



*V. P. Gupta & Co.*

*Chartered Accountants*

**INDEPENDENT AUDITOR'S REPORT**

To

**The Members of Sarvagunaushdhi Private Limited**

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

**Opinion**

We have audited the accompanying financial statements of **Sarvagunaushdhi Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give 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") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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.

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### **Information other than the Financial Statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report, but 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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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



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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - (g) In our opinion and according to information and explanations given to us, the managerial remuneration for the year ended March 31, 2023 has been paid by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V to the Act; and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company didn't have any pending litigations as at March 31, 2023 which would



- impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For V.P. Gupta & Co**  
**Chartered Accountants**

**(Firm Registration No. 000699N)**



**CA V.P. Gupta**

**Partner**

**Membership No.: 080557**

**Place: Delhi**

**Date:**



*V. P. Gupta & Co.*

*Chartered Accountants*

**Annexure A referred to in the Independent Auditor's Report of even date to the members of Sarvagunaushdhi Private Limited on the financial statements for the year ended 31 March 2023**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of plant and equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Plant and Equipment and Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted a physical verification of inventory at reasonable intervals during the year, except for goods-in-transit aggregating to Rs. 44,537/- as at 31 March 2023, which have not been verified during the year. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed. However, in respect of inventories which were not physically verified we are unable to comment on the discrepancies which could have arisen between physical inventory and book records.
- (b) The Company has not been sanctioned working capital limits/ working capital limits in excess of five crore rupees by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

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- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub clause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from lender and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The



details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

  
CA **V.P Gupta**  
Partner  
Membership No. 080557  
UDIN

Place: Delhi  
Date:





*V. P. Gupta & Co.*

*Chartered Accountants*

**Annexure "B" to the independent auditor's report of even date on the financial statements of Sarvagunaushdhi Private 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 **Sarvagunaushdhi Private Limited** ("the Company") as of March 31, 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.

#### **Auditors' 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.

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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.

### **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 authorisations 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 March 31, 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 Registration No. 000699N)**



**CA V.P. Gupta**

**Partner**

**Membership No.: 080557**

**Place: Delhi**

**Date: 10.05.2023**

**UDIN: 23080557B4YZ129985**

**Sarvagunaushdhi Private Limited**  
**CIN - U51909DL2017PTC324616**  
**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
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2a	32,80,598	46,86,208
(b) Right-of-use assets	42	67,72,264	61,16,771
(c) Intangible assets	3	13,36,746	21,63,547
(d) Intangible assets under development	4	-	1,74,000
(e) Financial assets			
(i) Investments	5	-	90,000
(ii) Others financial assets	6	7,60,288	9,34,290
(f) Non-current tax assets (net)	7	2,19,464	11,27,231
(g) Other non-current assets	8	-	79,857
<b>Total non-current assets</b>		<b>1,23,69,361</b>	<b>1,53,71,904</b>
<b>(2) Current assets</b>			
(a) Inventories			
(b) Financial assets	9	14,11,71,297	3,79,80,355
(i) Trade receivables			
(ii) Cash and cash equivalents	10	17,37,59,295	16,16,90,667
(iii) Bank balances other than (ii) above	11a	50,54,54,813	2,36,91,514
(iv) Others financial assets	11b	5,60,000	4,39,84,584
(c) Other current assets	12	34,996	1,69,851
	13	2,90,26,203	1,88,35,970
<b>Total current assets</b>		<b>85,00,06,605</b>	<b>28,63,52,941</b>
<b>Total assets</b>		<b>86,23,75,965</b>	<b>30,17,24,845</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	1,00,000	1,00,000
(b) Instrument entirely in nature of equity	14A	89,560	-
(c) Other equity	15	49,34,80,041	(36,21,83,138)
<b>Total equity</b>		<b>49,36,69,601</b>	<b>(36,20,83,138)</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	-	41,00,00,000
(ii) Lease liability	42	47,01,777	51,73,339
(iii) Other financial liabilities	17	93,39,366	1,17,21,440
(b) Provisions	18	15,85,220	21,97,350
<b>Total non-current liabilities</b>		<b>1,56,26,363</b>	<b>42,90,92,129</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues to micro and small enterprises; and	19	2,91,323	6,46,917
Total outstanding dues of creditors other than micro and small enterprises		34,24,18,500	22,20,31,425
(ii) Lease liability	42	23,89,464	24,75,694
(iii) Other financial liabilities	20	48,03,501	73,48,259
(b) Other current liabilities	21	31,31,577	21,02,368
(c) Provisions	22	45,636	1,11,191
<b>Total current liabilities</b>		<b>35,30,80,002</b>	<b>23,47,15,854</b>
		<b>86,23,75,965</b>	<b>30,17,24,845</b>

Summary of significant accounting policies and other explanatory information

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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: 23080557B4Y2129985

For and on behalf of Board of Directors of  
Sarvagunaushdhi Private Limited

  
Kusum Sharma  
Director  
DIN: 02086304

  
Rashmi Gupta  
Director  
DIN: 02583595

Place : New Delhi  
Date : 10-05-2023

Sarvagunaushdhi Private Limited  
CIN - U51909DL2017PTC324616  
Statement of profit and loss for the year ended 31 March 2023  
(All amounts in ₹ unless otherwise stated)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
<b>INCOME</b>			
Revenue from operations			
Other income	23	35,60,05,213	45,06,56,631
<b>Total Income</b>	24	<b>41,31,32,788</b>	<b>43,96,721</b>
<b>EXPENSES</b>			
Purchase of stock-in-trade			
Changes of inventories in Stock-in-trade		42,01,55,970	34,11,28,223
Employee benefits expense	25	(10,31,90,942)	2,06,10,055
Other expenses	26	4,75,27,849	7,46,87,359
<b>Total</b>	27	<b>3,55,83,502</b>	<b>5,84,48,687</b>
		<b>40,00,76,380</b>	<b>49,48,74,324</b>
<b>Earnings before finance costs, depreciation and amortisation and tax (EBITDA)</b>			
		36,90,61,621	(3,98,20,972)
Finance costs			
Depreciation and amortisation	28 29	83,67,720 57,56,747	9,78,187 46,21,553
<b>Profit/(loss) before tax</b>		<b>35,49,37,153</b>	<b>(4,54,20,711)</b>
<b>Tax expenses:</b>			
Income Tax			
Current year			
Deferred tax charge/(credit)		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit/(loss) for the year</b>		<b>35,49,37,153</b>	<b>(4,54,20,711)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to statement of profit and loss			
Re-measurement gains on defined benefit plans		8,15,586	8,40,659
Tax effect relating to these items		-	-
<b>Total other comprehensive income, net of tax</b>		<b>8,15,586</b>	<b>8,40,659</b>
<b>Total comprehensive income [comprising of profit/(loss) for the year and other comprehensive income for the year]</b>		<b>35,57,52,739</b>	<b>(4,45,80,052)</b>
<b>Earnings per equity share of ₹ 10 (31 March 2022: ₹ 10) each</b>			
Basic and diluted	30	35,493.72	(4,542.07)

