securities premium account is used to record premium received on issue of instruments entirely in nature of equity. The account is utilised in accordance with the provisions of the Companies Act, 2013.

Particulars	As at 31 March 2023	As at 31 March 2022
13. Borrowings		
Term Loan		
Unsecured		
Loan from related party	19,09,51,473	72,78,39,313
	19,09,51,473	**72,78,39,313**

Note:
The loan from related party include the unsecured loan taken from holding company carrying an interest rate of 7.5% p.a. (effective 1 October 2022 and 7% from1 April 2022 to 30 September 2022) (31 March 2022: 7% p.a.) and is repayable after 2025.

Particulars	As at 31 March 2023	As at 31 March 2022
14. Other financial liabilities		
Security deposit received		
from customers	2,82,574	10,000
from others	-	10,06,041
	2,82,574	**10,16,041**
15. Provisions		
Provision for employee benefits		
Gratuity (refer note 32)	31,64,782	1,27,695
Compensated absences (refer note 32)	10,54,159	5,57,393
	42,18,941	**6,85,088**

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Particulars	As at 31 March 2023	As at 31 March 2022
16. Trade payables		
Total outstanding dues of micro and small enterprises (ref note 34): and	85,94,297	-
Total outstanding dues of creditors other than micro and small enterprises	2,39,18,704	2,58,79,063
	3,25,13,001	**2,58,79,063**
Dues to related parties (refer to note 32)	1,00,72,689	3,39,635

Refer note 34 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile

Refer note 34 for disclosure in respect of ageing of the above payables.

Particulars	As at 31 March 2023	As at 31 March 2022
17. Other financial liabilities		
Employee payables	65,14,032	22,30,094
Payable for property, plant and equipment	2,46,72,626	43,70,239
	3,11,86,658	**66,00,332**
18. Other current liabilities		
Advance from customers	1,50,696	3,61,953
Statutory dues payable	16,05,791	10,44,257
	17,56,487	**14,06,210**
19. Provisions		
Provision for employee benefits		
Gratuity (refer note 31)	47,049	514
Compensated absences (refer note 31)	1,13,279	26,128
	1,60,328	**26,642**

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Particulars		Year ended 31 March 2023	Year ended 31 March 2022
20. Revenue from operations			
Sale of finished products		7,08,62,926	63,16,563
Sale of other products		2,53,97,696	1,530
		9,62,60,622	**63,18,093**
Other operating revenues			
Testing charges and others		1,31,500	16,000
Sale of scraps		46,18,620	5,31,890
		10,10,10,742	**68,65,983**
Refer Note 33 in terms of disclosures required under Ind AS 115			
21. Other income			
Foreign currency translations		-	18,600
Rental income		2,16,71,250	18,75,806
Profit on sale of property, plant and equipment		-	1,254
Miscellaneous income		4,00,586	76,575
		2,20,71,836	**19,72,235**
22. Change in inventory of finished goods			
Opening stock			
Finished goods		9,90,647	-
Work-in-progress		-	-
	(A)	**9,90,647**	**-**
Less: Closing stock			
Finished goods		1,29,257	9,90,647
Work in progress		2,52,142	-
	(B)	**3,81,399**	**9,90,647**
Change in inventory of finished goods (A-B)		**6,09,248**	**(9,90,647)**
23. Employee benefits expense			
Salaries, wages and bonus		6,20,50,963	83,34,087
Contributions to provident and other funds (refer note 31)		27,19,192	5,40,768
Staff welfare expense		31,40,242	11,35,288
		6,79,10,397	**1,00,10,143**

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V.P. Gupta & Co. Chartered Accountants FRN : 000699N DELHI

