AKUMS DRUGS &
PHARMACEUTICALS LTD.

Ensuring Healthier,
Happier Lives

2021-2022
ANNUAL REPORT

Akums

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PHARMACEUTICALS LTD.

2021-2022
ANNUAL REPORT

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OUR VISION

To become a globally admired pharmaceutical organisation by providing research-based, affordable quality products for a larger global population.

OUR MISSION

To dedicate ourselves to humanity's quest for longer, healthier and happier lives, through innovative healthcare products.

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Sanjeev Jain (Whole-Time Director)
Mr. Sandeep Jain (Whole-Time Director)
Mr. Basant Kumar Singh (Whole-Time Director)
Dr. Amit Varma (Non-Executive Director)
Mr. Kewal Handa (Independent Director)
Mr. N.L. Kalra (Independent Director)
Ms. Matangi Gowrishankar (Independent Director)

COMMITTEES:

Audit Committee:
Mr. N.L. Kalra
Mr. Kewal Handa
Dr. Amit Varma

NOMINATION & REMUNERATION COMMITTEE:
Mr. N.L. Kalra
Ms. Matangi Gowrishankar
Dr. Amit Varma

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:
Ms. Matangi Gowrishankar
Dr. Amit Varma
Mr. Sanjeev Jain
Mr. Sandeep Jain

RISK MANAGEMENT COMMITTEE:
Mr. Sanjeev Jain
Mr. Sandeep Jain
Mr. Kewal Handa
Mr. N.L Kalra

STAKEHOLDERS' RELATIONSHIP COMMITTEE:
Mr. Sanjeev Jain
Mr. Sandeep Jain
Mr. N.L Kalra
Ms. Matangi Gowrishankar

KEY MANAGERIAL PERSONNEL:
Mr. Sumeet Sood (Chief Financial Officer)
Mr. Dharamvir Malik (Company Secretary)

Statutory Auditors:
M/s. Walker Chandiok & LLP
Cost Auditors:
M/s. Jain Sharma & Associates
Secretarial Auditors:
M/s. A K Nandwani & Associates
Internal Auditors:
M/s. Vibhor Gupta & Associates

Bankers:
State Bank of India
Standard Chartered Bank

REGISTERED OFFICE:
304, 3 rd Floor, Mohan Place,
L.S.C, C-Block, Saraswati Vihar
Delhi-110034

WEBSITE:
www.akums.in
CIN
U24239DL2004PLC125888

CONTACT DETAILS:
Phone: 011-69041000
E-mail: akumsho@akums.net

ABOUT US

Akums was established by brothers Sanjeev and Sandeep Jain in 2004 with the objective of making medicines affordable and accessible to everyone, especially in middle and lower-income countries like India. Over the past decade and a half, Akums has emerged one of India's biggest manufacturers of generic drugs.

Through these years, Akums has stayed true to its vision of dedicating itself to developing innovative healthcare products for longer, happier and healthier lives. And it has strived to overcome some of the most significant healthcare problems that the world faces.

It is this dedication that has transformed Akums into India's largest contract manufacturer of generic medicines in India. In fact, Akums is today one of the largest and fastest-growing vertically integrated pharmaceutical companies in the country.

Akums operates 15 state-of-the-art facilities that are equipped to produce all forms of dosages—tablets, hard and soft gelatin capsules, powder in sachets, liquid syrups and suspensions, injections, eye and ear drops, ointments, creams, gels, lotions, Ayurveda and herbal preparations, nutraceutical and cosmetic preparations and several more ground-breaking products. Over the years, Akums has emerged as an integrated solutions provider for companies seeking specific development and business goals. Along with its core service offering—Contract Research & Manufacturing Services (CRAMS)—Akums also offers advanced solutions for formulation development and testing.

In recent years, the company has made several strategic acquisitions like those of Parabolic Drugs (now Akums Lifesciences) in order to scale up and diversify its business. In the wake, it has also been backed by marquee investors including healthcare-focused private equity firm Quadria Capital, which came on board in 2019.

Akums' founders, the Jain brothers, have been trendsetters in the Indian pharma industry. It is thanks to their vision that there is hardly a retail pharmacy outlet in India today that does not offer an Akums product.

Even as Akums continues to derive strength from the domestic Indian market, it has been spreading its footprint across all the major emerging markets. Today, the company exports its products to more than 60 countries across Africa, South and Southeast Asia, Eastern Europe, the Caribbean and Latin America.

AKUMS DRUGS &
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The company's strong performance over all these years has meant that it has been consistently rated highly by some of the country's leading credit rating agencies. Moreover, Akums' strong customer relationships, and a steady demand for its contract manufacturing operations ensured that it quickly recovered from the impact of the lockdowns in the wake of the Covid-19 pandemic, which disrupted the global pharmaceutical industry and API supply chains throughout 2020 and 2021.

Further, Akums' strong customer relationships and product strength have also enabled it to sustain its market share in the face of increasing competition. As Akums closes yet another successful financial year and enters a new one, the company redoubles its commitment to keep serving the people of the country and communities across the world that benefit from its medicines and other products.

Akums rededicates itself to its stated mission of becoming one of the most important pharmaceutical companies, providing research-based, affordable and quality products for people all over the world.

MANAGEMENT'S MESSAGE

Dear Shareholders,

Ever since the Covid-19 pandemic began impacting the world at large in 2020, manufacturing businesses have been severely affected. The pandemic's impact was also visible during most of 2021, making it tough to manage business operations, as supply chains remained disrupted owing to global lockdowns and other restrictions.

However, Akums showed great resilience during this period and quickly adapted itself to the changed dynamics.

At Akums, we remain indebted to our employees, who put in extraordinary efforts during the past year to ensure business continuity, despite the multiple disruptions and the ensuing lockdowns. Their collective efforts ensured that Akums delivered excellent performance across all the business segments during 2021-22.

In fact, 2021-22 turned out to be one of the best years on record for the company's performance. This, we believe, shows the true character of the company as it came out even stronger than ever before during the most trying times.

FINANCIAL PROGRESS DURING THE FINANCIAL YEAR 2021-22

All the business segments of the company showed good progress during the financial year 2021-22. The Contract Development and Manufacturing Organization (CDMO) and API divisions showed excellent performance, with its turnover increasing to Rs 3,645.55 crore in 2021-22 from Rs 2,444.57 crore during 2020-21.

The marketing division also achieved its all-time high growth and clocked a turnover of Rs 948.22 crore in 2021-22 as against Rs 519 crore in the previous financial year.

The group's newly acquired API business, Akums Lifesciences Ltd, achieved a turnover of Rs 140.18 crore. The consolidated turnover of the company during the year was Rs 3,677.78 crore.

ACQUISITIONS

In January 2021, the company acquired three API manufacturing facilities. These plants commenced operations during the financial year 2021-22. These facilities will help Akums stabilize its API supply chain. With these new facilities, Akums will also be able to expand its footprint in the domestic and export API markets.

In order to further strengthen and enhance its manufacturing capacities, the company, through its subsidiaries, acquired two manufacturing facilities, one at Baddi in Himachal Pradesh and one at Kotdwar in Uttarakhand, during the financial year 2021-22.

While the Kotdwar facility has been put to production, the Baddi plants will commence operations in FY2022-23.

THE AKUMS FAMILY

Good economics and the relentless pursuit of growth and profits are just one part of the equation. A business earns the legitimate right to bask in the glory of its success only when its activities have a positive impact on the society at large.

Akums was founded more than a decade and a half ago with the laudable aim of providing high-quality but affordable healthcare to millions of people across middle- and low-income countries including India.

And Akums has stayed true to its mission ever since. Not only does your company continue to supply high-quality medicines across India, South Asia, Southeast Asia, Africa, Latin America, the Caribbean and even Europe, it also continues to support the communities that help it sustain its operations.

In fact, over the years, Akums has built a strong legacy of honoring its corporate social responsibility by supporting the communities that thrive around its manufacturing units.

In 2021-22, along with various other CSR activities, Akums also established a modern, state-of-the-art 250-bed Covid care centre, which helped thousands of patients recover from the pandemic.

OUTLOOK

Going forward, the company aims to strengthen all business segments. We believe that all our businesses are well positioned to become industry leaders in their respective domains, and our endeavor will be to grow the overall business several fold from hereon in.

Today, Akums is the preferred supplier of choice for generic medicines of some of the most well-known Indian and global pharmaceutical companies. In the coming years, your company will keep striving to deliver value to all its clients and convince yet more to join the ever-growing Akums family.

We believe that in the coming few quarters and years, the contract development and manufacturing business will continue to drive Akums' growth. We are also firmly of the view that our other business verticals including, most notably, APIs, nutraceuticals and ethical marketing, have a very bright future ahead. Indeed, these verticals are on the road to becoming the growth drivers of the company in the years ahead.

We would like to convey our sincere gratitude to all stakeholders in the company, our board members, the industry and, most importantly, our employees and customers.
We thank you all for your contributions to the company.

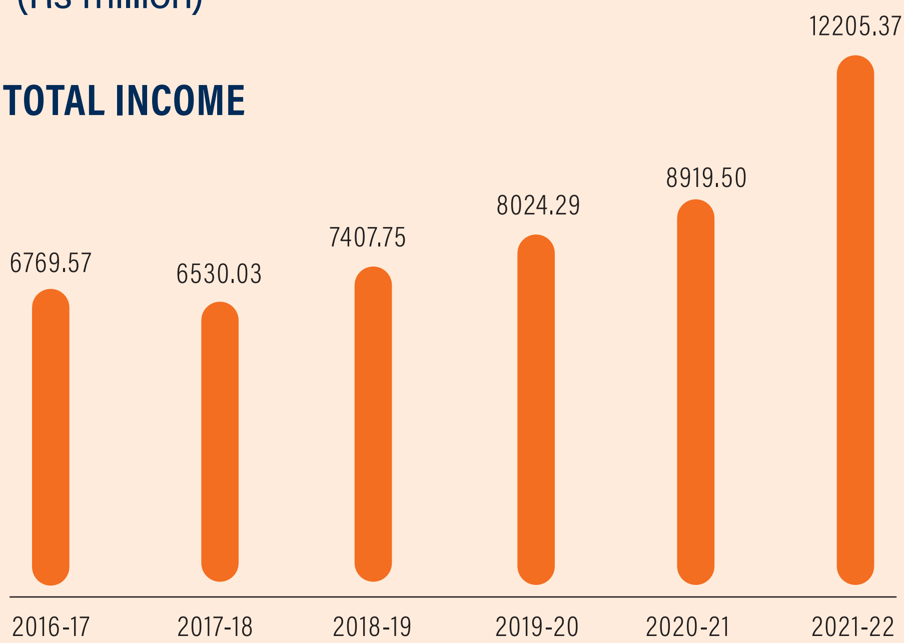
Warm regards,

SHRI SANJEEV JAIN
Co-founder
Akums Drugs & Pharmaceuticals Ltd.

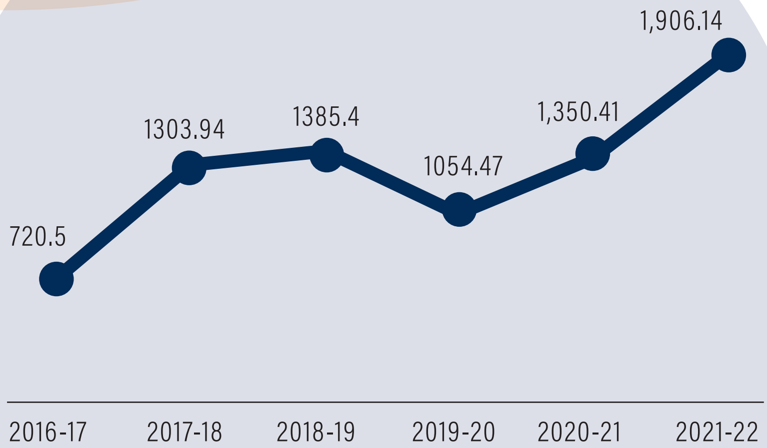
SHRI. SANDEEP JAIN
Co-founder
Akums Drugs & Pharmaceuticals Ltd.

AKUMS DRUGS AND PHARMACEUTICALS LTD
STANDALONE NUMBERS
(Rs million)

TOTAL INCOME

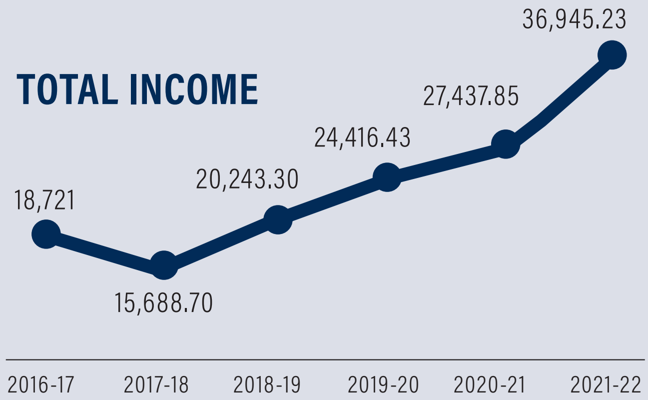


EBITDA

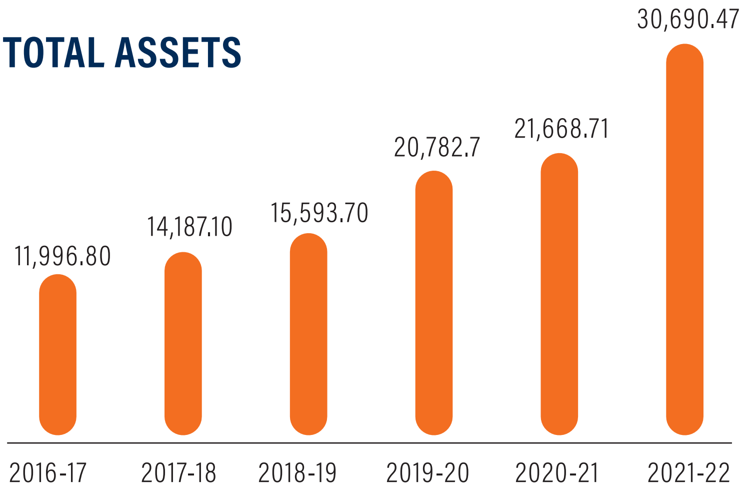


CONSOLIDATED NUMBERS
(Rs million)

TOTAL INCOME



TOTAL ASSETS



EBITDA

2016-17
2,029.20

2017-18
2,134.50

2018-19
2,032.20

2019-20
2,015.97

2020-21
3,123.22

2021-22
4,250.85

EVOLUTION OF AKUMS

2004

Akums Drugs is formed and first plant for oral solid dosages is started

2005-2008

Established dedicated plants for liquid dosage and sterile products

Developed over 230 products, some for the first time in India and some for the first time globally

2009-2013

Set up new plants dedicated to hormones, topicals and neutraceuticals;

Purchased two new units, Pure & Cure and Malik Lifesciences, to expand capacity

2014-2018

Diversified from CDMO into formulation marketing and started both retail and institutional sales

Reached the milestone of more than 500 DCGI approvals

2019-2022

Raised private equity funding from Quadria Capital;

Launched API business with two manufacturing plants and one R&D facility

Commissioned the 10th plant

BOARD OF DIRECTORS

Mr. Sanjeev Jain and Mr. Sandeep Jain have travelled a long distance since they first entered the pharmaceutical trading business in 1984, starting their entrepreneurial journey with a 55 sq ft shop in Delhi.