Summary of significant accounting policies and other explanatory information

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: 23080657B4YZ1Z9985

Place : New Delhi  
Date : 10.05.2023

For and on behalf of Board of Directors of  
Sarvagunaushdhi Private Limited

  
Kusum Sharma  
Director  
DIN:02086304

  
Rashmi Gupta  
Director  
DIN: 02583595

**Sarvagunaushdhi Private Limited**  
**CIN - U51909DL2017PTC324616**  
**Statement of changes in equity for the year ended 31 March 2023**  
*(All amounts in ₹ unless otherwise stated)*

**a. Equity share capital**

Particulars	Amount
As at 1 April 2021	1,00,000
Changes in equity share capital	-
As at 31 March 2022	1,00,000
Changes in equity share capital	-
As at 31 March 2023	1,00,000

**b. Instrument entirely in nature of equity**

Particulars	Amount
As at 1 April 2021	-
Changes in equity share capital	-
As at 31 March 2022	-
Changes in equity share capital	50,00,00,000
As at 31 March 2023	50,00,00,000

**c. Other equity**

Particulars	Other equity		Total
	Security premium	Retained earnings	
Balance as at 1 April 2021	-	-	-
Add: (Loss) for the year	-	(31,76,03,086)	(31,76,03,086)
Add: Other comprehensive income for the year, net of tax	-	(4,54,20,711)	(4,54,20,711)
- Remeasurement of defined benefit plans	-	-	-
Balance as at 31 March 2022	-	8,40,659	8,40,659
Add: (Loss) for the year	-	(36,21,83,138)	(36,21,83,138)
Add: Security premium on issue of OCRPS	49,99,10,440	35,49,37,153	35,49,37,153
Add: Other comprehensive income for the year, net of tax	-	-	-
- Remeasurement of defined benefit plans	-	-	-
As at 31 March 2023	49,99,10,440	8,15,586	8,15,586
	49,99,10,440	(64,30,399)	49,34,80,041

Summary of significant accounting policies and other explanatory information

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. 000899N



CA V. P. Gupta  
 Partner  
 Membership No. 080557

UDIN: 23080557B4YZ129985

Place : New Delhi

Date : 10.05.2023

For and on behalf of Board of Directors of  
**Sarvagunaushdhi Private Limited**

*[Signature]*

Kusum Sharma  
 Director  
 DIN: 02086304

*[Signature]*

Rashmi Gupta  
 Director  
 DIN: 02583595

Sarvagunaushdhi Private Limited  
CIN - U51909DL2017PTC324616  
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
<b>A. Cash flow from operating activities</b>		
Net profit/ (loss) before tax	35,49,37,153	(4,54,20,711)
Adjustments for:		
Depreciation and amortisation	57,56,747	46,21,553
Bad debts	-	18,15,886
Loan written back	(41,00,00,000)	
Interest expense	83,67,720	9,78,187
Interest income	(14,26,226)	(24,66,529)
Profit on sale of PPE	(11,222)	
Gain on termination of lease	(15,66,140)	-
<b>Operating profit before working capital changes</b>	<b>(4,39,41,967)</b>	<b>(4,04,71,614)</b>
<b>Adjustments for movement in working capital changes:</b>		
Inventories	(10,31,90,942)	2,06,10,055
Trade receivables	(1,20,68,628)	(14,60,18,886)
Other financial assets	3,08,857	(1,44,153)
Other assets	(1,01,10,376)	1,22,48,225
Trade payables	12,00,31,481	14,20,93,377
Other financial liabilities	(49,26,832)	6,41,084
Provisions	1,37,901	4,31,355
Other liabilities	11,87,749	(16,50,613)
<b>Cash flow generated from operations (gross)</b>	<b>(5,25,72,757)</b>	<b>(1,22,61,170)</b>
Less: taxes paid (net)	9,07,767	4,73,419
<b>Net cash flow generated from/ (used in) operating activities</b>	<b>(A) (5,16,64,990)</b>	<b>(1,17,87,751)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including investment property, capital work-in-progress, capital advances and payable towards property, plant and equipment)	(2,33,045)	(11,20,394)
Proceeds from sale of property plant and equipment	2,41,281	-
Other bank balances	4,34,24,584	(53,13,750)
Interest received	14,26,226	24,66,529
<b>Net cash flow (used in) investing activities</b>	<b>(B) 4,48,59,046</b>	<b>(39,67,615)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from / (repayment of) long-term borrowings (net)	-	3,00,00,000
Proceeds from issue of OCRPS	50,00,00,000	-
Payment of lease liabilities	(42,75,415)	(31,19,059)
Interest paid	(71,55,342)	(5,753)
<b>Net cash flow generated from financing activities</b>	<b>(C) 48,85,69,243</b>	<b>2,68,75,188</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(A+B+C) 48,17,63,299</b>	<b>1,11,19,822</b>
Cash and cash equivalents at the beginning of the year (refer note 11a)	2,36,91,514	1,25,71,692
<b>Cash and cash equivalents at the end of the year (refer note 11a)</b>	<b>50,54,54,813</b>	<b>2,36,91,514</b>

Components of cash and cash equivalents are as below:

	As at 31 March 2023	As at 31 March 2022
Balance with scheduled banks		
in current accounts	50,54,03,451	2,35,81,830
in deposit accounts with original maturity of less than 3 months	-	-
Cash on hand	51,362	1,09,684
	<b>50,54,54,813</b>	<b>2,36,91,514</b>

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*Kash Datta*

Sarvagunaashdhi Private Limited  
CIN - U51909DL2017PTC324616  
Statement of cash flow for the year ended 31 March 2023  
(All amounts in ₹ unless otherwise stated)

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

Particulars	Long- term borrowings	Lease liabilities	Total
Net debt as on 1 April 2021	38,00,00,000	97,95,659	38,97,95,659
<b>Cash flows</b>			
Repayments	-	(31,19,059)	(31,19,059)
Proceeds	3,00,00,000		
Non cash changes			
Interest on lease liability	-	9,72,434	9,72,434
Balance as on 31 Mach 2022	41,00,00,000	76,49,033	41,76,49,033
<b>Cash flows</b>			
Non cash changes	(41,00,00,000)	-	(41,00,00,000)
Repayments	-	(42,75,415)	(42,75,415)
New leases		72,89,869	72,89,869
Disposals		(47,84,625)	(47,84,625)
Interest on lease liability		12,12,378	12,12,378
Balance as on 31 March 2023	-	70,91,241	70,91,241

Summary of significant accounting policies and other explanatory information

1-43

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

CA V.P. Gupta  
Partner  
Membership No. 080557

UDIN: 250805578642129985  
Place: New Delhi  
Date: 10.05.2023

For and on behalf of Board of Directors of  
Sarvagunaashdhi Private Limited

  
Kusum Sharma  
Director  
DIN:02086304

  
Rashmi Gupta  
Director  
DIN: 02583595

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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

Sarvagunaushdhi Private Limited (the 'Company') is engaged in trading of the pharmaceutical formulations. The Company is a private limited Company incorporated and domiciled in India and has its registered office at Delhi, India. The Company is the wholly owned subsidiary of Akums Drugs and Pharmaceuticals Ltd.