Akums Healthcare Limited
CIN - U24304DL2020PLC375098

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
24. Other expenses		
Consumption of stores and spare parts	88,92,050	6,19,932
Power and fuel	2,97,64,559	42,11,343
Rent	18,51,530	1,53,589
Repairs and maintenance		
Buildings	86,67,939	1,22,633
Plant & Machinery	99,13,302	-
Others	90,53,022	28,93,330
Printing and stationery	7,14,149	3,20,246
Travelling expense	1,48,535	40,248
Vehicle running expense	6,58,251	4,83,301
Fees and subscription	7,33,191	3,09,415
Legal and professional expenses	6,34,411	1,30,475
Security expenses	54,20,452	39,80,604
Payment to auditors (refer note 30)	27,000	5,000
Insurance Expenses	2,12,655	-
Miscellaneous expenses	64,16,916	2,91,521
	8,31,07,962	**1,35,61,635**
25. Finance costs.		
Interest on loan taken from related party	4,85,18,773	2,81,99,739
Interest on income-tax	13,228	-
	4,85,32,001	**2,81,99,739**
26. Depreciation and amortisation expense		
Depreciation on property, plant and equipment	1,71,09,332	49,93,465
Amortization of right-of-use assets (refer note 41)	17,34,689	10,11,502
Amortization of intangible assets	85,600	30,358
	1,89,29,621	**60,35,325**

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27 Earning per equity share (EPS)

Profit/ (loss) attributable to equity shareholders (₹)	**(17,78,61,074)**	**(5,26,34,905)**
Total number of equity shares outstanding at the end of the year	1,00,000	1,00,000
Weighted average number of equity shares in calculating basic and diluted EPS	1,00,000	1,00,000
Nominal value per share (₹)	10	10
Basic and diluted EPS (₹)	**(1,778.61)**	**(526.35)**

28 Contingent liabilities and litigations

There is no contingent liability or pending litigation as on date of balance sheet

29 Capital and other commitments

	Year ended 31 March 2023	Year ended 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	46,22,82,687	1,75,08,232

30 Payment to auditor

(a) as auditor	25,000	5,000
(b) for reimbursement of expenses	2,000	-
	27,000	**5,000**

31 Employees benefits

A Defined contribution plan

The amount recognised as expense towards contribution to defined contribution plans for the

	Year ended 31 March 2023	Year ended 31 March 2022
Company's contribution to Provident Fund	25,69,679	5,12,078
Company's contribution to Employees' State Insurance Scheme	1,49,513	28,690
	27,19,192	**5,40,768**

B Defined benefit plan - Gratuity

(i) Present value of defined benefit obligation as at the end of the year

	Year ended 31 March 2023	Year ended 31 March 2022
Non-current	31,64,782	1,27,695
Current	47,049	514
	32,11,831	**1,28,209**

(ii) Movement in the present value of defined benefit obligation recognised in the

	Year ended 31 March 2023	Year ended 31 March 2022
Present value of the obligation as at the beginning of the year	**1,28,209**	-
Service cost	8,72,735	1,28,209
Interest cost	9,205	-
Benefits paid	-	-
Actuarial gain/ (loss) recognised during the year in other comprehensive income	(22,01,682)	-
Present value of the obligation as at end of the year	**32,11,831**	**1,28,209**

(iii) Expense recognised in the statement of profit and loss consists of:

	Year ended 31 March 2023	Year ended 31 March 2022
Service cost	8,72,735	1,28,209
Interest cost	9,205	-
Net impact on profit before tax	8,81,940	1,28,209
Actuarial gain/ (loss) recognised during the year in other comprehensive income	(22,01,682)	-
Amount recognised in total comprehensive income	**30,83,622**	**1,28,209**

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(v) Change in fair value of plan assets

There are no plan assets against the aforesaid liability. Therefore, the return of change in fair value of plan assets is not given.