The two young men (Sanjeev was 18 and Sandeep was 16) set up the foundations of their business, along with their father, Mr. D.C. Jain. A decade later, in 1994, they set up their first manufacturing unit.

The business began with its own line of products but later ventured into contract manufacturing. The turning point was in 2004, when, thanks to some investor-friendly government policies, the Jain brothers set up a contract manufacturing plant in Haridwar, Uttarakhand.

That is when Akums was established, and since then there has been no looking back. The Jain brothers have set a new trend in the Indian pharmaceutical industry as the pioneers of the contract manufacturing model, making critical life-saving drugs accessible to millions of people across dozens of low-income and middle-income countries in Asia, Africa, Latin America and even Europe. But for these affordable medicines, millions of people in these regions would have no recourse to curative or palliative healthcare.

Even as other companies followed and sought to adopt a similar strategy, Akums has been ahead of the curve, becoming one of the largest and fastest-growing pharmaceutical contract manufacturers in India.

SANJEEV JAIN

Joint Managing Director, Akums Group

Mr. Sanjeev Jain was the principal force behind founding Akums, and ranks among the pioneers of the Indian pharma sector. Mr. Jain is known as a visionary, leader and mentor. He has been guiding not just Akums but the industry as a whole to greater heights over the last decade and a half.

A people's person, he has more than three decades of experience in the field of pharmaceuticals sales and marketing. He has received multiple industry awards, including the prestigious Dynamic Entrepreneur Award at the 6th Annual Pharmaceutical Leadership Summit & Business Leadership Awards in 2014.

Under his leadership, Akums has made several national and foreign collaborations. His innovative ideas in product development, patents, and customer retention have helped the company chart new growth paths over the year.

SANDEEP JAIN

Joint Managing Director, Akums Group

Mr. Sandeep Jain has been the force behind setting up Akums' state-of-the-art world-class facilities.

He has been associated with several leading trade and industry bodies and has advocated the cause of the Indian pharmaceutical sector. In 2013-14, he was the president of the Uttarakhand state council of the Confederation of Indian Industry (CII). The same year, he also headed the state's Association of Pharmaceutical Manufacturers.

He has also served as the chairman of the Chamber of Commerce and Industry, Uttarakhand and has been a member of the managing committee of the PHD Chamber of Commerce and Industry and the vice-chairman of the Foundation of Pharma Entrepreneurs (FOPE).

MR. NAND LAL KALRA

Independent Director

A former career bureaucrat, Mr. Kalra spent 36 years in the elite Indian Revenue Service (IRS), and held various important positions. He now heads the audit committee of the company, as its chairman.

From 2005-12, Mr. Kalra was a member of the Income Tax Appellate Tribunal, where he delivered several landmark judgements. Before that, Mr. Kalra served as the assistant commissioner, deputy commissioner, joint commissioner and additional commissioner in the income tax department and has served across the country.

Mr. Kalra, who has worked actively to extend financial help to underprivileged children, has an excellent academic record. He earned a bachelor of science degree from Kurukshetra University with a gold medal. He holds a masters in science from Punjab University and a law degree from Jodhpur University.

BOARD OF DIRECTORS

DR. AMIT VARMA

Non-Executive Director

Dr. Varma is a managing partner at Quadria Capital, one of the leading healthcare-focused private equity firms. He serves on the Akums board as a representative of Quadria, which invested in Akums in 2019. Dr. Varma has more than two decades of extensive experience in mergers and acquisitions, strategic investments and operational leadership. He has significant board-level experience in the healthcare industry and is himself a renowned physician. He has, in the past, led international expansion initiatives of Fortis Healthcare and its affiliated companies.

Dr. Varma is a Doctor of Medicine from Delhi University and also holds a fellowship in critical care from the University of Pittsburgh.

KEWAL HANDA

Independent Director

Mr. Handa is a veteran of the pharmaceutical industry in India. He headed Pfizer India as managing director and country manager from 2005 to 2012. Before Pfizer, he was also the managing director at Wyeth Ltd.

After leaving Pfizer, Mr Handa joined Samarth Life Sciences as President. He went on to serve as the non-executive chairman on the board of Union Bank of India, one of the most prominent government-owned lenders. Mr. Handa recently also joined the board of merchant payments firm BharatPe as an independent director.

Mr. Handa has diverse experience in finance, commercial, strategy, business development, M&A, banking, corporate affairs. He is also experienced across sectors like engineering and consumer in companies like Schrader Scovill, Hindustan Unilever Limited, and State Industrial Investment Corporation of Maharashtra.

Mr. Handa has wide experience in markets like the US, Southeast Asia, Africa, Bangladesh, and Sri Lanka.

One of Mr. Handa's key focus areas is building a diverse organisation. He has driven various teams to hire and retain women colleagues in management and most importantly in sales positions – an initiative unheard of in the Indian pharmaceutical industry. He has managed this by sensitization and by developing women-friendly policies. These initiatives are now case studies and were showcased at a ministerial roundtable held in Turkey.

Mr. Handa is a qualified management accountant and company secretary, and has a master's degree in commerce.

MS. MATANGI GOWRISHANKAR

Independent Director

Ms. Gowrishankar comes with a wide range of experience across different domains.

Besides Akums, she is currently an independent director on the boards of several prominent companies including Cyient, Gabriel India, Greenlam Industries, Arohan Financial Services, Ashv Finance, Intellecap Advisory Services, Altum Credo Home Finance and Premium Transmission.

In the past, Ms. Gowrishankar has served on the boards of BP India Services, the holding company of oil and gas major BP in India, and subsidiaries of Cummins India.

Not only has she led teams both in India and outside, she has also been an executive coach to the top leadership at BP plc and other companies. Ms. Gowrishankar has been a strategic human resources advisor to companies like Safari Industries, FlyNava Technologies, Quantum Consumer Solutions, BP Global Solutions India and Cornerstone India, to name a few. She was also heading the group HR council for the Aavishkaar Group. She holds a postgraduate degree in personnel management and industrial relations from the prestigious XLRI, Jamshedpur, and a bachelor of arts in sociology from Stella Maris College, Chennai.

BASANT KUMAR SINGH RATHORE

Whole-Time Director

Mr. Rathore is a three-decade old veteran of the pharmaceutical industry. He is an accomplished, outcome-driven executive with a proven track record in leading challenging initiatives, with emphasis on strategic planning, manufacturing, engineering, quality assurance, project development, budget management and human resources.

Mr. Rathore has, over the years, shown tremendous leadership ability and has extensive experience in managing pharmaceutical plants as per international standards.

Mr. Rathore holds a master's degree in pharmacy and a postgraduate diploma in management from Rajasthan University.

Before Akums, Mr. Rathore worked with companies like Bal Pharma, Tirupati Zion Medicare, Micro Labs, Scott-Edil Pharmacia, Nicholas Piramal, Lupin and Torrent Pharma.

INTERVIEW:
Mr SANJEEV JAIN AND Mr SANDEEP JAIN,
CO-FOUNDERS, AKUMS GROUP

"WE WILL CONTINUE TO FOCUS ON OUR PATIENT-FIRST APPROACH, DEVELOPING AND INVESTING ACROSS NEWER THERAPIES AND PRODUCTS."

WHAT MOTIVATED YOU TO START AKUMS?

In early 2000s, we realized that several pharma MNCs wanted to outsource their India marketed portfolio to a quality manufacturer. Further, Indian marketing companies were growing and were looking at reliable partners who could provide timely delivery and quality products cost-efficiently.

Further, we observed several opportunities to do formulation research to serve the Indian market. This is what convinced us to start a contract manufacturing company.

While our initial goal was to have one plant, we quickly realized the immense opportunity we could cater to and today we have multiple plants, in Haridwar and outside Haridwar.

We believed then, as we do now, that quality drugs make a significant impact on the health and life of each individual in their country.

WHAT DO YOU HAVE TO SAY ABOUT THE MARKET WHICH YOU CATER TO AND HOW DO YOU SEE THE INDUSTRY EVOLVING?

CRAMS (Contract Research and Manufacturing Services) is one of the fastest-growing segments in the pharmaceutical industry. It translates to outsourcing research services and manufacturing to high-quality and cost-efficient providers with world-class standards, in line with local regulatory norms.

Over the last decade, the CRAMS segment has gained prominence as multinational and Indian companies have been coming under intense pressure to cut fixed costs to maintain their profitability. Further, specialized contract manufacturing players offer niche products to help marketing companies maintain their presence.

According to a syndicated report, 37% of production in the pharma industry is outsourced to contract manufacturers. This figure is set to increase as companies consolidate their budget to focus on their core functions.

Further, as India emerges as a hub for new investors, established players who offer integrated manufacturing and development services will gain prominence as new entrants will be heavily relying on them to set up base and grow.

To us, this sounds very promising as Akums has emerged as a single-step solution for product development, regulatory approvals, technology transfers, and distribution partnerships, among others.

TELL US A LITTLE ABOUT YOUR ASPIRATIONS TO SPREAD AKUMS' GLOBAL FOOTPRINT?

The global pharma sector is in a state of transition. An array of deals and asset swaps have taken place in recent times. The most promising trend that has emerged is that of joint profit-sharing models. Such models allow for a speedy market launch, and are also more cost-effective as there is no duplication of efforts.

Akums is actively looking to capitalize on this trend, with a host of partnerships that will allow us to solidify our global position while offering our suite of high-quality drug manufacturing at low costs.

In addition, we have a dedicated export subsidiary, Unosource Pharma Ltd., and have recently acquired Parabolic Drugs Ltd. (now Akums Lifesciences Ltd.), an API manufacturer which has three manufacturing facilities wherein production has already commenced. These facilities will help us in consolidating our supply base and in expanding globally. We also plan to get regulated market approvals to tap the CMO opportunities for global markets.

WHAT WOULD YOU SAY ARE AKUMS' BIGGEST STRENGTHS?

Akums is well known in the pharma industry for its manufacturing excellence. Our sustained adherence to quality and compliance has helped us develop a unique brand for ourselves in an otherwise fragmented industry. We enjoy a unique market position with limited competition from other manufacturers operating in our size and scale. The sheer variety and breadth of our operations remains unrivalled so far.

Akums' facilities undergo more than 15,000 hours' worth of audits in a year by international regulators and multinational firms. Such stringent adherence to regulations allows Akums to deliver the highest quality.

As the country's largest finished drugs manufacturer, we are responsible for the health and well-being of millions of individuals. We take this responsibility very seriously, ensuring that every dosage unit complies with the most stringent quality standards.

We are one of the few providers who offer customized, dedicated manufacturing units, tailored to the exact needs of our valued partners.

We are also unique in that we actively encourage an environment that fosters learning and growth at all levels. As a company which delivers flexible and customized solutions to some of the biggest names in the pharma industry, we not only deliver world-class solutions but also use this as an opportunity to exchange ideas and best practices with industry veterans. This helps us in improving our service offerings and processes with the best in the world.

In fact, a significant percentage of our revenue goes into our research and development activities. Our team of scientists is always at work trying to develop formulations that help our clients deliver what they have promised.

Apart from offering all standard dosage forms, Akums has also developed some specialized formulations that involve a variety of controlled-release mechanisms. These technologies can be applied to a number of products to enhance the patient drug experience.

Moreover, a judicious use of capital over the years has given us an obvious edge over the others, as we have ready capital to constantly reinvent ourselves as per the changing scenarios.
Akums has emerged as an integrated solution provider for companies seeking specific development and business goals. Along with our core service offering, we have stepped up to offer advanced solutions for formulation development and testing. We are continuously looking at better ways to manage formulation-related challenges such as ease of administration, dosing frequency and taste masking.

Apart from offering traditional contract manufacturing services, we have also created a unique model wherein we offer market-ready products to the client, thereby expediting the market launch by several notches. We work through a model wherein we track the latest advances in various therapies that are yet to have reached India. Based on this intelligence, these product ideas and con-

“WE ARE ONE OF THE FEW PROVIDERS WHO OFFER CUSTOMIZED, DEDICATED MANUFACTURING UNITS, TAILORED TO THE EXACT NEEDS OF OUR VALUED PARTNERS.”

cepts are then developed further at Akums.

Akums manufactures products for several Indian pharmaceutical companies, MNCs, nutraceutical, FMCG and D2C companies.

WHERE DO YOU SEE THE COMPANY FIVE YEARS FROM NOW?

A very important aspect of our future strategy is to focus on new technologies that will reduce “patient pill burden”. Akums will continue to actively pursue new tools that would allow us to manufacture formulations with a reduced dosage frequency, for we believe that will not only reduce cost but will also have a huge impact on patient compliance, which is still an important factor for the failure of a number of therapies.

We would continue to invest in new delivery systems that allow for better solubility as well as bioavailability.

The Akums Group has become a vertically integrated pharma business. Its business segments start with manufacturing of APIs, manufacturing of pharmaceutical formulations, manufacturing of nutraceuticals and cosmetics products, marketing of branded formulations, marketing of generic formulations, wholesale marketing business, export business, and research and development.

At present, we are the market leaders in manufacturing of pharmaceutical formulations. Going forward, our aim is to strengthen other business segments in order to become a globally renowned vertically integrated pharma company.

COMPANY OVERVIEW

Established in 2004, Akums Drugs and Pharmaceuticals Limited (henceforth referred to as 'Akums' or 'the company') started its journey as a manufacturer of pharmaceutical formulations. Today, Akums is a vertically integrated pharmaceuticals company with presence across the value chain including manufacturing of active pharmaceutical ingredients (APIs), manufacturing of pharmaceutical formulations, branded marketing, generics and institutional sales.