The financial statements are approved for issue by the Company's Board of Directors on 10.05.2023

1.2 Basis of preparation Financial Statements

These 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 made in Indian Rupees 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 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 2023.

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.
- 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.



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- 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
Furniture and fittings	
Office equipment	10 years
Computers	5 years
	3/6 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'.

##### 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 capitalised costs are amortised 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 amortised over a period of 5 years. The amortisation period and the amortisation 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 amortisation 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 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.



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#### 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 statement of profit and loss when the asset is derecognised.

#### 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 recognises 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 recognises 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.

**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 amortised cost** – a financial instrument is measured at amortised 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 amortised 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.



*Kash* *Ramesh*

#### Financial liabilities at amortised cost

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

Amortised 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 amortisation 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.

### 1.7 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 amortised 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.

#### 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.

### 1.8 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.



*Kash* *Sharma*

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.

#### 1.90 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.

#### 1.10 Operating expenses

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

#### 1.11 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.

#### 1.12 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.



*Rashmi Khanna*

### 1.13 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 unrecognised 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.

### 1.14 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.

### 1.15 Inventories

Inventory comprises of traded goods and is measured at lower of cost and net realisable value. Cost includes cost of purchase 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 estimated costs of completion and the estimated costs necessary to make the sale.

### 1.16 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.



*Keshu Sharma*

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.

#### 1.17 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 statement of profit and loss.

#### 1.18 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 amortisation and impairment losses.

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 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.

#### 1.19 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.



*Kashu*  
*Sharma*

**1.20 Earnings before interest, tax, depreciation and amortisation (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 amortisation expense, finance costs and tax expense.

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Sarvagunaushdhi Private Limited

CIN - U51909DL2017PTC324616

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

(All amounts in ₹ unless otherwise stated)

2a. Property, plant and equipment

Particulars	Property, plant and equipment			
	Furniture and fittings	Office equipment	Computers	Total
<b>Gross Block</b>				
Balance as at 1 April 2021	30,22,226	21,43,281	30,52,850	82,18,357
Additions	2,70,190	1,27,204	5,49,000	9,46,394
<b>Balance as at 31 March 2022/1 April 2022</b>	<b>32,92,416</b>	<b>22,70,485</b>	<b>36,01,850</b>	<b>91,64,751</b>
Additions	1,58,080	2,48,965	-	4,07,045
Disposals/ adjustments	(3,04,200)	(3,78,318)	-	(6,82,518)
<b>Balance as at 31 March 2023</b>	<b>31,46,296</b>	<b>21,41,132</b>	<b>36,01,850</b>	<b>88,89,278</b>
<b>Accumulated depreciation</b>				
Balance as at 1 April 2021	6,90,006	9,96,106	15,40,719	32,26,831
Charge for the year	2,90,506	4,32,178	5,29,028	12,51,712
<b>Balance as at 31 March 2022/1 April 2022</b>	<b>9,80,512</b>	<b>14,28,284</b>	<b>20,69,747</b>	<b>44,78,543</b>
Charge for the year	3,57,749	5,90,394	6,34,453	15,82,596
Reversal of disposal	(1,39,289)	(3,13,170)	-	(4,52,459)
<b>Balance as at 31 March 2023</b>	<b>11,98,972</b>	<b>17,05,508</b>	<b>27,04,200</b>	<b>56,08,680</b>
<b>Net block</b>				
As at 31 March 2022	23,11,904	8,42,201	15,32,103	46,86,208
<b>As at 31 March 2023</b>	<b>19,47,324</b>	<b>4,35,624</b>	<b>8,97,650</b>	<b>32,80,598</b>

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*Rashmi Sharma*

3. Intangible assets

Particulars	Brands /trademarks	Software license	Total
<b>Gross carrying value</b>			
Opening balance as at 1 April 2021			
Additions during the year	2,34,000	39,07,084	41,41,084
Closing balance as at 31 March 2022	-	-	-
Additions during the year	2,34,000	39,07,084	41,41,084
Closing balance as at 31 March 2023	2,34,000	39,07,084	41,41,084
<b>Amortisation</b>			
Accumulated as at 1 April 2021			
Charge for the year	1,34,864	10,14,457	11,49,321
Balance as on 31 March 2022	46,800	7,81,416	8,28,216
Charge for the year	1,81,664	17,95,873	19,77,537
Balance as on 31 March 2023	46,800	7,80,001	8,26,801
	2,28,464	25,75,874	28,04,338
<b>Net carrying value</b>			
As at 31 March 2022	52,336	21,11,211	21,63,547
As at 31 March 2023	5,536	13,31,210	13,36,746

4. Intangible asset under development

Particulars	Amount
As at 1 April 2021	-
Add: Additions during the year	1,74,000
Less: Capitalised during the year	-
As at 31 March 2022	1,74,000
Add: Additions during the year	6,51,000
Less: writeoff during the year	(8,25,000)
As at 31 March 2023	-

Ageing of intangible asset under development

The table below analyse the intangible asset under development ageing as on 31 March 2022:

Particular	Ageing	
	Less than 1 year	Total
SAP Installation under progress	1,74,000	1,74,000
	1,74,000	1,74,000

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Sarvagunaushdhi Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in ₹ unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>5. Investments</b>		
Investment in subsidiary		
Unquoted, trade (measured at cost)	-	90,000
Dhanwantri Vedaresearch LLP		
Name of the partners and share of profit/ capital - Sarvagunaushdhi Pvt. Ltd. NIL (Previous year 90%) & Ms. Arushi Jain NIL (Previous year 9.98%)		
Total Capital of firm-Rs.1 Lakhs		
Aggregate amount of unquoted investments	-	90,000
<b>6. Other financial assets (Non-current)</b>		
Security deposits	7,60,288	9,34,290
<i>*pledged with government authorities and others.</i>	7,60,288	9,34,290
<b>7. Non-current tax assets</b>		
Advance income-tax (net of provision)	2,19,464	11,27,231
	2,19,464	11,27,231
<b>8. Other non-current assets</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	-	79,857
	-	79,857
<b>9. Inventories</b>		
(mode of valuation refer note 1.15 on inventories)		
Stock in trade (including GIT)	14,11,71,297	3,79,80,355
	14,11,71,297	3,79,80,355