(vi) Actuarial assumptions

Discount rate (per annum)	7.18%	7.18%
Future salary increase (per annum)	5.50%	5.50%
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)

Notes:

- The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(vii) Sensitivity analysis for gratuity liability	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Impact of change in discount rate		
Present value of obligation at the end of the year	32,11,831	1,28,209
- Impact due to increase of 0.5 %	(1,21,411)	(7,210)
- Impact due to decrease of 0.5 %	1,30,482	7,865
Impact of change in salary increase		
Present value of obligation at the end of the year	32,11,831	1,28,209
- Impact due to increase of 0.5 %	1,32,221	7,960
- Impact due to decrease of 0.5 %	(1,24,041)	(7,349)

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defind benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

(viii) Maturity profile of defined benefit obligation (discounted)	**Year ended 31 March 2023**	**Year ended 31 March 2022**
Within next 12 months	47,049	514
Between 1-5 years	15,39,991	17,975
Beyond 5 years	16,24,791	1,09,720
	32,11,831	**1,28,209**

C Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Remeasurement as a result of experience adjustments and changes in the actuarial assumption are recognised in the standalone statement of profit and loss.

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32 Related party disclosures

In accordance with Ind AS-24 on related party disclosures where control exist and where transactions in ordinary course of business have taken place and description of the relationships as identified and certified by the management are as follows:

I. Relationships

Name of entity

(a) Holding company

Akums Drugs and Pharmaceuticals Limited

(b) Key management personnel (KMP)

Name	Designation
Mr. Dharamvir Malik	Non Executive Director
Mr. Rama Shanker	Non Executive Director
Mr. Samandar Singh Dhakad	Non Executive Director (Joined w.e.f. 26.08.2021)
Mr. Vinod Raheja	Non Executive Director (resigned w.e.f. 22.12.2021)

 # as per Companies Act, 2013

c) Fellow subsidiaries and Associates*

Maxcure Nutravedics Limited
Sarvagunaushdhi Private Limited
Malik Lifesciences Private Limited
Pure and Cure Healthcare Private Limited
Akome Lifecare Private Limited
Akums Drugs & Pharmaceuticals Ltd.
Akumentis Healthcare Limited
Burroughs Welcome Pharmacia Pvt Ltd
Upadhrish Reserchem LLP
Plenteous Pharmaceuticals Limited

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Chartered Accountants

Akums Healthcare Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ unless otherwise stated)

II Summary of related party transactions-

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a)	**Transactions during the year**		
	Inter-corporate loan taken:		
	Akums Drugs and Pharmaceuticals Limited	59,09,55,424	56,51,62,576
	Inter-corporate loan repaid		
	Akums Drugs and Pharmaceuticals Limited	1,12,50,00,000	2,00,00,000
	Interest expense		
	Akums Drugs and Pharmaceuticals Limited	4,85,18,773	2,81,93,845
	OCRPS issued		
	Pure and Cure Healthcare Private Limited	79,99,99,880	-
	Sales of goods and others		
	Akome Lifecare Private Limited	41,215	-
	Akumentis Healthcare Limited	28,97,559	
	Akums Drugs and Pharmaceuticals Limited	1,26,06,476	3,97,830
	Burroughs Welcome Pharmacia Pvt Ltd	6,19,515	
	Pure and Cure Healthcare Private Limited	1,02,32,971	-
	Upadhrish Reserchem LLP	22,500	-
	Malik Lifesciences Private Limited	23,47,491	-
	Maxcure Nutravedics Limited	2,96,952	-
	Rent Received		
	Akums Drugs and Pharmaceuticals Limited	84,32,340	5,25,806
	Malik Lifesciences Private Limited	40,84,800	-
	Maxcure Nutravedics Limited	6,00,000	5,30,000
	Plenteous Pharmaceuticals Limited	-	1,80,000
	Pure and Cure Healthcare Private Limited	85,54,110	6,40,000
	Sale of Asset		
	Akome Lifecare Private Limited	27,10,00,000	-
	Pure and Cure Healthcare Private Limited	1,52,200	-
	Expense paid for group companies		
	Akome Lifecare Private Limited	4,75,625	-
	Akums Drugs and Pharmaceuticals Limited	15,38,252	-
	Malik Lifesciences Private Limited	4,11,618	-
	Maxcure Nutravedics Limited	5,59,813	-
	Pure and Cure Healthcare Private Limited	15,89,413	-
	Purchase of goods and others		
	Akums Drugs and Pharmaceuticals Limited	3,01,58,251	33,00,883
	Maxcure Nutravedics Limited	1,93,783	23,38,907
	Sarvagunaushdhi Private Limited	2,923	46,413
	Malik Lifesciences Private Limited	1,30,963	4,40,377
	Pure and Cure Healthcare Private Limited	2,76,199	12,20,782
	Upadhrish Reserchem LLP	53,652	6,850
	Purchase of Assets		
	Akums Drugs and Pharmaceuticals Limited	53,57,591	6,22,000
	Pure and Cure Healthcare Private Limited	91,87,137	35,39,500
	Sarvagunaushdhi Private Limited	3,000	
	Expense incurred by group companies		
	Akums Drugs and Pharmaceuticals Limited	36,91,524	29,01,964
	Upadhrish Reserchem LLP	3,67,683	-
	Expenses paid:		
	Akums Drugs and Pharmaceuticals Limited	2,59,409	10,000
	Maxcure Nutravedics Limited	2,31,444	10,261
	Upadhrish Reserchem LLP	28,56,820	28,16,236
	Pure and Cure Healthcare Private Limited	1,00,959	-
	Sarvagunaushdhi Private Limited	63,079	-
	Rent Paid		
	Akome Lifecare Private Limited	16,74,636	
	Remuneration paid*		
	Mr. Rama Shanker	12,000	8,000
	Mr. Dharamvir Malik	12,000	8,000
	Samandar Singh Dhakad	2,000	-
	Mr. Vinod Raheja	-	6,000