Akums' greatest strength is its huge manufacturing facilities spread across multiple locations in India.

Throughout its 18 year-long journey, Akums has maintained excellent relations with its clients by providing quality medicines. As an end-to-end solutions provider, the company has built deep trust-based relationships with its clients, which drives longevity and sustained business engagement.

GLOBAL PHARMACEUTICALS SECTOR

The global outbreak of the COVID-19 pandemic forced various governments to implement months of lockdown in 2020, which significantly impacted business activity across the manufacturing sector all over the world.

The pandemic brought the world's attention to the healthcare and pharmaceutical sectors, and led to an increase in spending on medicines and other allied products.

But times of distress also herald an opportunity. As the world turned its attention to medicine and healthcare, the global pharma industry received fresh impetus.

In fact, the pharma industry has been one of the fastest growing industries in the world over the last few years, and has been one of the biggest contributors to the world economy.

According to IQVIA's Global Medicine Spending and Usage Trends: Outlook to 2025, the global market for pharmaceuticals is expected to reach $1.6 trillion by 2025.

While growth in developed markets will slow down, emerging markets will become increasingly important in the coming decade. India is expected to be the among the fastest growing major markets.

There are several reasons for growth of the global pharma sector. World population is expected to grow at a rate of 1.24% per year until 2030. But the population is aging, too. The WHO estimates that one in six people on the planet will be 60 or older by 2030. This increases the patient pool of many chronic diseases such as rheumatoid arthritis, hypertension, diabetes and cancer, driving demand for medicines used to treat these diseases. Increase in diagnosis is adding to the pool of treatable patients.

Growing urbanisation, a growing middle class, increasing affordability, changing lifestyles and unhealthy eating habits also lead to a higher demand for medicines.

More people have access to affordable healthcare than ever before, and, in the coming years, access to healthcare may well be regarded everywhere as a basic human right.

The world pharma market is dominated by countries like the US, EU and Japan and the contribution of emerging market economies is expected to grow in the coming years.

North America was the largest region in the pharmaceuticals market in 2021. According to a report by Intercontinental Marketing Services Health Inc, the US is projected to continue to consume most medicines produced globally, followed by Europe and China. Brazil, Russia and India together contribute about 6% of global consumption of medicines.

Global generic drug sales are expected to make up 29.2% of the total pharmaceutical sales by value worldwide in 2022. Generics now make up more than 80% by volume of drugs dispensed around the world. This percentage will continue to grow as more drugs lose patent protection.

INDIAN PHARMACEUTICAL MARKET

With a population of about 1.35 billion, India is home to one-sixth of the world's people. This population density and factors like sustained economic growth, higher disposable income, improved access to quality healthcare, rise in chronic diseases due to sedentary lifestyles, and increasing insurance penetration, make India one of the most promising pharmaceutical markets in the world.

As per a 2021 report by the Federation of Indian Chambers of Commerce and Industry (FICCI) and consultancy firm EY, the Indian pharmaceutical industry grew at a CAGR of about 8.5% during 2010-2020. The report projects the pharma industry to grow at a CAGR of 12% to reach $130 billion by 2030 from $41.7 billion in 2020.

However, growth was impacted in 2020 owing to COVID-19 lockdowns, which resulted in lower patient footfalls at clinics and OPDs and the deferment of non-emergency surgeries and procedures.

Still, the industry is poised for a big leap forward in this decade. Health has come into sharp focus as never before. The developments over the past couple of years have emphasised the importance of an innovation ecosystem, and a robust infrastructure for production of drugs and pharmaceuticals. India has emerged as a pharmacy to the world, supplying critical drugs and vaccines in the course of this pandemic.

The Indian pharma market is the third-largest in terms of volume and 13th largest in terms of value, as per a report by Equity Master. India is the largest supplier of generic drugs globally with Indian generics accounting for 20% of global exports in terms of volume.

The overall penetration of modern medicines, however, remains quite low in India. In fact, the per capita spending on pharmaceuticals in India is one of the lowest among emerging markets. Compared to the emerging market average per capita spend of about $117 per year, the spending in India is approximately $15-25 per year.

The Indian market is dominated by branded generic drugs, which make up for 90% market share in revenue terms, followed by contribution from the over-the-counter (OTC) segment, patented products and vaccines. The share of generic drugs is expected to steadily increase.

India has an inherent advantage of lower production costs compared to developed markets. Apart from other advantages, India has a skilled workforce as well as high managerial and technical competence as compared to its peers in Asia.

Over the past decade, the distinction between local players and multinational companies has increasingly blurred and the Indian pharma market has begun offering equal opportunities for both local and foreign firms.

In the next few years, public expenditure on health is expected to increase to 2.5-3% of India's gross domestic product from the current 1.3%. This would result in an increase in consumption of pharma products

INDUSTRY PROSPECTS

Spending on medicine in India is projected to grow by 9-12% over the next five years. This is set to catapult India to become one of the top 10 countries in terms of spending on medicines. The rising instance of lifestyle diseases, growing population and increasing healthcare awareness are positively contributing to growth and domestic consumption in the sector.

Going forward, better growth in domestic sales would also depend on the ability of companies like Akums to align their product portfolio towards chronic therapies for ailments such as cardio-vascular conditions, diabetes, depression and various forms of cancer, which are on the rise.

The Indian government has taken many steps to help reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit Indian drugmakers.

In addition, the thrust on rural health programs, lifesaving drugs and preventive vaccines is also going to play an important role in helping pharma companies find newer avenues for growth.

India is also becoming a leading destination for clinical trials for contract research and manufacturing activities.

INDIA MARKET'S UNIQUE CHARACTERISTICS

- Branded generics dominate, making up for a large share of the retail market.
- Local players dominate, driven by formulation development capabilities and early investments.
- Price levels are low, driven by intense competition.

GROWTH OPPORTUNITIES IN INDIA

- Population growth and a rise in disease prevalence will increase the patient pool by nearly 20% annually.

- The affordability of drugs will rise due to sustained growth in incomes and increases in insurance coverage.

- Rising incomes will drive millions of households into the middle- and upper-income segments.

- Growing health insurance coverage is likely to augment affordability. Private insurance coverage is expected to grow by nearly 15% annually.

- The biggest impact will be seen through government programs that are focused on the 'below poverty line' segment. This is expected to provide health insurance coverage to nearly 526 million people by 2030.

GOVERNMENT INITIATIVES

The government of India has taken measures to boost the prospects of the country's pharmaceutical sector. The government has started the 'Production-Linked Incentive' (PLI) scheme aimed at making India a global leader in drug and API manufacturing. The government had also constituted a 'Pharma Forum' for quick redressal of challenges being faced by the industry. Time needed for approval of new facilities has been reduced to boost investments.

The Drug Controller General of India (DCGI) has put in place a single-window facility to provide approval and to disseminate information. The move is aimed at giving a push to the government's 'Make in India' initiative.

In recent times, the DCGI has taken several initiatives in order to promote generic medicines in India; and Akums is ready to benefit from these initiatives.

The Ministry of Chemicals and Petrochemicals has announced setting up of chemical hubs across the country. It is also facilitating early environment clearances in existing clusters, adequate infrastructure and the establishment of a Central Institute of Chemical Engineering and Technology.

In order to promote the pharmaceutical sector, the government has taken the following initiatives:

a. As per National Biotechnology Development Strategy 2015, the government has proposed to set up the National Biotechnology Regulatory Authority to provide a single-window clearance mechanism for all bio-safety products to create efficiencies and streamline the drug approval process.

b. The government has relaxed the Foreign Direct Investment norms in the pharmaceutical sector.

c. The increase in government expenditure on healthcare will benefit the pharmaceutical sector, too.

The Department of Pharmaceuticals has released a draft National Pharmaceutical Policy with the following objectives:

a) Make all essential drugs accessible to the masses by keeping prices affordable.

b) Provide the Indian pharmaceutical sector with a long-term stable policy environment.

c) Make India self-sufficient in end-to-end domestic drug manufacturing.

d) Maintain world-class quality for domestic consumption and exports.

e) Create a positive environment for research and development in the pharma sector.

CONTRACT MANUFACTURING IN THE PHARMA INDUSTRY

Many pharmaceutical companies, big or small, partner with a contract manufacturing organisation (CMO) as a strategic choice. The capital-intensive nature of the business and complexity of the manufacturing operations are among the primary reasons driving pharmaceutical companies to outsource these activities. Increasing demand for generic medicines is also driving the growth of the CMO services market.

The global market for Contract Research and Manufacturing Services (CRAMS) is expected to record at least 7% CAGR till 2025. This is expected to happen on the back of increasing costs of research and development, coupled with significant revenue loss due to an impending patent cliff that has forced major pharmaceutical companies worldwide to outsource part of their research and manufacturing activities to low-cost countries like India. In fact, CRAMS is one of the fastest-growing sectors in the pharmaceutical industry.

India offers significant cost advantages over matured manufacturing hubs in Europe and North America and has emerged as one of the leading cost-competitive and quality manufacturing hubs for many global players.

Akums' manufacturing philosophy is strategic yet simple: we drive continuous improvement and innovation to produce high-quality, affordable medicines and enhance healthcare. Akums boasts of state-of-the-art technologies, which help us deliver affordable and su-

Contract researchers and manufacturers are steadily taking centre-stage in the global pharma industry and with increasing costs and complexity, this trend is expected to continue.

perior quality products. Akums has been innovating its processes and making them more cost effective, in turn, benefiting pharmaceutical marketing companies.

The Indian CRAMS industry is estimated to be worth $20 billion by 2025 and expected to witness a strong growth at a CAGR of 18-20% in the coming years. The CRAMS segment is fragmented in India with more than a thousand players. With regulators tightening norms, the segment is likely to witness a phase of consolidation, going forward.

DRIVERS FOR CONTRACT MANUFACTURING

In earlier times, pharma companies were required to be vertically integrated, i.e. the company itself performed all the operations required for its business. Now, investors want fast-paced growth, so outsourcing is in vogue.

The key drivers that lead pharma marketing companies to outsource manufacturing functions are:

- A reduction in profit margins
- Patent expiration of major therapeutic brands
- Requirement of up-to-date processes
- Need for high-quality research and development facilities
- Cost-effective production technologies that meet global standards
- A need to reduce cost
- Better capacity management with flexibility to handle business needs
- Effective utilisation of internal core expertise and other resources (including financial)
- To focus on their core competencies of marketing
- Quick time-to-market
- Leveraging external expertise, addressing non-availability of internal capabilities
- Investing less capital and leveraging financial resource in other core activities
- Leveraging the vendor's innovative, state-of-the-art process and production technologies

Apart from the above, a reputed CMO like Akums provides a range of services and benefits to pharma marketing companies. These include product development, obtaining DCGI approvals and lower costs due to economy of scale.

Akums employs the latest manufacturing facilities and techniques and has the capability to understand and deploy multiple regulatory requirements. To provide efficient and integrated

The Indian government and companies have been making efforts to reduce dependence on China for APIs. Therefore, the API sector is expected to continue to attract favourable government regulations in the coming years.

services, Akums tries to integrate its manufacturing with the supply chain of the pharmaceutical companies.

THE ACTIVE PHARMACEUTICAL INGREDIENTS (API) INDUSTRY

India has been heavily dependent on China for APIs, or bulk drugs required to make finished products, and buys more than half its requirements from its bigger neighbour. But the API market is undergoing immense changes due to supply chain disruption by COVID-19.

According to industry estimates, the size of the Indian API market was around $12 billion. This is projected to grow at a CAGR of 9-12% over the next five to six years. Still, India's API market is a small part of the global API industry, which is estimated to be around $180-200 billion and projected to growth to $300-350 billion by 2026-2027. This highlights the potential for growth in this segment.

The captive API segment, which holds the dominant market share in India, is anticipated to grow at a significant rate in the coming years owing to the easy availability of raw materials and greater investments by major players to develop manufacturing facilities.

The government has, in fact, already announced the implementation of the Production-Linked Incentive (PLI) scheme to boost the API industry in India. This scheme is in line with the government's emphasis on building an Atmanirbhar Bharat (self-reliant India) and could give an impetus to India's pharmaceutical sector.

CHINA PLUS ONE STRATEGY, PLI SCHEME

The pandemic has renewed interest in the 'China plus one' strategy to enhance supply chain resilience by diversifying manufacturing activities into other countries.

Multinational companies have stepped up efforts to implement this strategy to diversify and de-risk their supply chains in the wake of the COVID-19 disruptions and US-China trade tensions.

This provides a unique opportunity for India to emerge as a global manufacturing hub. India stands out as an attractive option due to its strategic location, a large domestic market, skilled labour and low labour cost.

In addition, the PLI scheme announced in April 2020 attracted many pharmaceuticals manufacturers. The PLI scheme targets domestic manufacturing of 53 APIs with high dependence on imports. Additionally, in February 2021, the Union Cabinet approved another PLI scheme for the pharma sector, entailing an outlay of Rs 15,000 crore.

The China Plus One strategy and the PLI scheme are likely to improve the competitiveness of the Indian pharmaceuticals manufacturers in the long run.

AKUMS' POSITION IN CONTRACT MANUFACTURING INDUSTRY

Akums is India's largest medicine manufacturing company engaged in making pharmaceuticals formulations, nutraceuticals, cosmeceuticals, ayurvedic and herbal preparations, hormones and more, in all dosage forms like tablets, capsules, injectables and vials, ear and eye drops, liquid orals, creams, ointments and dry syrup etc.

In fact, Akums and its subsidiaries manufacture over 12% of total medicines consumed in India.

Quality, innovation and customer satisfaction are virtues at Akums. The approach is technology-driven to serve the emerging needs in the ever-expanding market. Akums' 15 state-of the-art manufacturing facilities dedicated to separate dosage forms across therapeutic segments are equipped with ultra-modern equipment and machines.

Akums carries out various processes for its customers including research, testing, regulatory approvals, manufacturing, customization, packaging and logistics support, to name just a few. This makes Akums a "one stop shop" for all pharma manufacturing needs. Akums has state-of-the-art technology, equipment and automation to provide the best-quality medicines to the customers.

In our continuous pursuit of a healthier world, we are steadfastly working towards redesigning global healthcare while setting new goals for ourselves.