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*Arushi Jain*

Particulars	As at 31 March 2023	As at 31 March 2022
<b>10. Trade receivables</b>		
Trade receivables considered good (unsecured)	17,37,59,295	16,16,90,667
Trade receivables-credit impaired	19,97,564	19,97,564
	<u>17,57,56,859</u>	<u>16,36,88,231</u>
Less: Allowance for expected credit losses	(19,97,564)	(19,97,564)
	<u>17,37,59,295</u>	<u>16,16,90,667</u>
Dues from related party (refer note 34)	1,85,30,908	1,80,46,680
<b>11. Cash and bank balances</b>		
<b>11a. Cash and cash equivalents</b>		
Balance with scheduled banks in current accounts	50,54,03,451	2,35,81,830
Cash on hand	51,362	1,09,684
	<u>50,54,54,813</u>	<u>2,36,91,514</u>
<b>11b. Other bank balances</b>		
Deposits with original maturity of more than 3 months and remaining maturity of less than 12 months	5,60,000	4,39,84,584
	<u>5,60,000</u>	<u>4,39,84,584</u>
<b>12. Other financial assets</b>		
<b>Unsecured, considered good</b>		
Staff advance	34,996	1,69,851
	<u>34,996</u>	<u>1,69,851</u>
<b>13. Other current assets</b>		
<b>Unsecured, considered good</b>		
Advance to suppliers	13,63,741	15,33,902
Prepaid expenses	7,81,440	17,22,743
Other Current Assets	1,404	-
Balance with statutory authorities	2,68,79,618	1,55,79,325
	<u>2,90,26,203</u>	<u>1,88,35,970</u>

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Particulars	As at	
	31 March 2023	31 March 2022
<b>14 Equity share capital</b>		
<b>Authorised</b>		
10,000(10,000) Equity Shares of Rs.10/-each	1,00,000	1,00,000
<b>Issued, subscribed and fully paid up</b>		
10,000(10,000) Equity Shares of Rs.10/-each [the entire subscribed capital is held by Holding Company and its nominees]	1,00,000	1,00,000
<b>14A. Instrument entirely in nature of equity</b>	<u>1,00,000</u>	<u>1,00,000</u>
<b>Authorised</b>		
10,000(NIL) optionally convertible redeemable Preference Shares of Rs.10/-each 8,956(NIL) Optional convertible redeemable preference shares of Rs. 10/-each (Issued at premium of Rs. 55,816/- per share)	89,560	-
<b>14.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period</b>	<u>89,560</u>	<u>-</u>

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning / end of the year	10,000	1,00,000	10,000	1,00,000

**14.2 Reconciliation of Instrument entirely in nature of equity outstanding at the beginning and at the end of the reporting period**

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	8956	89,560	-	-
At the end of the year	<u>8,956</u>	<u>89,560</u>	<u>-</u>	<u>-</u>

**14.3 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 shall 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 upon such equity shares.

**14.4 Terms/rights attached to OCRPS**

The Company has only one class of preference shares (Optionally convertible redeemable preference share) having face value of ₹ 10 per share. Preference 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 cumulative basis @ 0.0001% or such other rate as prescribed by the board.

Each OCRPS shall either be redeemed @ ₹ 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

**14.5 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
<b>Equity Shares</b>				
Akums Drugs & Pharmaceuticals Ltd & its nominees	10,000	100.00	10,000	100.00
<b>Optional convertible redeemable preference shares</b>				
Pure & cure healthcare Pvt Ltd	8956	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.

14.6 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.

14.7 No shares have been reserved for issue under options.

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*Kash* *P. Gupta*



Sarvagunaushdhi Private Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in ₹ unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>15. Other equity</b>		
<b>(a) Retained earnings</b>		
Balance as per last financial statements		
Add: Profit/ (loss) for the year	(36,21,83,138)	(31,76,03,086)
Add: Other comprehensive income for the year, net of tax - Remesurement of defined benefit plans	35,49,37,153	(4,54,20,711)
Balance as at end of the year	8,15,586	8,40,659
	<u>(64,30,399)</u>	<u>(36,21,83,138)</u>
<b>(a) Security premium</b>		
Add: Security premium on issue of OCRPS	49,99,10,440	-
<b>Total</b>	<u>49,34,80,041</u>	<u>(36,21,83,138)</u>

**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 and includes actuarial gain/ loss arising on account of defined benefit plan.

**16. Borrowings-Non Current**

**Unsecured loan**

Loan from Holding Company

	-	41,00,00,000
	<u>-</u>	<u>41,00,00,000</u>

Note:

The above unsecured loan has been take from Holding company for meeting its working capital requirements. The loan carries an interest rate of 7.5% p.a. (31 March 2022 :7% p.a.)

**17. Financial liabilities**

Security deposit received  
from customers

	93,39,366	1,17,21,440
	<u>93,39,366</u>	<u>1,17,21,440</u>

Note: Considering the continuance of business operations, above deposits are considered to be non current in nature.

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*Rash* *Sharma*

Sarvagunaushdhi Private Limited

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

(All amounts in ₹ unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>18. Provisions - Non-current</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 33)	10,40,124	12,71,446
Compensated absences (refer note 33)	5,45,096	9,25,904
	<b>15,85,220</b>	<b>21,97,350</b>
<b>19. Trade payables</b>		
Total outstanding dues of micro and small enterprises (ref note 41): and	2,91,323	6,46,917
Total outstanding dues of creditors other than micro and small enterprises	34,24,18,500	22,20,31,425
	<b>34,27,09,823</b>	<b>22,26,78,342</b>
Dues to related parties (refer to note 34)	32,92,39,301	21,17,32,089
Refer note 36 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile		
Refer note 36 for disclosure in respect of ageing of the above payables.		
<b>20. Other financial liabilities</b>		
Employee payables	48,03,501	73,48,259
	<b>48,03,501</b>	<b>73,48,259</b>
<b>21. Other current liabilities</b>		
Advance from customers	17,77,055	6,86,851
Statutory dues payable	13,54,523	14,15,517
	<b>31,31,577</b>	<b>21,02,368</b>
<b>22. Provisions - Current</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 33)	7,678	2,738
Compensated absences (refer note 33)	37,958	1,08,453
	<b>45,636</b>	<b>1,11,191</b>

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Sarvagunaushdhi Private Limited

CIN - U51909DL2017PTC324616

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
<b>23. Revenue from operations</b>		
Sale of goods	-	43,86,56,631
Supply of services	35,60,05,213	1,20,00,000
	<u>35,60,05,213</u>	<u>45,06,56,631</u>
Refer Note 35 in terms of disclosures required under Ind AS 115		
<b>24. Other income</b>		
Interest income on:		
fixed deposits	13,67,036	22,48,450
Interest -Other	59,190	2,18,079
Interest Income on Right of Use Assets	83,457	76,801
Liabilities not payable/ writtenoff	41,00,00,000	1,27,847
Miscellaneous income	16,23,105	17,25,544
	<u>41,31,32,788</u>	<u>43,96,721</u>
<b>25. Change in inventory of stock in trade</b>		
Opening stock		
Stock in trade	3,79,80,355	5,85,90,411
	<u>(A) 3,79,80,355</u>	<u>5,85,90,411</u>
Less: Closing stock		
Stock in trade	14,11,71,297	3,79,80,355
	<u>(B) 14,11,71,297</u>	<u>3,79,80,355</u>
Change in inventory of stock in trade (A-B)	<u>(10,31,90,942)</u>	<u>2,06,10,055</u>
<b>26. Employee benefits expense</b>		
Salaries, wages and bonus	4,62,14,227	7,16,91,266
Contributions to provident and other funds (refer note 33)	10,95,888	23,88,600
Staff welfare expense	2,17,734	6,07,493
	<u>4,75,27,849</u>	<u>7,46,87,359</u>