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(b) Balance outstanding at the year end	Year ended 31 March 2023	Year ended 31 March 2022
Inter-corporate loan taken		
Akums Drugs and Pharmaceuticals Limited	19,00,00,000	72,40,44,576
Interest Payable		
Akums Drugs and Pharmaceuticals Limited	9,51,473	37,94,737
Trade receivables		
Akums Drugs and Pharmaceuticals Limited	19,80,266	-
Akome Lifecare Private Limited	6,09,871	-
Malik Lifesciences Private Limited	6,29,880	-
Maxcure Nutravedics Limited	85,648	-
Pure and Cure Healthcare Private Limited	16,46,965	-
Upadhrish Reserchem LLP	26,550	-
Trade payable		
Akums Drugs and Pharmaceuticals Limited	12,05,466	1,45,155
Upadhrish Reserchem LLP	9,76,103	19,440
Sarvagunaushdhi Private Limited	3,540	7,458
Pure and Cure Healthcare Private Limited	75,13,726	1,33,917
Malik Lifesciences Private Limited	55,062	-
Maxcure Nutravedics Limited	3,18,792	33,665

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33 Disclosure required under Ind AS 115 - Revenue from customers

A Disaggregation of revenue:

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products		
Revenue from sale of goods - manufactured	7,08,62,926	63,16,563
Revenue from sale of goods - others	2,53,97,696	1,530
Other operating revenue		
Testing charges	1,31,500	16,000
Sale of scrap	46,18,620	5,31,890
	10,10,10,742	**68,65,983**

B Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

	Year ended 31 March 2023	Year ended 31 March 2022
Contract liabilities		
Advance received from customers	1,50,696	3,61,953
Total contract liabilities	**1,50,696**	**3,61,953**
Receivables		
Trade receivables	2,77,19,657	66,59,690
Total receivables	**2,77,19,657**	**66,59,690**

Receivable is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

C Significant changes in the contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	3,61,953	-
Addition during the year	1,50,696	3,61,953
Revenue recognised during the year	3,61,953	-
Closing balance	**1,50,696**	3,61,953

The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

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34 Financial instruments

A Financial instruments by category

The carrying value of financial instruments by categories were as follows:

Particulars	Amortised cost	
	As at 31 March 2023	As at 31 March 2022
Financial assets		
Trade receivables	2,77,19,657	66,59,690
Cash and cash equivalents	1,08,48,784	33,70,130
Other Financial Assets	46,20,644	33,63,269
Total financial assets	**4,31,89,085**	**1,33,93,088**
Financial liabilities		
Trade payables	3,25,13,001	2,58,79,063
Other financial liabilities	3,14,69,232	76,16,374
Financial liabilities carried at fair value		
Total financial liabilities	**6,39,82,233**	**3,34,95,436**

The carrying amount of trade receivables, trade payables, capital creditors and cash and cash equivalent are considered to be the same as their fair values, due to short-term in nature.

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the standalone financial statements and are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

B.1 There are no financial assets/ liabilities which have been measured at fair value

Financial risk management

Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents and other financial assets.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

Financial risk factors

The Company's activities expose it to a variety of financial risks:
a) Market risk
b) Credit risk
c) Liquidity risk

The primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

(a) Market risk

(i) Foreign currency risk

The entity has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The company does not use forward contracts and swaps for managing risks associated with foreign currency nor used for speculative purposes. There are no foreign exposure to the Company as at year end

(ii) Interest rate risk

The entity's policy is to minimise interest rate cash flow risk exposures on long-term financing. As on 31 March 2023, the entity is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the entity to interest rate risk:

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowing	-	-
Fixed rate borrowing	19,09,51,473	72,78,39,313
Total borrowings	19,09,51,473	72,78,39,313

Sensitivity analysis - There is only fixed rate borrowing taken from holding company and hence the Company is not exposed to the variability in the interest rates

(b) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by investments in cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(i) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in the statement of profit and loss.

The Company provides for expected credit loss based on the following:

Basis of categorization	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Loans, Cash and cash equivalents, financial assets measured at amortised cost	12 month expected credit loss
Moderate credit risk	Trade receivables	Trade receivables - Life time expected credit loss
High credit risk	Trade receivable	Trade receivables - Life time expected credit loss or specific provision whichever is higher

Financial assets that expose the entity to credit risk –

31 March 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	1,08,48,784	-	1,08,48,784
Other financial assets	46,20,644	-	46,20,644
High credit risk			
Trade receivables	2,77,19,657	-	2,77,19,657
Total	**4,31,89,085**	-	**4,31,89,085**

31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	33,70,130	-	33,70,130
Other bank balances	-	-	-
Other financial assets	33,63,269.00	-	33,63,269
High credit risk			
Trade receivables	66,59,689.76	-	66,59,690
Total	**1,33,93,088**	-	**1,33,93,088**

(ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2023	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Less than 6 months	2,77,19,657	-	-	2,77,19,657
6 months - 1 years	-	-	-	-
More than 1 years	-	-	-	-
Total	**2,77,19,657**	-	-	**2,77,19,657**

As at 31 March 2022	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Less than 6 months	66,59,690	-	-	66,59,690
6 months - 1 years	-	-	-	-
More than 1 years	-	-	-	-
Total	**66,59,690**	-	-	**66,59,690**

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Reconciliation of loss provision – Trade receivables

Particulars	Total
Loss allowance on 1 April 2021	-
Changes in provision	-
Loss allowance on 31 March 2022	-
Changes in provision	-
Loss allowance on 31 March 2023	-

Trade receivables ageing

The table below analyse the outstanding trade receivables:

31 March 2023

Particulars	Outstanding for the following periods from due date of payment					
	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables- considered gc	1,27,29,539	1,49,90,118	-	-	-	2,77,19,657
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaire	-	-	-	-	-	-
(iv) Disputed trade receivables- considered gooc	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-
	1,27,29,539	1,49,90,118	-	-	-	2,77,19,657

31 March 2022

Particulars	Outstanding for the following periods from due date of payment					
	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables- considered gc	-	66,59,690	-	-	-	66,59,690
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaire	-	-	-	-	-	-
(iv) Disputed trade receivables- considered gooc	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-
	-	66,59,690	-	-	-	66,59,690

(c) Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the entity's liquidity position and cash and cash equivalents on the basis of expected cash flows. The entity takes into account the liquidity of the market in which the entity operates.