AKUMS' CRAMS BUSINESS MODEL

Akums manufactures pharmaceutical formulations in most therapeutic segments and in almost all dosage forms, covering about 4,000 formulations. The company focuses on specialised products and has limited reliance on commoditised products.
Our business model includes:

a. Contract research and manufacturing services (CRAMS) in medicines
b. Research and development of new formulations and obtaining DCGI approvals
c. Technology development and transfer
d. Offering tailor-made specialised products
e. Arranging clinical trials and bioequivalence studies
f. Research and development of formulations based on NDDS
g. Assistance in patenting of innovative drugs and technology
h. Developing new techniques of processing and packaging
i. Sustained improvement in product quality
j. Loan licence of manufacturing facilities

FUTURE PROSPECTS OF AKUMS

Akums has been a pioneer in the pharma contract manufacturing space in India. After establishing itself as the leader in the domestic market, Akums has now established itself as a vertically integrated pharma company whose business segments include API manufacturing,

The cost of drug development and manufacturing has increased over the last few years, forcing pharmaceutical companies to adopt new approaches towards drug discovery and manufacturing. As a result, they are increasingly deploying outsourcing strategies.

formulations manufacturing, exports, branded marketing, generics and institutional sales.

Akums also expects to gain from the emerging opportunity that will arise from branded drugs going off patent. About $55 billion is the expected sales gain to generics drugs on account of branded drugs going off patent during 2022-25. After these products go off-patent, there will be a requirement to manufacture these drugs in a cost-effective manner. This, in turn, will create a big opportunity for Akums.

Akums is an active supplier to the government-supported 'Jan Aushdhi' campaign to provide low-cost generic drugs.

QUALITY AND COMPLIANCE

Since its inception, Akums has focused on quality and compliances. In fact, quality is one of the major unique selling propositions of the company.

It has established a well-defined validation and qualification structure to ensure that systems, facilities and processes are designed and developed in line with the needs of customers and in order to comply with regulatory requirements.

The company has established risk management procedures and followed internal audits, failure inquiries and implemented permanent corrective measures when it comes to the quality of the products.

The company continues to do everything necessary to improve its quality systems to ensure compliance with the ever-evolving regulations.

FINANCIAL REVIEW

Consolidated abridged profit and loss statement (in Rs million)

PARTICULARS	2019-20	2020-21	2021-22
Total income	24,416.4	27,437.85	36,945.23
EBITDA	2,015.97	3,123.22	4,250.85
PBT	1,138.2	1,722.61	-1,931.97
PAT	436.5	1,234.35	-2,508.74

Consolidated abridged balance sheet (in Rs million)

PARTICULARS	**2019-20**	**2020-21**	**2021-22**
Assets	20,782.7	21,668.71	30,690.47
Non-current assets	8,284.2	10,094.66	11,774.31
Current assets	12,498.5	11,574.05	18,640.63
EQUITY & LIABILITIES			
Equity & other equity	7,208.8	8,848.47	6,219.76
Non-current liabilities	6,274.1	6,997.84	11,714.59
Current liabilities	7,299.8	5,799.52	12,724.17

REVENUE FROM OPERATIONS

Consolidated revenue from operations increased by 35% to Rs Rs 36,772.93 million in 2021-22. This increase was mainly driven by back of higher volume growth and optimum capacity utilisation.

MATERIAL COSTS

Raw materials consumed increased to almost 80% in 2021-22, compared with growth of 45-50% in the previous two years. The increase in raw material consumption was mainly due to higher prices of some key input materials and an increase in our manufacturing capacities.

EMPLOYEE EXPENSES

People-related expenses increased to Rs 4,977 million during 2021-22 from Rs 4,209 million in the financial year 2020-21. This increase was due to a 30% increase in our employee strength during 2021-22 and additional expenses in terms of incentives and employee welfare expenses incurred due to COVID-19.

OTHER EXPENSES

Other expenses including other operating expenses, marketing, R&D and administrative expenses stood at Rs 4,267 million in 2021-22 against Rs 3,196 million in 2020-21. As a percentage of revenue, other expenses were at 11.6% as compared with 11.7% in the previous year.

To
The Members,
Your directors have immense pleasure in presenting their 18th (Eighteenth) Annual Report on the business and operations of the company together with the Standalone and Consolidated Audited Statements of Accounts for the Financial Year ended on March 31, 2022.

FINANCIAL RESULTS (IN RS MILLION)

PARTICULARS	STANDALONE YEAR ENDED 31.03.2022	STANDALONE YEAR ENDED 31.03.2021	CONSOLIDATED YEAR ENDED 31.03.2022	CONSOLIDATED YEAR ENDED 31.03.2021
Revenue from operations	**11,620.61**	8,374.36	**36,772.93**	27,226.29
Other Income	**584.76**	545.14	**172.30**	211.56
Total Income	**12,205.37**	8,919.50	**36,945.23**	27,437.85
Less: Expenses	**10,299.23**	7,569.09	**32,694.38**	24,314.63
EBITDA	**1,906.14**	1,350.41	**4,250.85**	3,123.22
Fair value changes on Financial instruments	**4,941.74**	538.23	**4,941.74**	538.23
Less: -Finance Cost	**36.53**	8.20	**166.55**	67.44
Depreciation/ Amortization	**277.63**	261.03	**946.79**	698.41
Profit before exceptional item & tax	**(3,349.76)**	1081.20	**(1,728.10)**	1,819.15
Exceptional item	**--**	(2,494.95)	**129.77**	100.00
Profit (loss) before Taxation (PBT)	**(3,349.76)**	(1,952.00)	**(1,931.97)**	1,722.61
Less: Tax expenses	**467.99**	(497.72)	**576.77**	488.26
Profit (loss) after Tax (PAT)	**(3,817.75)**	(1,454.28)	**(2,508.74)**	1,234.35
Other Comprehensive Income	**2.66**	1.55	**(0.88)**	(1.27)
Total Comprehensive Income	**(3,815.09)**	(1,452.73)	**(2,509.62)**	1,233.08

KEY HIGHLIGHTS OF THE COMPANY'S STANDALONE FINANCIAL PERFORMANCE DURING FY 2021-22 ARE AS FOLLOWS:

- Revenue from operations increased by 39% driven by steady performance across all divisions
- Total Income Revenue increased by 36%
- Earnings before interest, taxes and depreciation (EBITDA) increased by 40.42%
- Profit before exceptional items and tax increased by 46%

COMPANY'S AFFAIRS

Your company exhibited all-round performance across all the business areas. During the year under review –

- The Contract Development and Manufacturing Organization (CDMO) division has shown excellent performance and achieved a turnover of Rs 3,345.07 crore as against Rs 2,414.15 crore last year.
- The marketing division achieved its all-time high growth and contributed a turnover of Rs 948.22 crore in comparison with Rs 519 crore during the previous year.
- The newly acquired active pharmaceutical ingredient (API) business of Akums Lifesciences Ltd, a subsidiary, achieved a turnover of Rs 140.18 crore during the financial year 2021-22.
- The company, along with its subsidiaries, acquired two manufacturing facilities during the financial year 2021-22.
- The consolidated turnover of the marketing and manufacturing divisions during the financial year 2021-22 was Rs 3,677.78 crore.

DIVIDEND

Your company has continuously been on the path of expansion. In view of the need for conserving the resources of the company, the board of directors does not recommend any dividend for the financial year 2021-22.

RESERVES

Loss of Rs 3,815.09 million for the financial year 2021-22 had been adjusted with the previous year's other equity of Rs 5,657.46 million to arrive at the current year's other equity of Rs 1712.31 million, which was retained in the Balance Sheet.

EXTRACT OF ANNUAL RETURNS

Pursuant to section 92(3) of the Companies Act, 2013 a copy of the annual return, for the financial year 2021-22 has been placed on the website of the company.

CHANGES IN CAPITAL STRUCTURE

During the financial year 2021-22, the capital structure of the company changed as the Company subdivided the face value of its shares from Rs 10/- per equity share to Rs 2/- per equity share; and also issued bonus shares in the ratio of 10:1.

Currently, the authorized share capital of the company is Rs 150,000,000/- (Rupees fifteen crore) divided into 75,000,000 (seven crore and fifty lakhs) equity shares. The issued, sub-scribed and paid-up share capital of the company is Rs143,064,350/- (Rupees fourteen crore thirty lakhs sixty four thousand three hundred and fifty only) divided into 71,532,175 (seven crore fifteen lakh thirty two thousand one hundred and seventy five) equity shares.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the financial year 2021-22, the composition of the board of directors of the company was changed as follows:

1. Appointment of Mr. Kewal Handa (DIN: 00056826) as director with effect from 16.03.2022;
2. Appointment of Ms. Matangi Gowrishankar (DIN: 01518137) as director with effect from 16.03.2022;
3. Appointment of Mr. Basant Kumar Singh (DIN: 09523959) as director with effect from 16.03.2022;
4. Resignation of Dr. Deepak Haldankar (DIN: 08733074) with effect from 31.03.2022;
5. Resignation of Ms. Neena Vivek (DIN: 07118115) with effect from 15.04.2022.

Further, as per the provisions of the Companies Act, 2013, Dr. Amit Varma, director, will retire at the ensuing annual general meeting and, being eligible, seek reappointment. The board of directors recommended his re-appointment.

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2021-22, the board of directors duly met four times on 25.06.2021, 27.09.2021, 24.12.2021 and 16.03.2022 in respect of which proper notices were given and the proceedings were properly recorded and signed in the 'Minutes Book' maintained for the purpose. However, in cases of urgent business needs, approval is usually taken by passing resolutions through circulation.

The details of attendance of directors at the board meetings of the company are given as under:

NAME OF DIRECTOR	CATEGORY	NO. OF BOARD MEETINGS		%
		ELIGIBLE TO ATTEND	ATTENDED	
Mr. Sanjeev Jain	Executive	4	4	100
Mr. Sandeep Jain	Executive	4	4	100
Mr. Basant Kumar Singh	Whole Time	1	1	100
Mr. N.L Kalra	Independent	4	4	100
Mr. Kewal Handa	Independent	1	1	100
Dr. Amit Varma	Non-Executive	4	3	75
Ms. Matangi Gowrishankar	Independent	1	0	0
Dr. Deepak Haldankar*	Executive	4	3	75
Ms. Neena Vivek**	Independent	4	4	100

*Resigned w.e.f. 31.03.2022

** Resigned w.e.f. 15.04.2022

MEETING OF COMMITTEES AND GENERAL MEETING(S) DURING THE FINANCIAL YEAR 2021-22

During the period under review, audit committee meetings were held on 25.06.2021, 27.09.2021, 24.12.2021 and 16.03.2022.
The details of attendance of members of the audit committee of the company are given as under:

NAME OF DIRECTOR	CATEGORY	NO. OF BOARD MEETINGS		%
		ELIGIBLE TO ATTEND	ATTENDED	
Mr. N.L Kalra	Independent	4	4	100
Ms. Neena Vivek	Independent	4	3	75
Dr. Amit Varma	Non-Executive	4	4	100

The Annual General Meeting (AGM) of the company for the previous financial year i.e. 2020-21 was held on 27.09.2021. It was attended by all the shareholders and Mr. Sanjeev Jain (director cum shareholder), Mr. Sandeep Jain (director cum shareholder), Mr. N.L. Kalra, independent director of the company along with the company secretary, chief financial officer, representative of the statutory auditor and the secretarial auditor of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3) read with Section 134(5) of Companies Act, 2013, the directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis.
- The company is not listed, yet the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; for ensuring the orderly and efficient conduct of business, including an adherence to the company's policies, the safeguarding of its assets, prevention and detention of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
- The directors have devised proper systems to ensure compliance with the provisions of all applicable secretarial standards and that such systems are adequate and operating effectively.

DECLARATIONS BY INDEPENDENT DIRECTORS

The company has received declarations from all the independent directors confirming that they meet the criteria of independence as provided in sub-section (6) of section 149 of the Companies Act, 2013. In the opinion of the board, the independent directors of the company fulfill the conditions specified under the Act.

Audit Committee

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which forms a part of this report.

CSR Committee

The details pertaining to the composition of the Corporate Social Responsibility (CSR) committee are included in the Corporate Governance Report, which forms part of this report.

Nomination and Remuneration Committee

The details pertaining to the composition of the nomination and remuneration committee are included in the Corporate Governance Report, which forms part of this report.

Stakeholders' Relationship Committee

The details pertaining to the composition of the stakeholders' relationship committee are included in the Corporate Governance Report, which forms part of this report.

Risk Management Committee

The details pertaining to the composition of the risk management committee are included in the Corporate Governance Report, which forms part of this report.

AUDITOR(S)

Statutory Auditor

Walker Chandiok & Co LLP are the statutory auditors of the company pursuant to member's approval obtained at the 15th Annual General Meeting held on 29th September, 2019. Their term of appointment is five years, to audit the financials of the company for the financial year 2019-20 to 2023-24 (both inclusive) and accordingly they shall hold office till the conclusion the 19th Annual General Meeting of the company.

The auditors' report for the financial year ended 31st March, 2022 on the financial statements of the company forms a part of this Annual Report.

The auditor's report has no qualification or adverse remark or adverse comment or a disclaimer in their report. However, in CARO report the auditors have mentioned the following:

a) In para 13 of the standalone auditor report, the auditors have stated that the Company has not charged interest from one subsidiary i.e., Sarvagunaushdhi Pvt. Ltd. (SGA).

b) In para 14 of the consolidated auditor report, the auditors have stated that another subsidiary i.e., Pure & Cure Healthcare Pvt. Ltd. (Pure & Cure), has not deposited undisputed advance tax for the quarters ended in June and September 2021.

Details in respect of frauds reported by the auditors under section 143(12):

As specified under the second proviso of section 143 (12) of the Companies Act, 2013, the statutory auditors have not reported any incident of fraud to the audit committee during the year under review.

Cost Auditor

As per the provisions of section 148 the Companies Act, 2013 read with Companies (Audit & Auditors') Rules, 2014 and the Companies (Cost Records and Audit) Amendments Rules, 2014, the company is required to maintain the cost records in respect of its business and accordingly such records are made and maintained.

Your board had appointed M/s. Jain Sharma & Associates, cost accountants, as the cost auditors of the company for the financial year 2021-22.

Now that their tenure has expired, the board has re-appointed M/s Jain Sharma & Associates as the cost auditors to audit the cost accounts of the company for the financial year 2022-23. As required by the Act, the remuneration of the cost auditors has to be ratified by the members and accordingly the resolution relating to the cost auditors is being placed before the members for their ratification.