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Rashu Sharma



Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>27. Other expenses</b>		
Power and fuel		
Rent	3,84,116	5,91,643
General repairs & maintenance	11,03,344	31,16,693
Insurance	40,72,099	48,86,264
Printing and stationery	7,48,530	2,79,965
Travelling expense	1,74,373	1,69,445
Conveyance	1,08,60,695	89,12,858
Fees and subscription	7,46,232	21,49,195
Legal and professional expenses	1,14,211	1,68,071
Telephone expenses	5,34,288	3,76,900
Postage charges	2,44,646	3,58,872
Security expenses	2,80,445	15,63,221
Payment to auditors (refer note 32)	3,15,023	3,49,729
Bad debts written off	25,000	25,000
Provision for expected credit loss on trade receivables	-	18,15,886
Freight and cartage outward	-	19,97,564
Commission on sales	58,51,180	38,55,366
Assets Written off	1,82,271	1,83,515
Selling and distribution expenses	-	36,65,364
Director sitting fees	59,48,988	2,07,81,094
Bank charges	16,000	16,000
Staff recruitment	1,37,040	3,07,311
Miscellaneous expenses	1,35,000	3,09,037
	37,10,021	25,69,695
	<b>3,55,83,502</b>	<b>5,84,48,687</b>
<b>28. Finance costs</b>		
Interest expense on lease liability	12,12,378	9,72,434
Interest on unsecured loan from holding Company	71,55,342	5,753
	<b>83,67,720</b>	<b>9,78,187</b>
<b>29. Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	15,82,596	12,51,712
Amortisation of right-of-use assets (refer note 42)	33,47,350	25,41,625
Amortisation of intangible assets	8,26,801	8,28,216
	<b>57,56,747</b>	<b>46,21,553</b>

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*Rash*  
*Agarwal*

	Year ended 31 March 2023	Year ended 31 March 2022
<b>30 Earning per equity share (EPS)</b>		
Profit/ (loss) attributable to equity shareholders (₹)	35,49,37,153	(4,54,20,711)
Total number of equity shares outstanding at the end of the year	10,000	10,000
Weighted average number of equity shares in calculating basic and diluted EPS	10,000	10,000
Nominal value per share (₹)	10	10
Basic and diluted EPS (₹)	35,493.72	(4,542.07)
<b>31 Capital commitment</b>		
Capital commitment (net of advances)	-	15,66,000
<b>32 Payment to auditor</b>		
(a) as auditor	25,000	25,000
	<b>25,000</b>	<b>25,000</b>
<b>33 Employees benefits</b>		
<b>A Defined contribution plan</b>		
The amount recognised as expense towards contribution to defined contribution plans for the year is as		
	Year ended 31 March 2023	Year ended 31 March 2022
Company's contribution to Provident Fund	9,48,175	21,27,835
Company's contribution to Employees' State Insurance Scheme	1,47,713	2,60,765
	<b>10,95,888</b>	<b>23,88,600</b>
<b>B Defined benefit plan - Gratuity</b>		
<b>(i) Present value of defined benefit obligation as at the end of the year</b>		
	Year ended 31 March 2023	Year ended 31 March 2022
Non-current	10,40,124	12,71,446
Current	7,678	2,738
	<b>10,47,802</b>	<b>12,74,184</b>
<b>(ii) Movement in the present value of defined benefit obligation recognised in the balance</b>		
	Year ended 31 March 2023	Year ended 31 March 2022
Present value of the obligation as at the beginning of the year	12,74,184	14,44,723
Service cost	4,97,718	6,84,885
Interest cost	91,486	98,097
Benefits paid	-	(1,12,862)
Actuarial gain/ (loss) recognised during the year in other comprehensive income	(8,15,586)	(8,40,659)
Present value of the obligation as at end of the year	<b>10,47,802</b>	<b>12,74,184</b>
<b>(iii) Expense recognised in the statement of profit and loss consists of:</b>		
	Year ended 31 March 2023	Year ended 31 March 2022
Service cost	4,97,718	6,84,885
Interest cost	91,486	98,097
Net impact on profit before tax	5,89,204	7,82,982
Actuarial gain/ (loss) recognised during the year in other comprehensive income	8,15,586	8,40,659
Amount recognised in total comprehensive income	<b>14,04,790</b>	<b>16,23,641</b>

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*Raj*

**(iv) Breakup of actuarial gain/(loss):**

Actuarial gain/ (loss) from change in demographic assumption	-	-
Actuarial gain/ (loss) from change in financial assumption	(26,993)	(69,429)
Actuarial gain/ (loss) from experience adjustment	(7,88,593)	(7,71,230)
Total actuarial gain/ (loss)	<u>(8,15,586)</u>	<u>(8,40,659)</u>

**(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)	7.36%	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)
Average future service (in years)	18.19 years	19.32 years

**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
<b>Impact of change in discount rate</b>		
Present value of obligation at the end of the year	10,47,802	12,74,184
- Impact due to increase of 0.5 %	(82,949)	(94,377)
- Impact due to decrease of 0.5 %	92,209	1,04,596
<b>Impact of change in salary increase</b>		
Present value of obligation at the end of the year	10,47,802	12,74,184
- Impact due to increase of 0.5 %	93,456	1,05,826
- Impact due to decrease of 0.5 %	(84,719)	(96,232)

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 defined 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.

**(vii) Maturity profile of defined benefit obligation (discounted)**

	As at 31 March 2023	As at 31 March 2022
Within next 12 months	7,678	2,738
Between 1-5 years	74,970	1,51,111
Beyond 5 years	9,65,154	11,20,335

**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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*Sharma*

Sarvagunaushdhi Private Limited

CIN - U51909DL2017PTC324616

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

(All amounts in ₹ unless otherwise stated)

**34 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:

**a) Holding Company**

-Akums Drugs and Pharmaceutical Ltd.

**b) Entity of Holding Company' group(Fellow Subsidiaries)**

-Amazing Research Laboratories Limited  
-Avha Lifesciences Private Limited  
-Burrough Wellcome Pharmcia Pvt. Ltd.  
-Delcure Lifesciences Limited  
-Malik Lifesciences Private Limited  
-Maxcure Nutravedics Limited  
-May and Baker Pharmaceuticals Limited  
-Nicholas Healthcare Limited  
-Plenteous Pharmaceuticals Limited  
-Pure and Cure Healthcare Private Limited  
-Akums Health & Education Society  
-Akums Foundation  
-Akumentis Healthcare Ltd.  
-Medibox Pharma Private Limited  
-Akums Healthcare Limited  
-Akums Lifesciences Ltd.  
-Upadhrish Reserchem LLP