Financing arrangements - The Company had taken one loan from holding company and would continue to support the business.

Maturities of financial liabilities

The tables below analyse the entity's financial liabilities into relevant maturity entitling's based on their contractual maturities.

31 March 2023

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	-	19,09,51,473	-	19,09,51,473
Trade payable	3,25,13,001	-	-	3,25,13,001
Other financial liabilities	3,11,86,658	2,82,574	-	3,14,69,232
Total	**6,36,99,659**	**19,12,34,047**	**-**	**25,49,33,706**

31 March 2022

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	-	72,78,39,313	-	72,78,39,313
Trade payable	2,58,79,063	-	-	2,58,79,063
Other financial liabilities	76,16,374	10,16,041	-	86,32,415
Total	**3,34,95,436**	**10,16,041**	**-**	**76,23,50,791**

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Trade payables ageing

The table below analyse the outstanding trade payables:

31 March 2023

Particulars	Outstanding for the following periods from due date of payment					
	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	63,58,887	22,22,702	12,708	-	-	85,94,297
Others	1,55,37,462	83,49,871	31,372	-	-	2,39,18,704
Unbilled dues						-
	2,18,96,349	**1,05,72,573**	**44,079**	-	-	**3,25,13,001**

31 March 2022

Particulars	Outstanding for the following periods from due date of payments					
	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	-	2,58,79,063	-	-	-	2,58,79,063
Unbilled dues						-
	-	**2,58,79,063**	-	-	-	**2,58,79,063**

35 Taxes

Income tax expense in the statement of profit and loss comprises:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current taxes		
-on profit and loss	-	-
-tax for earlier years	-	-
Total	-	-
Deferred taxes	-	-
Tax expense	-	-

(a) Current tax

a) Reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before income taxes	(17,78,61,074)	(5,26,34,905)
Income tax using the Company's domestic tax rate *	0	0
Expected tax expense [A]	-	-
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Additional benefit claimed on expenditure incurred on research and development	-	-
Effect of non-deductible expenses and others	-	-
Tax earlier years	-	-
Total adjustments [B]	-	-
Actual tax expense [C=A+B]	-	-

*Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	25%	25%
Cess (% of tax)	4%	4%
Applicable rate of tax	26%	26%

Note:

The Taxation Laws (Amendment) Act, 2019 (2019 Tax Act) provides the Company with an option to move to a lower tax rate of 25.17% accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax (MAT) credit and certain other concessional tax rate benefits enjoyed by the Company presently. The Company has reviewed the implications of 2019 Tax Ordinance on its tax liability for the year and has chosen to continue to be taxed as per old regime.

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b) Changes in deferred tax assets and liabilities for the year ended 31 March 2023 :-

Deferred taxes

The tax effects of significant temporary differences and unused tax losses that resulted in deferred tax assets and liabilities are as follows:

Particulars	2022-23	2021-22
Deferred tax assets/(liabilities)		
-Property, plant & equipment and Intangible assets	(18,03,034)	(38,89,238)
-Disallowance under Income Tax Act	3,98,367	1,85,050
-Others-unused tax losses	5,49,87,642	1,78,38,702
Total	**5,35,82,975**	**1,41,34,514**

Due to temporary difference and unused tax losses for above items, deferred tax assets (net) has been worked out to ₹ 5,35,82,975 (₹ 1,41,34,514). Deferred tax asset is recognised for the temporary differences and carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. Accordingly, as a matter of prudence, management has decided not to recognise deferred tax assets in the books of accounts.