Internal Auditor

As per the provisions of section 138 read with Rule 13 of The Companies (Accounts) Rules, 2014, with regard to internal audit. M/s Vibhor Gupta & Associates had been appointed as the Internal Auditor for the financial year 2021-22. The audits are based on an internal audit plan, which is reviewed each year by the management and the audit committee. The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the company's operations.

Secretarial Auditor

Section 204 (1) of the Companies Act 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, mandates a secretarial audit for the prescribed class of companies.

In terms of Section 204 of the Act and Rules made thereunder, M/s. A.K. Nandwani & Associates, practicing company secretary, were appointed as secretarial auditors of the company for the financial year 2021-22. The board has re-appointed A.K. Nandwani & Associates, practicing company secretary as secretarial auditor for the financial year 2022-23.

In terms of sub-section (3) of section 134 of the Companies Act, 2013 the secretarial audit report in the Form MR-3 for the financial year 2021-22 is annexed with the board's report. The report is self-explanatory and does not call for any further comments.

Management Auditors

Your company has appointed Ernst & Young LLP (E&Y) and Protiviti India Member Private Limited (Protiviti) as management auditors. These management auditors have conducted audits of certain processes and functions of the company; and have submitted their reports to the management for its perusal.

Material Changes and Commitments

During the period under review there were no material changes and commitments, which affect the financial position of the company. However, mentioned below are the acquisitions or increases in stake which will eventually help the company gain more business and market share:

While considering the increasing business and load on the existing manufacturing facilities, during the period under review, the company acquired two manufacturing facilities at Kotdwar (Uttrakhand) and Solan (Himachal Pradesh).

Akums acquired a 16% stake in Medibox Digital Solutions Pvt. Ltd. Now, along with Maxcure Nutravedics Ltd. the company controls a 100% stake in Medibox.

The company also increased its stake in Akums Lifesciences Ltd. by 10% by buying shares from JM Financial Asset Reconstruction Company Limited. The company now controls a 100% stake in Akums Lifesciences Ltd.

The company has also acquired a 100% stake in Burroughs Welcome Pharmacia Pvt. Ltd. in order to increase its footprint in the marketing of pharmaceutical formulations.

Implementation of ESOP Scheme

The company has observed from market experience that an equity-based compensation plan is an effective tool to motivate and reward the existing key talent based on the performance and criticality of the profile. For the company, this will also help attract new talent and retain them for ensuring sustained corporate growth.

In view of this, Akums has implemented an Employee Stock Option Plan (ESOP) called Akums Employee Stock Option Scheme 2022 (ESOP Scheme 2022) which will cover eligible employees of the company and its subsidiary companies.

The ESOP Scheme 2022 envisages fresh issue of 10,72,983 (ten lakh, seventy-two thousand, nine hundred and eighty-three) shares of Rs 2 (two) each, which will constitute 1.5% of the paid-up share capital as on 31st March 2022.

Change in the nature of business, if any

The company is engaged, inter alia, in the business of manufacturing, marketing, trading, importing, exporting, developing, testing and allied activities of pharmaceutical formulations of drugs, ayurvedics, herbals, toiletries, nutraceuticals, food and dietary supplements, derma and cosmetics, healthcare and hospital products, 'over the counter' (OTC) products, active pharmaceutical ingredients, excipients and compounds.

During the period under review there has been no change in the nature of the business of the company.

Companies Which Became/Ceased To Be Company's Subsidiaries, Joint Ventures And Associate Companies

Your company has 16 subsidiary companies, one step-down subsidiary, and two limited liability partnerships (LLPs). There is no subsidiary incorporated outside India in terms of proviso 4 of Section 137(1) of Companies Act, 2013.

S.NO.	NAME OF SUBSIDIARY	NATURE OF BUSINESS	% OF SHAREHOLDING	STATUS WOS*/ SUBSIDIARY
1	Pure & Cure Healthcare Pvt. Ltd.	Manufacturing of Pharmaceuticals Formulations	100%	WOS
2	Maxcure Nutravedics Ltd.	Manufacturing of Nutraceuticals & Cosmetics	100%	WOS
3	Malik Lifesciences Pvt. Ltd.	Manufacturing of Pharmaceuticals Formulations	100%	WOS
4	Akums Lifesciences Ltd.	Manufacturing of API	100%	WOS
5	Akumentis Healthcare Ltd.	Branded Marketing	91.50%	Subsidiary
6	Unosource Pharma Ltd.	Export Marketing	99.89%	Subsidiary
7	Sarvagunaushdhi Pvt. Ltd.	Retail Sales	100%	WOS
8	AVHA Lifesciences Pvt. Ltd.	Institutional Sales	100%	WOS
9	Delcure Lifesciences Ltd.	Branded Marketing	100%	WOS
10	Amazing Research & Laboratories Ltd.	Generic Branded Marketing	100%	WOS
11	May & Baker Pharmaceuticals Ltd.	Generic Branded Marketing	100%	WOS
12	Plenteous Pharmaceuticals Ltd.	Generic Branded Marketing	100%	WOS
13	Nicholas Healthcare Ltd.	Institutional Sales	100%	WOS
15	Akums Healthcare Ltd.	Manufacturing of formulations	100%	WOS
16	Burroughs Welcome Pharmacia Pvt. Ltd.	Generic Branded Marketing	100%	WOS
17	Medibox Digital Solutions Pvt. Ltd.	Market Place for medicine	100%	WOS
18	Upadhrish Reserchem LLP	Manufacturing of formulations	100%	WOS
19	Akum Impex LLP	Manufacturing of formulations	100%	WOS

*WOS means Wholly Owned Subsidiary

During the period under review Burroughs Welcome Pharmacia Pvt. Ltd. became a subsidiary of the company whereas Abbott Pharma Ltd. and Cure Sure Pharma have ceased to be subsidiary and an associate company respectively.

The statement containing the salient features of the financial statements of the company's subsidiaries is given in Form AOC-1 which is a part of the report.

Particulars of Loans, Guarantees and Investments

The details of loans, guarantees and investments, as contemplated under section 186 of the Companies Act, 2013, made by the company and remaining outstanding as on 31.03.2022, are enclosed to this report.

Particulars of Related Party Transactions

The particulars of every contract or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 were at arm's length and in the ordinary course of business.

Omnibus approval of the audit committee and the board is obtained for the transactions which are of a foreseeable and repetitive nature, in all other cases the approval of board or the audit committee is taken for entering into a related party transaction. Though Section 188 is not applicable to the transactions, yet the details of related party transactions are provided under notes to financial statements and Form AOC-2 are annexed with the Board Report.

Fixed Deposits Under Chapter V of the Companies Act, 2013

During the year under review, the company has not accepted any deposit from the public within the meaning of chapter V of Companies Act, 2013 and as such no amount on account of principal or interest on public deposit was outstanding as on the date of the balance sheet.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report providing the detailed overview of your company's performance, industry trends, business and risks involved has been provided separately and forming part of this report.

Directors' Appointment and Remuneration Policy

For the purpose of selection of any director, the nomination and remuneration committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The committee also ensures that the incumbent fulfills such criteria with regard to qualifications, positive attributes, independence, age and other criteria as laid down under the Act.

The company has a remuneration policy which provides the basis for fixation of remuneration of directors and key managerial personnel of the company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Conservation of Energy

Energy conservation measures taken are as under:

1. Optimum energy conservation steps are being taken to reduce per unit cost. Power load factor is being monitored continuously as an energy conservation measure. Maintenance of proper voltage supply, proper load distribution and replacement of traditional tube lights with LEDs lead to regular saving of energy. Installed variable speed-based controller on the air compressor for minimizing the losses during unloading.

2. An ON/OFF-based controller was installed in the cooling tower and the switching-based controller was monitored in the cooling tower fans, for reducing the specific power consumption. No waste is generated in the company which can be converted into any source of energy.
3. No other alternate source of energy is feasible.
4. Adequate additional investment is being made on energy conservation.

The average performance in terms of production units is under control. However, electricity tariffs are beyond the control of the company.

PARTICULARS	2021-22	2020-21
Units of Electricity Purchased (Lakh kVAh)	327.87	316.29
Total Amount of Electricity Purchased (Lakh ₹)	2199.03	1,986.66
Rate of Electricity Per Unit (₹)	6.71	6.28
Units (Lakh Kwh) Own Generation (DG. Set)	10.41	5.01
Consumption of Diesel Oil in DG (Lakh Lts.)	2.92	1.38
Units generated Per Litre of Diesel Oil	3.56	3.63
Total amount of Diesel consumed (Lakh ₹)	223.92	81.05
Cost Per Unit (₹)	21.52	16.21

Technology absorption
Efforts are continuously being made for technology absorption.
1. For the purpose of accounting records, the company has adopted the SAP system.
2. The company has also implemented a compliance tool called 'Complinity' for management of compliances applicable on itself.
3. The company has been engaged in product development, product improvement and cost reduction.
4. No technology has been imported. The company has its own research and development center approved by the Department of Scientific and Industrial Research (DSIR).
5. During the financial year 2021-22, expenditure on research and development was Rs. 22.36 crore, as against Rs. 20.83 crore during the previous year.

Foreign exchange earnings and outgo:
During the financial year 2021-22, expenditure in foreign currencies amounted to $1.35 million.

Risk Management Policy
The company has constituted a Risk Management Committee and has an adequate risk management process to identify and notify the board of directors about the risk or opportunities that could have an adverse impact on its operations or could be exploited to maximize the gains.

The process and procedures are in place to act in a time bound manner, to manage the risks or opportunities. The risk management process is reviewed and evaluated by the committee and the board of directors.

The company has also adopted a Risk Management Policy.

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by statutory auditors.

Environment and Social Policy

The board of directors of the company in its board meeting held on 13.11.2019 passed resolution for the adoption of the Environment and Social Policy and the Company is in compliance with such a policy.

Executive Committee

The company has constituted an executive committee to expedite the strategic decisions. The committee consists the following members:

1. Mr. Sanjeev Jain - Whole Time Director
2. Mr. Sandeep Jain - Whole Time Director
3. Mr. Sunil Thakur - Partner, Quadria Capital Advisors Pvt. Ltd.

The functions of executive committee are as under:

- Before the start of each financial year, the executive committee reviews and approves the annual budget prepared by the management of the company for that financial year
- The executive committee oversees the evaluation of the company's and its subsidiaries' periodic (monthly / quarterly/ half yearly / yearly) performance to ensure achievement of the budget and goals, and recommends action points or corrective measures including any change to the annual budget to the board
- The executive committee identifies, reviews and approves the capital expenditure items which are not included in the annual budget for any financial year.
- Any other business or strategic matters.

Corporate Social Responsibility (CSR)

In compliance with the requirements of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the board of directors has constituted a Corporate Social Responsibility (CSR) committee. The details of membership of the committee and the meetings held are detailed in the Corporate Governance Report, forming part of this report.

In line with the provisions of the Companies Act, 2013, the company has framed its CSR Policy and CSR Annual Action Plan and the same has been approved by the CSR committee and the board of directors. The CSR Policy of the company provides the road map for its CSR activities.

The company believes, considers and promotes the fact that with a dynamic CSR culture, society will benefit; and when society benefits, corporations also benefit. It is reflected in the company's culture that the responsibilities of the entrepreneur are not confined to the four walls of its business or its customers. The company also has a commitment and social responsibilities towards the community.

The company has complied with the provisions of law in its true spirit. In terms of section 135(5), the company was required to spend at least 2% of its average net profits made during three immediately preceding financial years, i.e. it was required to make such spending during financial year 2021-22 related to the financial years, 2018-19, 2019-20 and 2020-21.

Net profits before tax during the three preceding financial years had been as under:

Financial Year(s)	Profit Before Tax (PBT) (Rupees)
2018-19	1,118,843,901
2019-20	807,836,010
2020-21	(1,952,000,000)
TOTAL	(25,320,089)

Average profits of the financial year 2018-19, 2019-20 and 2020-21 had been Rs. (25,320,089) which was negative. Therefore, the company was not required to spend any amount during the financial year 2021-22.

However, if the company has spent on CSR activities during financial year 2021-22, such spent amount will be carried forward and will be set off from the CSR obligation of financial year 2022-23.

The CSR activities undertaken during the year by the company have been mentioned in this report separately.

Managerial Remuneration

In terms of the provisions of section 197(12) of the Companies Act, 2013 and rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 below mentioned are the employees who are in receipt of remuneration for the financial year 2021-22 which in the aggregate, was Rupees one crore and two lakh or more per annum or proportionally, except in case of Mr. Sanjeev Jain and Mr. Sandeep Jain, whose remuneration is disclosed under note no. 38 (II) of notes to the accounts:

Mr. Sumeet Sood - Chief Financial Officer

Evaluation of Board Performance

Provisions of section 134(3)(p) and rules 8(4) of the Companies (Accounts) Rules, 2014 are related to formal evaluation of the board of directors and its committees. These provisions are, however, not applicable to the company, as it is neither listed nor is its paid-up capital Rs. 25.00 crore or more.

As a good corporate governance practice the company has implemented the procedure for evaluation of board performance, committees' performance, and directors' performance.

Opinion of the Board about Independent Directors

During the period under review the company has appointed the following two independent directors:

Mr. Kewal Handa and Ms. Matangi Gowrishankar

As per the opinion of the board both such independent directors are of integrity and have rich experience of their domain and the board is of the view that under their able guidance and suggestions the company will achieve new milestones of success in the coming years.

Material Courts Orders

During the year, no material order was passed by any regulators, tribunals or courts which impacts the going concern and the company's operations in future.

Internal Control Systems and Their Adequacy

The company has an adequate system of internal controls to safeguard and protect itself from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the management. The company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The management of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

Maintenance of Cost Records

In terms of provisions of section 148 (1) of the Companies Act, 2013 and rules made thereunder, the company is required to maintain cost records. The company has maintained such accounts and records in a proper manner. The same was also made available to the cost auditors of the company for their audit. M/s. Jain Sharma & Associates, cost accountants, were engaged to carry out an audit of cost records of the company during the financial year 2021-22.

Vigil Mechanism Policy

In terms of the provisions of section 177(9) of the Companies Act, 2013, the company has established a policy on vigil mechanism for the directors and key managerial personnel and the employees, to report their genuine concerns relating to actual or suspected fraud, unethical behavior, violation of the company's code of conduct or any other event which would adversely affect its business interests.