**c) Entity of Holding Company' group( i.e. related to Fellow Subsidiary)**

-Medibox Pharma Private Limited

**d) Key managerial personnel(KMP) of Parent Company and their relatives**

-Mr. Sanjeev Jain  
-Mr. D.C.Jain  
-Ms. Arushi Jain

**e) List of key managerial personnel (KMPs) of the Company**

Other Directors of the Company:  
Mr. Jaswant Singh (resigned on 03.01.2022),  
Mr. Binod Kumar Yadav(resigned on 17.09.2022),  
Ms. Kusum Sharma (appointed on 17.09.2022),  
Ms. Rashmi Gupta

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*Rashmi Gupta*

**Sarvagunaushdhi Private 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	31 March 2023	31 March 2022
<b>(a) Transactions during the year</b>		
<b>Sales of goods and others</b>		
Akums Drugs and Pharmaceuticals Limited		
AVHA Lifesciences Private Limited	4,16,554	5,46,571
Akums Healthcare Limited	-	11,067
Nicholas Healthcare Limited	67,623	46,413
Maxcure Nutravedics Limited	17,57,500	4,21,41,668
Malik Lifesciences Private Limited	26,813	30,138
May and Baker Pharmaceuticals Limited	72,661	1,51,142
Plenteous Pharmaceuticals Limited	-	3,555
Pure and Cure Healthcare Private Limited	1,65,14,946	21,52,134
Akums Foundation	8,40,090	45,02,241
Upadhrish Reserchem LLP	20,22,448	3,96,402
Burrough Welcome Pharmcia Pvt. Ltd.	12,544	11,778
Akums Health and Education Society	18,86,791	1,38,11,155
Akums Lifesciences Limited	21,809	17,36,317
	6,088	8,668
<b>Issue of OCRPS</b>		
Pure and Cure Healthcare Private Limited		
<b>Supply of Services</b>	50,00,00,000	-
May and Baker Pharmaceuticals Limited	-	1,20,00,000
<b>Purchase of goods and others</b>		
Akums Drugs and Pharmaceuticals Limited		
AVHA Lifesciences Private Limited	6,12,82,927	4,29,45,965
Amazing Research Laboratories Limited	-	34,91,265
Maxcure Nutravedics Limited	87,015	1,95,343
May and Backer Pharmaceuticals Limited	8,37,251	39,64,756
Malik Lifesciences Private Limited	1,93,518	15,79,946
Medibox Pharma Private Limited	3,78,09,623	1,82,74,050
Burrough Welcome Pharmcia Pvt. Ltd.	-	18,904
Plenteous Pharmaceuticals Limited	3,08,533	-
Nicholas Healthcare Limited	2,21,602	86,07,035
Akumentis Healthcare Ltd.	90,29,170	1,63,81,142
Pure and Cure Healthcare Private Limited	79,136	21,855
	19,11,66,613	17,18,86,914
<b>Interest Expense</b>		
Akums Drugs and Pharmaceuticals Limited	71,55,342	5,753
<b>Income Reimbursement</b>		
Akums Drugs and Pharmaceuticals Limited	399	-
<b>Expense Reimbursement</b>		
Akums Drugs and Pharmaceuticals Limited		
Nicholas Healthcare Limited	22,62,505	65,89,012
Pure and Cure Healthcare Private Limited	1,16,508	1,47,762
Burrough Welcome Pharmcia Pvt. Ltd.	38,960	-
	53,483	27,600
<b>Rental Expense</b>		
Akums Drugs and Pharmaceuticals Limited		
Burrough Welcome Pharmcia Pvt. Ltd.	13,89,153	
<b>Expenses paid</b>	17,02,000	
Akums Drugs and Pharmaceuticals Limited	3,000	13,25,000
Plenteous Pharmaceuticals Limited	-	780
Pure and Cure Healthcare Private Limited	-	1,000
Nicholas Healthcare Limited	-	-
May and Backer Pharmaceuticals Limited	60,000	-
	27,598	-



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**Sarvagunaushdhi Private 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	31 March 2023	31 March 2022
<b>Remuneration paid*</b>		
Ms. Arushi Jain	-	35,00,000.00
<b>Sitting fees</b>		
Mr. Jaswant Singh	-	6,000
Ms. Rashmi Gupta	8,000	8,000
Mr. Binod Kumar	4,000	2,000
Mr. Kusum Sharma	4,000	-
<b>Professional charges</b>		
Mr. D.C. Jain	60,000	60,000

\* Excluding the post employment benefits

(b) Balance outstanding at the year end		
<b>Inter-corporate loan given</b>		
Akums Drugs and Pharmaceuticals Limited	-	41,00,00,000
<b>Trade receivable</b>		
Akums Drugs and Pharmaceuticals Limited	12,852	1,51,240
Upadhrish Reserchem LLP	1,568	-
Akums Healthcare Limited	-	8,997
Maxcure Nutravedics Limited	603	6,345
Malik Lifesciences Private Limited	1,329	13,657
Plenteous Pharmaceuticals Limited	1,84,51,686	-
Nicholas Healthcare Limited	-	-
Burrough Wellcome Pharmacia Pvt. Ltd.	-	1,54,25,428
Akums Health and education society	5,706	174
Pure and Cure Healthcare Private Limited	53,624	24,40,839
Akums Healthcare Limited	3,540	-
<b>Trade payable</b>		
Akums Drugs and Pharmaceuticals Limited	7,87,70,183	2,94,91,854
Malik Lifesciences Private Limited	3,95,86,855	-
Plenteous Pharmaceuticals Limited	12,184	62,931
Nicholas Healthcare Limited	-	99,21,687
AVHA Lifesciences Private Limited	-	-
Pure and Cure Healthcare Private Limited	21,03,95,780	15,10,36,511
Maxcure Nutravedics Limited	4,13,601	23,92,352
Malik Lifesciences Private Limited	-	1,86,73,733
Amazing Research Laboratories Limited	-	45,227
May and Baker Pharmaceuticals Limited	812	84,970
Burroughs Wellcome Pharmacia	-	-
Akumentis Healthcare Ltd.	-	22,824
Akumentis Healthcare Ltd.	59,886	-
<b>Security deposit payable</b>		
Akums Drugs and Pharmaceuticals Limited	-	6,00,000
<b>Other liabilities</b>		
<b>Expense Payable</b>		
Akums Drugs and Pharmaceuticals Limited (Interest Payable)	-	5,178



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*R. Shrivastava*

35 Disclosure required under Ind AS 115 - Revenue from customers

A Disaggregation of revenue:

	Year ended 31 March 2023	Year ended 31 March 2022
<b>Sale of products</b>		
Revenue from sale of goods - manufactured	-	43,86,56,631
Testing charges	35,60,05,213	1,20,00,000
	<b>35,60,05,213</b>	<b>45,06,56,631</b>

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
<b>Contract liabilities</b>		
Advance received from customers	17,77,055	6,86,851
<b>Total contract liabilities</b>	<b>17,77,055</b>	<b>6,86,851</b>
<b>Receivables</b>		
Trade receivables	17,37,59,295	16,16,90,667
<b>Total receivables</b>	<b>17,37,59,295</b>	<b>16,16,90,667</b>

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	6,86,851	3,84,430
Addition during the year	17,77,055	6,86,851
Revenue recognised during the year	6,86,851	3,84,430
Closing balance	<b>17,77,055</b>	<b>6,86,851</b>

The amounts receivable from customers become due after expiry of credit period which on an average is less than 60 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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**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
<b>Financial assets</b>		
Trade receivables		
Cash and cash equivalents	17,37,59,295	16,16,90,667
Other bank balances	50,54,54,813	2,36,91,514
Other financial assets	5,60,000	4,39,84,584
<b>Total financial assets</b>	<b>7,95,284</b>	<b>11,04,141</b>
	<b>68,05,69,393</b>	<b>23,04,70,906</b>
<b>Financial liabilities</b>		
Borrowings		
Trade payables	-	41,00,00,000
Lease liabilities	34,27,09,823	22,26,78,342
Other financial liabilities	70,91,241	76,49,033
<b>Total financial liabilities</b>	<b>1,41,42,867</b>	<b>1,90,69,699</b>
	<b>36,39,43,931</b>	<b>65,93,97,074</b>

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. Investments are carried at cost per Ind AS 27.