36 Segment reporting

The Company is primarily engaged in the manufacturing of "pharmaceuticals formulations". Hence as per, chief operating decision maker, the sale of pharmaceuticals formulations has been considered as a single operating segment per Ind AS 108 'Operating Segments' and accordingly disclosures have been limited to single operating segment. The revenues of the Company are majorly domestic, hence revenues from customers are only in one geographical area i.e. with in India.

There is no revenue from any customer which accounts for more than 10% of the total revenue of the Company during the current and the previous year.

37 Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.
In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Particulars	As at 31 March 2023	As at 31 March 2022
Short term borrowing	-	-
Less:		
Cash and cash equivalents	1,08,48,784	33,70,130
Other bank balances	-	-
Net debt (A)	**(1,08,48,784)**	**(33,70,130)**
Total equity* (B)	56,59,99,555	(5,39,37,569)
Gearing ratio (A/B)	**-1.95%**	**5.88%**

*Equity includes capital and all reserves of the Company that are managed as capital.

In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it meets financial covenants and attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current period.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

38 Ratio Disclosures

Particulars	Numerator	Denominator	Current year	Previous year	% Variance
(a) Current ratio	9,56,49,268	6,56,16,474	1.46	1.54	-5%
(b) Debt - Equity ratio	19,09,51,473	56,59,99,555	0.34	(13.42)	-103%
(c) Debt service coverage ratio	(11,03,99,452)	23,94,70,246	(0.46)	(0.02)	1785%
(d) Return on equity ratio	(17,78,61,074)	56,59,99,555	(0.31)	0.98	-132%
(e) Inventory turnover ratio	8,24,63,671	1,81,38,355	4.55	0.30	100%
(f) Trade receivables turnover ratio	10,10,10,742	1,71,89,673	5.88	2.06	100%
(g) Trade payables turnover ratio	16,55,71,633	2,48,98,883	6.65	1.32	402%
(h) Net capital turnover ratio	10,10,10,742	3,00,32,794	3.36	0.34	100%
(i) Net profit ratio	(18,00,62,756)	10,10,10,742	(1.78)	(7.67)	100%
(j) Return on capital employed	(11,03,99,452)	75,69,51,028	(0.15)	(0.03)	431%
(k) Return on investment	(18,00,62,756)	75,69,51,028	(0.24)	(0.08)	203%

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The variance is on account of operations of the Company which has started in the current period.

39 Disclosures as required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 due to micro enterprises and small enterprises

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due	85,94,297	-
- Interest amount due	-	-
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The information disclosed above are per the information available with the company.

40 Lease

a) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet :

As on 31 March 2023:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Land, Haridwar	1	96	96
Land, Kotdwar	1	88	88

As on 31 March 2022:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Land, Haridwar	1	97	97
Land, Kotdwar	1	89	89

b) Amount recognised in balance sheet and statement of profit and loss:

Particulars	Land
Balance as at 1 April 2021	**8,39,13,900**
Add: Additions during the year	2,50,62,119
Less: Amortization charged on the right-of-use assets	10,11,502
Balance as at 31 March 2022/ 1 April 2022	**10,79,64,517**
Add: Additions during the year	6,38,49,225
Less: Amortization charged on the right-of-use assets	17,34,689
Balance as at 31 March 2023	**17,00,79,053**

There is no lease liability corresponding to the above right of use asset as the entire amount has been paid in advance.

c) Lease payment not recognised as lease liability

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Expenses relating to short term leases(included in other expenses)	18,51,530	1,53,589

41 The amounts for the previous year have been re-grouped/ re-classified, where applicable, to conform to the current years classification.

For V.P. Gupta &Co.
Chartered Accountants
Firm Registration No.000699N

V.P. Gupta & Co. FRN 000699N DELHI Chartered Accountants

CA V.P. Gupta
Partner
Membership No.080557
UDIN: 23080557BGYZJA1553

For and on behalf of Board of Directors of
Akums Healthcare Limited

Dharamvir Malik
Director
DIN: 06758188

Rama Shanker
Director
DIN: 06932049

Place : New Delhi
Date : 10 May 2023