Human Resources

The company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The company is committed to nurturing, enhancing and retaining talent through superior learning and organizational development.
The company believes that our people are our biggest assets and hence we invest in productive training programs for them. The company encourages people to explore opportunities in harmony with their natural talent and nurture them to grow.

The company embeds a sense of inclusion and equality in its people. This means fostering a conducive work environment that enhances professional and personal growth. Our strong culture of mutual trust, oneness, learning, care and concern is a key inspiration to meet tomorrow's challenges.

Disclosure Under the Sexual Harrasment of Women at Workplace (Prevention, Prohibition and Rederssal) Act 2013

Your company believes in providing a safe and harassment free workplace for each and every individual working for it through various interventions and practices. It is the continuous endeavour of the management of the company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment.

The company has in place an anti-sexual harassment policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. A mechanism has been established to report such matters to the ICC, during the period under review, no complaint was received in this regard.

Consolidated Accounts

The consolidated financial statements for the year ended on March 31st, 2022 have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Credit Rating

The company has a rating agreement with ICRA Limited, ICRA is required to review the rating on an annual basis and when the circumstances so warrant. The rating committee of ICRA has upgraded the long-term credit rating as (ICRA) AA- and the outlook on the long-term rating has been revised to 'Stable' from 'Positive'. The rating committee of ICRA has also upgraded the short-term rating as (ICRA) A1+.

Secretarial Standards

During the year under review, your company has complied with all applicable secretarial standards issued by the Institute of Companies Secretaries of India (ICSI)

Other Documents forming Part of the Board Report

Annexure-I AOC-1
Annexure-II AOC-2
Annexure-III Loans, Investments & Guarantees
Annexure-IV Secretarial Audit Report

Acknowledgements

The directors wish to convey their appreciation to business associates for their support and contribution during the year. The directors would also like to thank the employees, customers, suppliers, alliance partners, bankers and all other stakeholders for the continued support given by them to the company and their confidence reposed in the management.

For and on behalf of the Board of Directors
Akums Drugs & Pharmaceuticals Limited
Place: Delhi
Date: 17.06.2022

SANJEEV JAIN	**SANDEEP JAIN**
Whole-Time Director	Whole-Time Director
DIN: 00323476	DIN: 00323433

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

At Akums, we are aware of our responsibility towards the environment and a sustainable future. We are cognizant of the fact that as human beings and as a corporate citizen, we have an obligation to leave the planet earth in better shape for the coming generations than we inherited it from our ancestors.

Healthcare represents about 10% of global gross domestic product (GDP), and to that extent, has a disproportionate impact on our lives, our societies and, of course, the environment. But the medicines that the world at large consumes do lead to thousands of tons of carbon emissions all over the world, making this a very complex issue.

It is, therefore, imperative that all stakeholders in the global healthcare ecosystem realise, recognise and appreciate the need for installing and institutionalising robust sustainability practices in place.

We have sought to build a robust and a holistic Environmental, Social and Governance (ESG) mechanism within the organisation that can withstand the test of time and remain relevant for the next several decades.

ESG guidelines typically provide a framework for analysing companies and assessing how well they compare to their peers in terms of set parameters and metrics.

At Akums, we assiduously try to remain true to our responsibility towards the environment, by monitoring our water usage, waste production and such related issues. We strive to manage these aspects efficiently, and make sure we also look after the environment around our production units as well offices. We have set ourselves a goal to achieve water and carbon neutrality and are devising a zero waste-to-landfill mechanism.

We make sure that we are not found wanting in our social responsibilities and treat our clients and workers with utmost respect. We also make it a point to make our employee base as diverse and gender neutral as possible.

Our commitment to corporate governance remains top notch and we go out of our way to ensure that we comply with all regulations that pertain to our shareholders, board members and how the company is generally managed.

At Akums, we realise that a profitable balance sheet is just one aspect on which a company's success needs to be judged. As important as top-line and bottom-line numbers are for any growing concern, in today's sustainability conscious milieu, a company can be considered successful only if it impacts the broader society at large positively.

THE COMPANY'S PHILOSOPHY ON ESG

Akums' ESG goals are also aligned to the company's overall vision of becoming a force for social good, by making available quality pharmaceutical and healthcare products to millions of our customers across India and other emerging economies in Africa, Latin America and even parts of Europe, where we supply our generic products.

We also make a conscious effort to give all three aspects—environmental, social and governance—equal importance so as to ensure that we leave a net positive impact on the people around us. We remain steadfastly committed to our customers, our employees, our shareholders and even the government and regulatory authorities.

The health of the planet and that of the people we are serving as a pharmaceutical company are intimately connected. We know and recognise that climate change has had a significant impact on our sector and we are up to addressing that challenge. We are at the leading edge of the fight against carbon emissions and climate change.

We also know that investors increasingly care more about the ESG impact of a company they support. Over the last decade and a half that Akums has been in existence, we have noticed a rise in investor interest in this aspect. This makes it imperative for companies like us to include sustainability as a key component of our business strategy.

The coronavirus pandemic has been a huge accelerator for ESG and related activities. ESG incorporation begins with materiality. The pandemic has shown that human health is one of the most material resources that we can have.

Sustainability is no longer just a nice-to-have programme or a box that needs to be checked. It has now moved into an era where it has become an inextricable part of our business strategy at Akums.

At Akums, we acknowledge that there is a collective recognition and real granularity of expectation that is coming from the health systems themselves. And that has really gathered steam and a very strong momentum over the last couple of years or so. Now that this journey has begun, it needs to be matched with action, and your company is committed to doing precisely that in the coming years and decades, as our business, consumer base and geographical spread grows.

When we think about the role that healthcare companies can play in tackling global health challenges like the coronavirus pandemic, firms like Akums want to be at the forefront of the quest to improve global health. We also realise that ESG as a concept really needs to be embedded into a business, and are working towards that goal.

Going forward, ESG will be a part of Akums' business strategy and of how we think about our future growth, as we think it will help us future proof our business. Our goal is to be an impact generator in line with the United Nations' Sustainable Development Goals (SDGs). To that end, not only are we moving to set clear targets but are also setting up infrastructure in place to monitor ESG and sustainability performance, and do so with the same amount of rigour that we ensure while achieving our financial targets, and our absolute and unflinching commitment to the cause.

ENVIRONMENT

Akums has a strong commitment towards maintaining the beauty and integrity of the environment, cleaning and sanitation. Akums has taken several steps towards achieving its commitment by maintaining the green belts and parks in and around SIDCUL, Haridwar, and organising river rejuvenation programs like a Ganga cleanness campaign.

Cleaning of the Ganga, the river that provides a lifeline for north and east India, has always been a priority in the area and now the Indian government is also taking this very seriously. Every year lakhs of pilgrims visit Haridwar and pay respect to the holy river Ganga but end up polluting it.

Akums organises a week-long cleaning drive in the river Ganga every year. This year, too, our employees took part in the campaign. The waste collected in the process was disposed of in an eco-friendly manner. Under the Namami Gange Scheme, the government of India's flagship river conservation programme initiated in June 2014, Akums has adopted and maintained the Agrasen Ghat in Haridwar.

On the occasion of the Maha Kumbh Mela during April 2021, Akums established a vertical garden on the wall of Keshav Ashram. The dimension of this garden is 200 ft. long and 12 ft. in height. This vertical garden has more than 10,000 plants of various species and has an automated drip system for watering the plant.

Akums organised a plantation drive at the Rishikul ground in Haridwar. Under this initiative, 757 plants of various species were planted in the vicinity of the manufacturing facilities of the company; 12 tree guards were also installed on the occasion.

SOCIAL

Akums strives to take very good care of its employees and their families. To help our employees remain mentally healthy during the lockdowns in 2020 and 2021, we conducted training and motivational programmes and engaged with them on a continuous basis.

Throughout 2021-22, the company worked hard to bring down instances of accidents and injuries in our plant premises, by taking appropriate measures in this regard. The company ensured complete safety by maintaining all emergency equipment in good working condition. The company observed a road safety week, a national safety week, a fire service week and the environment day during 2021-22.

The health and well-being of the society is a key element of social capital, and we at Akums have a clear vision to contribute for a better future

Akums is engaged in community development by contributing towards primary education, basic healthcare, livelihood generation programs including improvement in the employability of women and local youth. We work in sync with district and state-level officials to support our initiatives.

As a part of our Corporate Social Responsibility (CSR) initiative, the Akums Health and Education Society has been organising medical camps in villages and anganwadis near the location of our manufacturing plants. In addition, your company also supports religious gatherings and donates medicines to different government organizations and the civic administration for distribution to the deprived sections of the society.

In 2021-22, the Covid-19 pandemic necessitated the mandatory use of masks and hand sanitization. Akums donated 50,000 hand sanitizers and masks to the District Magistrate, Haridwar (Uttarakhand).

In 2021, Akums established a 250-bed Covid Care Centre for treatment of Covid-19 patients, including 30 beds with oxygen support. This facility, in one of the manufacturing plants of the company in the industrial area of Haridwar, was equipped with all modern equipment. Hundreds of Covid patients were beneficiaries of this facility.
Akums also arranged an RT-PCR test facility for the public at large. These tests were conducted in collaboration with the district administration of Haridwar. With this initiative 1,415 people benefitted from the tests.

Akums donated 20 BIPAP machines to different authorities and organisations including District Magistrate, Haridwar; Doon Medical College, Dehradun; and ESIC Hospital, Rudrapur.

Akums also organised a blood donation camp in June 2021. During the camp a total of 503 units of blood was collected and donated to Haridwar Blood Bank.

Akums, under its CSR initiatives, provides need-based support to schools and has provided aid in the form of construction of boundary walls for safety of students and RO water facility for provision of clean drinking water. Matra Anchal Kanya Vidyapeeth, an orphanage-cum-residential school for girls in Haridwar, is a regular beneficiary of Akums' aid.
In addition to these activities, Akums has been donating medicines to the Uttarakhand police and the Shivanand Kushth Ashram. The company has also donated Rs 2 lakh to the Ramakrishna Mission Sevashrama at Kankhal.

The company has helped the community in more ways than one. It has provided financial assistance to a local mountaineer, donated money to Shri Gayatri Anathalaya and Gaushala Prabandhan Nayas, and given away blankets and installed sheds and fans at public places, among other initiatives.

Akums has a policy in place to take care of employees' safety. The company has also been organizing fire safety weeks every year. Your company is committed to achieving its vision of zero harm and zero environmental incidents. An occupational Health, Safety and Environment (HSE) policy is in place for implementing the mission.

GOVERNANCE

Our governance policies and procedures set the standards for how we engage with our stakeholders. We prioritise the long-term over the short-term, to drive sustainable growth and to create lasting value.

With empowerment and accountability as its two pillars, our governance code guides all our actions. We aim for total transparency and meet our societal commitments by being a responsible corporate citizen.

Akums believes that while implementing the minimum framework is a prerequisite, superior governance practices are vital for growing a sustainable and successful business.

To us at Akums, good governance is about internalizing and manifesting the company's commitment to the adoption of ethical practices, to deliver value in all of its dealings, to all stakeholders and at all times.

The company's board of directors is committed to achieving and maintaining the highest standards of governance. Akums strives to comply with all laws, rules and regulations applicable to the pharmaceutical industry and other applicable corporate laws. The Company has implemented a compliance tool called 'Complinity' to ensure compliances of all the applicable laws.

On top of that, the company follows all secretarial standards mandated by the Institute of Company Secretaries of India. This includes conducting a secretarial audit by a practising company secretary.

Not only does the company engage independent professionals to conduct an internal audit every year, it also makes sure that all board committees are headed by independent directors. Meetings of independent directors are conducted separately, under the leadership of a lead independent director.

Apart from these strictures, the directors of the company have to follow a code of conduct. The company also has in place a strict mechanism for handling cases pertaining to sexual harassment and has a robust whistle blower policy.

More details of the company's corporate governance standards, initiatives and practices are listed in the next chapter.

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Akums works towards improving the health outcomes for patients around the world by manufacturing high-quality medicines, and active pharmaceutical ingredients (APIs), and making generic medicines available at affordable prices through its retail pharmacy chain 'Stayhappi'.

Our corporate governance policies and procedures set the standards for how we engage with our stakeholders. We prioritize the long-term over the short-term, to drive sustainable growth and to create lasting value.

With empowerment and accountability as its two pillars, our corporate governance code guides all our actions. We aim for total transparency and meet our societal commitments by being a responsible corporate citizen.

Akums believes that while implementing the minimum framework is a prerequisite, superior governance practices are vital for growing a sustainable and successful business.

Corporate governance facilitates an effective and prudent management that can help the company become and remain successful in the long term. It is a continuous process by which the values, principles, management policies and procedures of the company are inculcated and manifested.

To us at Akums, good corporate governance is about internalizing and manifesting the company's commitment to the adoption of ethical practices, to deliver value in all of its dealings, to all stakeholders and at all times.

Akums wholeheartedly embraces good governance practices. The corporate governance of the company is predicated upon an ethos of transparency, accountability and fairness. The company's board of directors is committed to achieving and maintaining the highest standards of corporate governance on a going basis.