**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 Financial liabilities measured at fair value - recurring fair value measurements**

There is no financial assets/liabilities carried 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**

There is no foreign currency transaction during the year

**(ii) Interest rate risk**

The entity's policy is to minimize interest rate cash flow risk exposures on long-term financing. As on 31 March 2021, the entity is exposed to changes in market interest rates through bank borrowings at variable interest rates.

The entity's investments in Fixed Deposits all pay fixed interest rates.

**Interest rate risk exposure**

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Variable rate borrowing	-	-
Fixed rate borrowing	-	41,00,00,000
<b>Total borrowings</b>	<b>-</b>	<b>41,00,00,000</b>



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D. Sanyal



**Sensitivity**

Since there is no variable rate borrowing, the company is not exposed to the risk owing to change 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 categorisation	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
<b>Low credit risk</b>			
Cash and cash equivalents	50,54,54,813	-	50,54,54,813
Other bank balances	5,60,000	-	5,60,000
Other financial assets	7,95,284	-	7,95,284
<b>Moderate credit risk</b>			
Trade receivables	17,17,61,731	(19,97,564)	17,37,59,295
<b>Total</b>	<b>67,85,71,829</b>	<b>(19,97,564)</b>	<b>68,05,69,393</b>

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31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
<b>Low credit risk</b>			
Cash and cash equivalents	2,36,91,514	-	2,36,91,514
Other bank balances	4,39,84,584	-	4,39,84,584
Other financial assets	11,04,141	-	11,04,141
<b>Moderate credit risk</b>			
Trade receivables	16,36,88,230	19,97,564	16,16,90,667
<b>Total</b>	<b>23,24,68,469</b>	<b>19,97,564</b>	<b>23,04,70,906</b>

**(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	12,30,99,670	0.00%	-	12,30,99,670
6 months - 1 years	4,66,56,163	0.00%	-	4,66,56,163
More than 1 years	60,01,026	33.29%	19,97,564	40,03,462
<b>Total</b>	<b>17,57,56,859</b>		<b>19,97,564</b>	<b>17,37,59,295</b>



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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	15,56,79,172	0.00	-	15,56,79,172
6 months - 1 years	30,92,224	0.03	-	30,92,224
More than 1 years	49,16,835	40.63%	19,97,564	29,19,271
<b>Total</b>	<b>16,36,88,231</b>		<b>19,97,564</b>	<b>16,16,90,667</b>

**Reconciliation of loss provision – Trade receivables**

Particulars	Total
Loss allowance on 1 April 2021	19,97,564
Changes in provision	-
Loss allowance on 31 March 2022	19,97,564
Changes in provision	-
Loss allowance on 31 March 2023	<b>19,97,564</b>

**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					Total
	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	7,56,76,159	9,40,79,674	12,37,789	27,65,673	-	17,37,59,295
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	19,97,564	-	19,97,564
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-
	<b>7,56,76,159</b>	<b>9,40,79,674</b>	<b>12,37,789</b>	<b>47,63,237</b>	<b>-</b>	<b>17,57,56,859</b>

**31 March 2022**

Particulars	Outstanding for the following periods from due date of payment					Total
	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	6,12,01,003.52	9,75,70,393	4,94,288	24,24,982	-	16,16,90,667
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	2,47,366	17,50,198.00	-	19,97,564
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-
	<b>6,12,01,003.52</b>	<b>9,75,70,393</b>	<b>7,41,654</b>	<b>41,75,179.66</b>	<b>-</b>	<b>16,36,88,231</b>

**(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 has only taken loan from holding company.

**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
<b>Non-derivatives</b>				
Trade payable	34,27,09,823	-	-	34,27,09,823
Lease liabilities	23,89,464	47,01,777	-	70,91,241
Other financial liabilities	48,03,501	93,39,366	-	1,41,42,867
<b>Total</b>	<b>34,99,02,788</b>	<b>1,40,41,143</b>	<b>-</b>	<b>36,39,43,931</b>



*Kash* *Rajeev*

31 March 2022				
Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	-	41,00,00,000	-	41,00,00,000
Trade payable	22,26,78,342	-	-	22,26,78,342
Lease liabilities	24,75,694	51,73,339	-	76,49,033
Other financial liabilities	73,48,259	1,17,21,440	-	1,90,69,699
<b>Total</b>	<b>23,25,02,295</b>	<b>42,68,94,779</b>	<b>-</b>	<b>65,93,97,074</b>

**Trade payables ageing**

The table below analyse the outstanding trade payables:

31 March 2023						
Particulars	Not yet due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	2,91,323	-	-	-	2,91,323
Others	16,79,25,047	16,61,82,211	53,11,242	-	-	33,94,18,500
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Unbilled dues	30,00,000	-	-	-	-	30,00,000
	<b>16,79,25,047</b>	<b>16,64,73,534</b>	<b>53,11,242</b>	<b>-</b>	<b>-</b>	<b>34,27,09,823</b>

31 March 2022						
Particulars	Not yet due	Outstanding for the following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2,50,764	3,96,154	-	-	-	6,46,917
Others	10,87,87,961	11,27,75,590	4,67,874	-	-	22,20,31,425
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Unbilled dues	-	-	-	-	-	-
	<b>10,90,38,725</b>	<b>11,31,71,743</b>	<b>4,67,874</b>	<b>-</b>	<b>-</b>	<b>22,26,78,342</b>

**37 Taxes**

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

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

**(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	35,49,37,153	(4,54,20,711)
Income tax using the Company's domestic tax rate *	25.17%	26.00%
<b>Expected tax expense [A]</b>	<b>8,93,37,682</b>	<b>(1,18,09,385)</b>
<b>Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense</b>		
Additional benefit claimed on expenditure incurred on research and development	-	-
Utilisation of brought forward losses	(8,91,44,642)	-
Effect of non-deductible expenses and others	(1,93,040)	1,18,09,385
Tax earlier years	-	-
<b>Total adjustments [B]</b>	<b>(8,93,37,682)</b>	<b>1,18,09,385</b>
<b>Actual tax expense [C=A+B]</b>	<b>-</b>	<b>-</b>

\*Domestic tax rate applicable to the Company has been computed as follows



*Handwritten signature in blue ink.*

**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 opt to be taxed as per new regime.

**b) Deferred tax assets and liabilities for the year ended 31 March 2023 and 31 March 2022 as follows:-**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Deferred tax liability consists of:</b>		
Property, plant and equipment and intangible assets	4,14,770	(15,90,361)
<b>Deferred tax assets consists of:</b>		
Employee benefits	4,33,984	6,06,069
Provision for credit losses on financial assets	5,02,787	6,98,029
Property, plant and equipment and intangible assets	-	3,26,903
Unused business losses	86,581	9,27,33,912
Preliminary Expenses	-	520
Security deposit for rent	-	185
Lease liability	80,286	19,88,749
<b>Net deferred tax asset / (liability)</b>	<b>15,18,409</b>	<b>9,47,64,006</b>

The applicable statutory tax rate for financial year 2022-23 and 2021-22 are 25.17 and 26.00% respectively.

Due to temporary difference deferred tax assets has been worked out to Rs 15,18,409/- (9,47,64,006/-) . As deferred tax asset shall be recognised for the temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized. As a matter of prudence, during the year deferred tax assets is not being recognized in the books of accounts in respect of temporary differences.

**38 Segment reporting**

The Company is primarily engaged in the trading of "pharmaceuticals formulations". The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget and planning.

There is only one Reportable Segment for the Company which is "Trading of Pharmaceuticals Formulations", hence no specific disclosures have been made. Accordingly, information has been presented for entity-wide disclosures as under:

**Entity wide disclosures**

(a). Information about product revenue

The Company drives its product revenue mainly from pharmaceuticals formulations.

(b). Information about geographical areas

Non-current assets (Property, plant and equipment, Intangible assets and other non-current assets ) are in India.

(c). Information about major customers (from external customers)

Particular	No. of Customer	2022-23	No. of Customer	2021-22
		Revenue		Revenue
Revenue- Domestic(Pharmaceuticals Products) (Net)		35,60,05,213		45,06,56,631
Revenue from customers amounting to 10% or more of Company's total revenue	1	4,85,71,302	1	14,58,11,838

**39 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	As at
	31 March 2023	31 March 2022
Cash and cash equivalents	50,54,54,813	2,36,91,514
Other bank balances	5,60,000	4,39,84,584
<b>Net debt (A)</b>	<b>(50,60,14,813)</b>	<b>(6,76,76,098)</b>
Total equity* (B)	49,36,69,601	(36,20,83,138)
Gearing ratio (A/B)	<b>4098.87%</b>	<b>15.75%</b>

\*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 2023 and 31 March 2022.



*Rash*  
*Shruti*

## 40 Ratio Disclosures

Particulars	Numerator	Denominator	Current year	Previous year	% Variance
(a) Current ratio	85,00,06,605	35,30,80,002	2.41	1.22	97.33%
(b) Debt - Equity ratio	47,01,777	49,36,69,601	0.01	(1.15)	-100.83%
(c) Debt service coverage ratio	37,48,18,368	83,67,720	44.79	(35.98)	-224.48%
(d) Return on equity ratio	35,49,37,153	6,57,93,231	5.39	(0.13)	-4249.80%
(e) Inventory turnover ratio	31,69,65,029	8,95,75,826	3.54	7.49	-52.76%
(f) Trade receivables turnover ratio	35,60,05,213	16,77,24,981	2.12	5.03	-57.80%
(g) Trade payables turnover ratio	42,01,55,970	28,26,94,083	1.49	2.25	-33.94%
(h) Net capital turnover ratio	35,60,05,213	49,69,26,603	0.72	8.73	-91.79%
(i) Net profit ratio	35,49,37,153	35,60,05,213	1.00	(0.10)	-1089.21%
(j) Return on capital employed	36,90,61,621	49,36,69,601	0.75	(0.83)	-189.96%
(k) Return on investment	35,49,37,153	49,36,69,601	0.72	(0.95)	-175.85%

The above variance is on account of decrease in operations of the company. Further, the company during the year has been written back the loan of holding company. Also OCRPS has been issued leading to above variances. However owing to high operational expenses the margins are lower.

## 41 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	2,91,323	6,46,917
- 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.	-	-

## 42 Lease

(a) The Company has adopted Ind AS 116 'Leases' from 1 April 2019, which resulted in changes in accounting policies in standalone financial statement

## (b) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases

(c) The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2022 is 9% p.a (1 April 2021: 9% p.a.)

(d) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised 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)
Building	2	1-6 years	3 years

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised 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)
Building	3	1-7 years	3 years

There are no leases entered by the company which have any extension, termination or purchase option and the payment of lease rentals is not based on variable payments which are linked to an index.

## (e) Amount recognized in balance sheet and statement of profit and loss:

Particulars	Category of Right-of-use assets	
	Building	Total
Balance as at 1 April 2021	86,58,396	86,58,396
Less: Amortization charged on the right-of-use assets	25,41,625	25,41,625
Balance as at 31 March 2022	61,16,771	61,16,771
Add: Additions/deletions during the year	(16,24,034)	(16,24,034)
Less: Amortization charged on the right-of-use assets	22,79,527	22,79,527
Balance as at 31 March 2023	67,72,264	67,72,264



*Rash*  
*R. Ramesh*

Sarvagunaushdhi Private Limited

CIN - U51909DL2017PTC324616

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

(All amounts in ₹ unless otherwise stated)

(f) Lease payment not recognised as lease liability

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
Expenses relating to short term leases (included in other expenses)	11,03,344	31,16,693
<b>Total</b>	<b>11,03,344</b>	<b>31,16,693</b>

(g) The total cash outflow for leases for the period ended 31 March 2023 was ₹ 42.75 lakhs. (31 March 2022: 31.19 lakhs)

(h) Future minimum lease payments as on 31 March 2023 are as follows:

Minimum Lease payments due	As on 31 March 2023		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	30,42,400	6,52,937	23,89,463
1-5 Year	54,46,400	7,44,622	47,01,778
<b>Total</b>	<b>84,88,800</b>	<b>13,97,559</b>	<b>70,91,241</b>

Future minimum lease payments as on 31 March 2022 are as follows:

Minimum Lease payments due	As on 31 March 2022		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	31,89,850	7,14,156	24,75,694
1-5 Year	64,60,792	15,06,305	49,54,487
More than 5 Year	2,21,866	3,014	2,18,852
<b>Total</b>	<b>98,72,508</b>	<b>22,23,475</b>	<b>76,49,033</b>

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

For V.P Gupta & Co  
Chartered Accountants  
Firm Registration No. 009599N

CA V. P. Gupta  
Partner  
Membership No. 080557

UDIN: 230805570442129985  
Place: New Delhi  
Date: 10.05.2023

For and on behalf of Board of Directors of  
Sarvagunaushdhi Private Limited

Kusum Sharma  
Director  
DIN:02086304

Rashmi Gupta  
Director  
DIN: 02583595