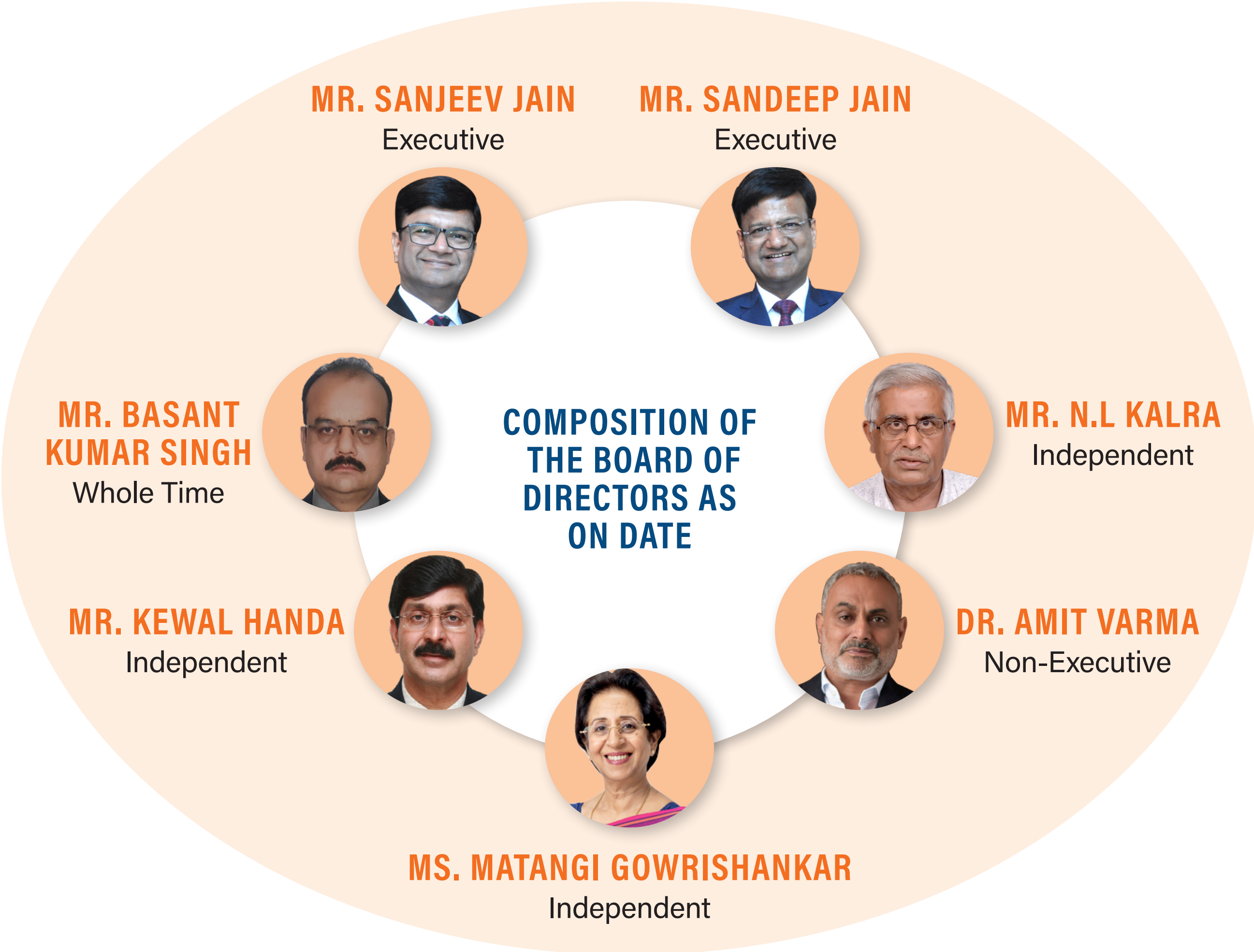
BEST GOVERNANCE PRACTICES

Akums constantly strives to raise the bar in its relentless pursuit of corporate and business excellence. As such, it adopts, adapts and implements voluntarily some of the most robust and laudable good governance practices across the board in its operations and dealings. Towards this, the company has adopted several policies and guidelines for ethical and transparent operations. These include:

- Compliance with all industry-specific laws and regulations in letter and spirit ✔
- Following the secretarial standards mandated by the Institute of Company Secretaries of India (ICSI) ✔
- Conducting a secretarial audit by a practicing company secretary ✔
- Following all policies and procedures for disclosure and dissemination of information by the company ✔
- Engaging independent professionals to conduct an internal audit ✔
- Ensuring that all board committees are headed by independent directors ✔
- Appointment of a lead independent director ✔
- Conducting separate meetings of independent directors ✔
- Establishing and following a code of conduct for the board of directors and senior management ✔
- Implementing a policy for the prevention of sexual harassment ✔
- Implementing a whistleblower policy and framing and enforcing guidelines for the same ✔
- Implementation of a safety policy to ensure that employees remain safe. To this end, in 2021-22, the company also observed a 'Fire Safely Week.' ✔

CORPORATE GOVERNANCE

The board of directors at Akums provides leadership and strategic guidance to the company and exercises control over it. The board is also accountable to the shareholders of the company for all their actions. The present Board comprises seven (7) directors who possess the requisite qualifications and experience which enable them to contribute effectively.



INDEPENDENT DIRECTORS

As a good governance practice, Akums facilitates the conduct of separate meetings of the independent directors to update them on all business-related issues and new initiatives. In 2021-22, the company inducted two new independent directors: Mr. Kewal Handa and Ms. Matangi Gowrishankar. Along with Mr. N.L Kalra, the company now has three independent directors on its board.

The independent directors met once in the absence of the other directors and top management executives.

COMMITTEES OF THE BOARD

The board of directors at Akums has constituted several committees to focus on specific areas and make informed decisions within the authority delegated to each of the committees.

Each committee of the board is guided by its charter, which defines the scope, powers and composition of that particular committee. All decisions and recommendations of the committees are placed before the board for information or approval.

AUDIT

The company complies with Section 177 of the Companies Act, 2013 and rules made thereunder, pertaining to the constitution of an audit committee.

The audit committee has been reconstituted by appointing Mr. Kewal Handa as its member. With his inclusion, the audit committee now has three members, out of which two are independent directors and one is a non-executive director.
All members of the committee are financially literate and have requisite financial management expertise.

Composition of the Audit Committee:

1. MR. N.L. KALRA, Independent Director

2. MR. KEWAL HANDA, Independent Director

3. DR. AMIT VARMA, Non-Executive Director

The audit committee reviews, acts on and reports to the company's board with respect to various auditing and accounting matters.

The primary responsibilities of the Committee, inter alia, are:

- Auditing and accounting matters, including recommending the appointment of auditors
- Compliance with legal and statutory requirements
- Maintaining the integrity of the company's financial statements, discussions with the independent auditors regarding the scope of the annual audits and fees to be paid to them
- Assessing the performance of the company's internal audit function, independent auditors and accounting practices
- Reviewing of related-party transactions and the whistleblower mechanism
- Evaluation of internal financial controls and risk management systems and policies.

NOMINATION AND REMUNERATION COMMITTEE

This committee shall identify the persons who are qualified to become directors of the company with the criteria laid down, and will recommend to the board their appointment.

The committee determined and communicated to the board the criteria of qualification, positive attributes and independence of a director, determining remuneration for directors, key managerial personnel (KMPs) and other employees.

The company complies with Section 178 of the Companies Act, 2013 and rules made thereunder, pertaining to the constitution of the nomination and remuneration committee.

The committee comprises the following members:

1. MR. N.L. KALRA
Independent Director

2. MS. MATANGI GOWRISHANKAR
Independent Director

3. DR. AMIT VARMA
Non-Executive Director

The committee considers, inter alia, the following attributes and criteria, whilst recommending to the board the candidature for appointment as independent directors:

- Qualification, expertise and experience in their respective fields such as the information technology business, leadership, financial analysis, risk management and strategic planning
- Personal characteristics which align with the company's values, such as integrity, accountability, financial literacy and high performance standards
- Diversity of thought, experience, knowledge, perspective and gender in the board.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee was formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the board a CSR Policy indicating the activities to be undertaken by the company as specified in Schedule VII of the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the CSR Policy of the company from time to time.

The annual report on the CSR activities undertaken by the company and amount spent during the year 2021-2022 is a part of the board's report and has been uploaded on the website of the company.

The committee comprises the following members:

1. MS. MATANGI GOWRISHANKAR
Independent Director

2. DR. AMIT VARMA
Non-Executive Director

3. MR. SANDEEP JAIN
Whole-Time Director

4. MR. SANJEEV JAIN
Whole-Time Director

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was formed voluntarily to formulate and recommend to the board the risk management policy of the company and to evaluate on regular intervals the risks associated with the business of the company. The committee comprises the following members:

1. MR. SANJEEV JAIN
Whole-Time Director

2. MR. SANDEEP JAIN
Whole-Time Director

3. MR. KEWAL HANDA
Independent Director

4. MR. N.L. KALRA
Independent Director

5. MR. SUMEET SOOD
Chief Financial Officer

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was formed voluntarily by the company as a matter of good corporate governance. The committee comprises the following members:

1. MR. SANJEEV JAIN
Whole-Time Director

2. MR. SANDEEP JAIN
Whole-Time Director

3. MR. N.L. KALRA
Independent Director

4. MS. MATANGI GOWRISHANKAR
Independent Director

APPOINTMENT OF A WOMAN DIRECTOR

The company has complied with Section 149 of the Companies Act, 2013 and rules made thereunder pertaining to the appointment of a woman director to the board.

SECRETARIAL STANDARDS

During the year under review, the company has undertaken the audit for compliance of secretarial standards and procedures. This has been done as a good corporate governance practice and in compliance with Secretarial Standards on Board Meeting (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

INDEPENDENT NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

The non-executive directors shall be of high integrity with relevant expertise and experience so as to have a diverse board with directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

In case of appointment of independent directors, the committee shall satisfy itself with regard to the independent nature of the director vis-à-vis the company so as to enable the board to discharge its function and duties effectively.

The committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The committee shall consider the following attributes and criteria while recommending to the board the candidature for appointment as a director.

- Qualification, expertise and experience of the directors in their respective fields;
- Personal, professional or business standing;
- Diversity of the board.

The non-executive directors are entitled to receive remuneration only by way of sitting fees for participation in the board or committee meetings within the overall limit prescribed under the Companies Act, 2013. Independent directors are not entitled to participate in the stock option schemes of the company.

The independent directors did not have any material pecuniary relationship or transactions with the company or any of its commissions, except for the payment of their sitting fees.

INTERNAL CONTROL SYSTEMS

Your company put in place both external and internal audit systems. Auditors have access to the records and information of the company. The audit committee and the management periodically review the findings and recommendations of the auditors and take necessary corrective actions whenever required. The company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations;
- Adequacy of safeguards for assets;
- Reliability of financial controls;
- Compliance with applicable laws and regulations.

The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, careful selection, training and development of the employees and an organization structure that segregates responsibilities.

The company uses a state-of-the-art Systems, Applications and Products (SAP) system to record data for accounting and management information purposes. During the year, the company continued to implement their suggestions and recommendations. Their scope of work includes review of processes for safeguarding the assets of the company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas.

The findings of the internal auditors are discussed and suitable corrective actions taken as per the directions of the audit committee. This is done on an ongoing basis to improve operational efficiency.

WHISTLEBLOWER POLICY

Your company has established a mechanism for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy.
This whistleblower policy provides safeguards against victimization of employees who come forward and report such violations.

The policy permits all the employees to report their concerns directly to the board of the company. It has been communicated to the employees. Boxes to receive suggestions and complaints have been installed at prominent places.
A special email id has also been created for suggestions and complaints.

SUCCESSION PLANNING

The nomination and remuneration committee works with the board to plan for the orderly succession of leadership both within the board and at the departmental level of the company to groom potential successors and maintain contingency plans for succession in case of any exigencies. The board also considers succession planning of the promoter family members.

HEALTH, SAFETY AND ENVIRONMENTAL (HSE) REVIEW

Akums has a policy in place to take care of employees' safety. The company has also been organizing fire safety weeks every year. Your company is committed to achieving its vision of zero harm and zero environmental incidents. An occupational Health, Safety and Environment (HSE) policy is in place for implementing the mission.

With its HSE management system, the company aims to effectively control risks and prevent people from being injured or harmed during the course of their work.

The HSE strategy prioritizes eliminating workplace illness, injuries and environmental incidents through an integrated management system.
The HSE management system of the company has been operating well. This is evident from the fact that there were no serious accidents during the year. With regard to other environmental focus areas, the company has greatly improved its waste management and also reduced scrap to reduce the overall impact on the environment.

To ensure focus and delivery of the HSE activity, the company has sought to build an engaged safety culture where expectations are clear, people are trained, interventions are welcomed and consequences are understood. The key to building an engaged safety culture is by bringing about a behavioral change in people and sensitizing them to hazards and the protocols to be followed. We are happy to report that all the manufacturing units have complied with the statutory requirements laid down by the government.

The goal of reducing the impact on the environment from the company's operations was achieved through a combination of energy and water conservation, rainwater harvesting and solid waste recycling. To reduce the impact on the environment a mass tree plantation exercise is carried out every year.

FORMULATIONS MANUFACTURING

NUTRACEUTICALS & COSMETICS MANUFACTURING

BRANDED MARKETING

GENERIC MARKETING

EXPORT BUSINESS

INSTITUTIONAL SALES

API MANUFACTURING

RESEARCH & DEVELOPMENT CENTRE

REVIEW OF BUSINESS DIVISIONS 2021-2022

Together, our business divisions make us a vertically integrated player of pharmaceuticals industry

Our business consists of the following dedicated divisions

FORMULATIONS MANUFACTURING

Akums is uniquely positioned to address the needs of its customers by researching on and developing new formulations and getting them approved by the Drug Controller General of India (DCGI). The company also develops new technologies and offers tailor-made specialized products. Across its 15 manufacturing facilities, Akums produces large amounts of all dosage forms.

The domestic CRAMS market is expected to reach $40 billion by 2030 and Akums is positioned well to benefit from this growth. On a consolidated basis, turnover from the formulations manufacturing segment of the company increased 10% in 2021- 22 from the previous year.

Increase in the company's turnover on a consolidated basis

35%

NUTRACEUTICALS & COSMACEUTICALS MANUFACTURING

Nutraceuticals have been on a growth trajectory for a while now. Some of the major factors driving the growth of nutraceuticals are:

a) Growing demand for fortified food due to increasing health awareness amongst consumers;

b) Benefits from their potential nutritional, safety and therapeutic effects;

c) Nutraceuticals help improve health, prevent chronic diseases and slow the process of aging.

Consequently, consumer choice is shifting from chemically-derived products to protective healthcare items such as nutraceuticals that contain safer, natural and healthier ingredients.

Growing health awareness, which is leading to healthy eating habits and consumption of nutrient-rich food, is helping the adoption of fortified foods.

These trends are expected to drive the growth in the market of nutraceuticals and cosmeceuticals. Akums has a dedicated wholly owned subsidiary, Maxcure Nutravedics Ltd, which deals exclusively in the development and manufacture of well-characterized specialty ingredients across three segments—nutraceuticals, dietary supplements and cosmeceuticals.

BRANDED GENERICS MARKETING

India is largely a branded generics market with multiple business models, including prescription, hospital channels and trade channels.

Akums has several wholly owned subsidiaries including, Akumentis Healthcare Ltd., Plenteous Pharmaceuticals Ltd. and May & Baker Pharmaceuticals Ltd, which deal exclusively in the marketing of branded generic drugs.

120-130
2030

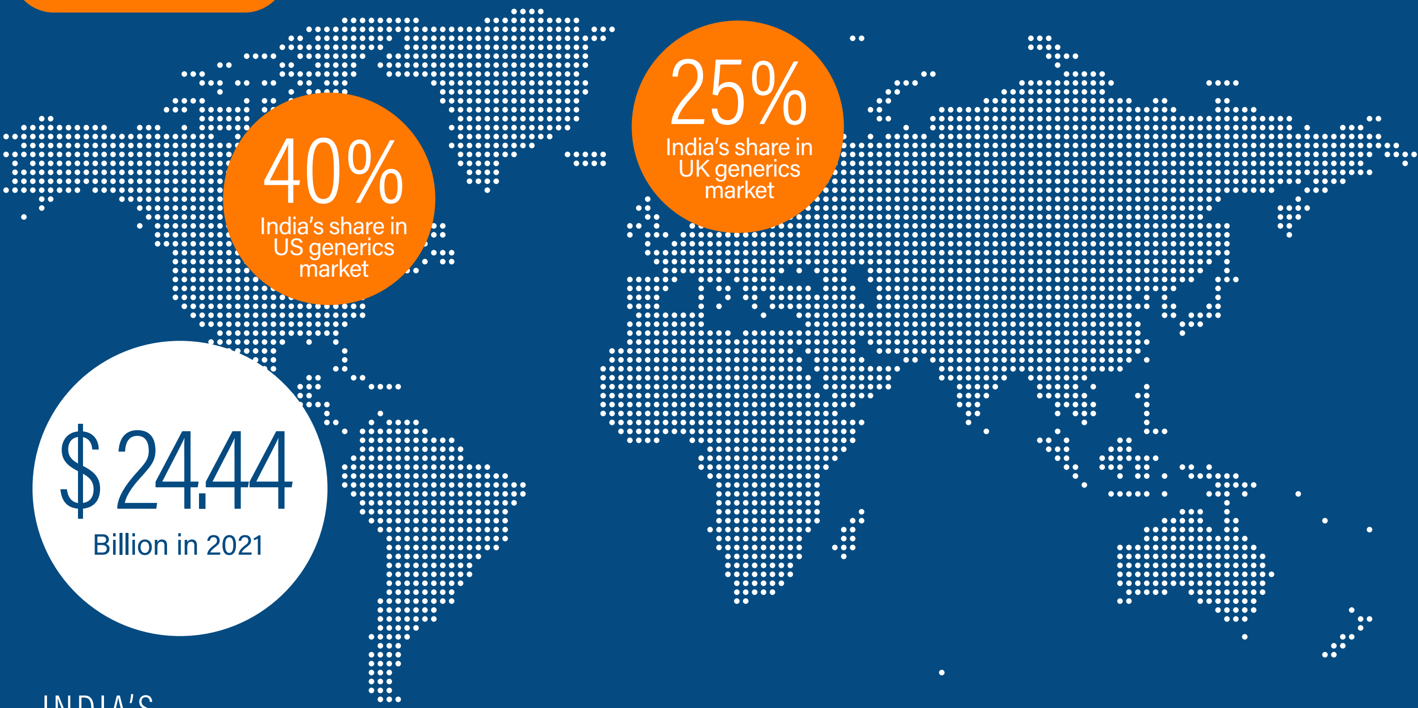
65
2024

42
2021

INDIA'S DOMESTIC PHARMACEUTICAL MARKET

All figures in US$ billion

EXPORT MARKETING



INDIA'S PHARMACEUTICALS EXPORTS

India's pharmaceuticals exports stood at US$ 24.44 billion in FY21. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. Globally, India ranks 3rd in terms of pharmaceutical production by volume. India enjoys an important position in the global pharmaceuticals sector.

Akums has a dedicated export marketing company in Unosource Pharma Ltd.

INSTITUTIONAL SALES

The company actively participates in tenders of central and state governments, PSUs and autonomous bodies. With a focus on quality, we strive to serve the nation and provide reliable supply of medicines.

API MANUFACTURING

Akums has also forayed into the Active Pharmaceuticals Ingredients (API) business. Akums' API business caters both to captive consumption as well as to external sales. Akums entered the API business through its subsidiary i.e. Akums Lifesciences Ltd.

This has helped the company in backward integration, as well third party sale of API products, for which there is a significant demand at present. The API business has supplemented a strong in-line product portfolio with a development pipeline of new products across a variety of therapy areas.

RESEARCH AND DEVELOPMENT CENTRES

In order to produce innovative, more efficient and high-quality pharmaceutical formulations, the company has established five research centres. Three of these centres are in Haridwar for domestic formulations, one in Mumbai for export formulations and one in Barwala, near Chandigarh, for API research.

MANUFACTURING FOOTPRINT

MANUFACTURING

Manufacturing is at the heart of what Akums specialises in, given that the company is India's single largest Contract Research and Manufacturing (CRAMS) organization and produces about 11-12% of all medicines consumed in the country.

Through a mix of organic growth and acquisitions, Akums currently operates 15 state-of-the-art facilities that are equipped to produce all forms of dosages—tablets, hard and soft gelatine capsules, powder in sachets, liquid syrups and suspensions, injections, eye and ear drops, ointments, creams, gels, lotions, Ayurveda and herbal preparations, nutraceutical and cosmetic preparations, and several more ground-breaking products.

Akums has also forayed into the Active Pharmaceuticals Ingredients (API) business. The API business of Akums is both for captive consumption as well as external sales. Akums has commenced its API business through its subsidiary, Akums Lifesciences Ltd, which became fully operational during FY2021-22.

This has helped the company in backward integration, as well as third-party sales of APIs, which are currently high in demand.

The manufacturing units are well equipped with robust security systems that ensure 24-hour safety of the employees. They also have an in-house dispensary with complete medical assistance.

To nurture the staff with updated knowledge and industry dynamics, the plants conduct regular reskilling sessions through a specially formed training department.

Overall Capacity (Daily):

- 140 Million Tablets
- 21 Million Hard Gelatin Capsules
- 4.50 Million Soft Gelatin Capsules
- 2.01 Million Liquid Orals
- 2.07 Million Sachets
- 1.96 Million Vials
- 1.07 Million Ampoules
- 0.75 Million FFS
- 0.61 Million Topical Preparations
- 0.30 Million 3-Piece Eye/Nasal Drops


AKUMS


AKUMS


AKUMS
Akums
Plant
4


AKUMS


MAXCURE
NUTRAVEDICS LTD.


Akums

MANUFACTURING FOOTPRINT

UNIQUE CHARACTERISTICS OF BUSINESS FACILITIES

- Akums' quality is the best. Akums has AN-VISA, WHO-GMP, GLP, ISO-9001, ISO 14001, HACCP, NABL and many international accreditations
- Akums has one of the highest manufacturing capacities
- Akums' manufacturing facilities are rated one of the best in the country
- Akums has manufacturing facilities for specialized product
- Akums has DSIR-approved R&D and F&D centers and NABL-certified laboratories

- Akums is financially sound with strong credit rating
- Akums has a large client base comprising most MNCs and top pharma companies
- Akums has one of the highest product approvals from DCGI in the country

PLANTS

Akums' manufacturing plants are spread across five states and seven locations—Haridwar and Kotdwar (Uttarakhand), Guwahati (Assam), Barwala (Haryana), Nalagarh (Himachal Pradesh), and Dera Bassi and Chhachhrauli (Punjab).

UTTARAKHAND:

Haridwar is the main base for our manufacturing operations in the country.

PLANT 1: The first plant was designed and constructed in 2004 and is spread across 12,200 sq. metres area to manufacture tablets, hard gelatin capsules, soft gelatin capsules, dry syrups and sachet. It specialises in solid orals.

REGULATORY APPROVALS/ACCREDITATIONS: WHO GMP, GLP, NSF International, TFDA Tanzania, NDA Uganda, FDB Ghana, NMRA – Sri Lanka, ISO 9001:2015, ISO 17025:2005, R&D Certification from DSIR, NAFDAC Nigeria, FDA Philippines, DPML Ivory Coast, MOH Vietnam, ISO 14001:2015, HACCP, PMPB Malawi, PPB Kenya, MOH Kazakhstan, MOH Yemen, NPRA – Malaysia.

PLANT 2: Akums Plant – II was designed and constructed in 2007 over 3,200 square metres to manufacture liquid orals and medicine jelly.

It has three fully automatic Linear Flow (LF) filling lines, hot loop system in purified water, fitted with AHU with HEPA at Plenum; 31,000 litres water storage capacity; 24,000 litres per day manufacturing capacity; one lakh bottles filling and packing capacity in one line in one shift; BMS-air handling, on-line colloidal mail, bottom sterner tank and online homogenizer in manufacturing area.

REGULATORY APPROVALS/ACCREDITATIONS: WHO GMP, GLP, NSF International, TFDA Tanzania, NDA Uganda, FDB Ghana, NMRA – Sri Lanka, ISO 9001:2015, ISO 17025:2005, R&D Certification from DSIR, NAFDAC Nigeria, FDA Philippines, DPML Ivory Coast, MOH Vietnam, ISO 14001:2015, HACCP, PMPB Malawi, PPB Kenya, MOH Kazakhstan, MOH Yemen, NPRA – Malaysia.

PLANT 3: This plant was also constructed in 2007 covering an area of 16,000 square metres. It manufactures injectables (penicillin and cephalosporin), Large Volume Parenteral (LVP) and Small Volume Parenteral (SVP), pre-filled syringes and ophthalmic preparations.

REGULATORY APPROVALS/ACCREDITATIONS: WHO GMP, GLP, TFDA Tanzania, NDA Uganda, ISO 9001:2015, ISO 17025:2005, NAFDAC Nigeria, FDA Philippines, ISO 14001:2015, PMPB Malawi, PPB Kenya, MOH Kazakhstan, ANVISA – Brazil, MOH Yemen, MOH Cambodia, FMHAC Ethiopia, MCA Zimbabwe.

PLANT 4: It was constructed in 2009 over 4,100 square metres. It manufactures female hormonal preparations in tablets, HG capsules, SG capsules, liquid orals, injectables (PFS, vials and a mpoules) and ointments.

This plant has a special certificate for supplying products in the UK. Akums is looking to apply for the USFDA and the UKMHRA approvals for this unit very soon.

REGULATORY APPROVALS /ACCREDITATIONS: WHO GMP, GLP, ISO 9001:2015, ISO 14001:2015, NAFDAC Nigeria, PPB Kenya, NDA Uganda, TFDA Tanzania, MOH Cambodia, FMHAC Ethiopia, DPML Ivory Coast, FDA Philippines, PMPB Malawi, MOH Yemen, MOH UAE.

PLANT 5: This unit was built in 2010 covering 1,950 square metres to manufacture a wide range of topical preparations in dermatology and cosmetics as well as ayurvedic preparations.
It has two blocks. Block A is dedicated to dermatology ointments, creams, gels and medicated toothpaste. Block B is for manufacturing cosmetics like creams, gels, scrubs, lotions, face packs (liquid/dry), shampoos, styling gels, oils, and ayurvedic ointments. Akums is set to expand the capacity at this plant.
REGULATORY APPROVALS/ACCREDITATIONS: WHO GMP, GLP, ISO 9001:2015, ISO 14001:2015, MOH Yemen, MOH Afghanistan, PPB Kenya, DPML Ivory Coast, FDB Ghana, NDA Uganda.

PLANT 6: This is part of our 100% subsidiary Maxcure Nutravedics Ltd. The unit was constructed in 2010 and covers an area of 3,635.53 square metres. It specialises in manufacturing of nutraceuticals, food supplements, herbal and ayurvedic formulations, and veterinary feed supplements.

PLANT OPERATING CAPACITY

PLANT	DOSAGE CATEGORY	ANNUAL INSTALLED CAPACITY (IN MILLION)
P-01 General	Tablet	6,920.4
	SG Capsule	756.0
	HG Capsule	1,272.0
	Kit	NA
	Oral Liquid	NA
	Powder & Sachet	62.4
	Low RH Tablet	120.0
	Tablet In Caps	108.0
TOTAL		**9,238.8**
Beta	Tablet	129.6
	HG Capsule	187.2
	DS	2.3
TOTAL		**319.1**
P-02	Liquid Orals	300.0
	Jelly	6.0
TOTAL		**306**
P-03	Three Piece	40.0
	Ampoule	180.0
	DPI (Cepha)	95.5
	DPI (Penicillin)	95.5
	LVP	20.0
	SVP	71.5
	Vial	159.0
	PFS	14.4
TOTAL		**675.9**
P-04	Tablets	480.0
	SG Capsules	96.0
	Kit	3.6
	Ampoule & Vial	36.0
	Gel	9.6
TOTAL		**625.2**

PLANT	DOSAGE CATEGORY	ANNUAL INSTALLED CAPACITY (IN MILLION)
P-05	Aluminium Tubes	3.6
	Bottle(HDPE/LDPE)	30.0
	Lami/Seam/PE Tube	28.8
TOTAL		**62.4**
Maxcure	Tablet	1,200.0
	SG Capsule	240.0
	Powder	120.0
	Liquid Orals	24.0
	Kit	60.0
	HG Capsule	240.0
	ENO	504.0
TOTAL		**2,388.0**
PCA	Tablet	859.2
	HG Capsule	217.2
TOTAL		**1,076.4**
P-P&C (G-Block)	Tablet	28,530.0
	Kit	NA
	LRH	360.0
	Powder/Sachet	61.2
	HG Capsule	2,160.0
	Tablet in Capsule	1,020.0
	SG Capsule	1,080.0
	Dry Syrup	18.0
TOTAL		**33229.2**
P-P&C (I-Block)	Ampoule	122.4
	Three Piece	54.0
	DPI	18.0
	DPI-II (L Block)	57.6
	FFS	54.0
	LVP	21.6
TOTAL		**327.6**
P-P&C (Q-Block)	Lotion	10.8
	Lemi/ Seam/PE Tube	33.6
	Liquid	21.6
TOTAL		**66.0**

PLANT	DOSAGE CATEGORY	ANNUAL INSTALLED CAPACITY (IN MILLION)
Malik Unit-I Pen	Tablet	2,287.2
	Low RH Tablet	960.0
	HG Capsule	1,440.0
	Powder/ Dry Syrup	72.0
	Kit	15.6
TOTAL		**4774.8**
Malik Unit-II Cepha	Tablet	1,512.0
	Cepha	120.0
	HG Capsule	156.0
	Powder/ Dry Syrup	24.0
	Ready Mix	10.2
	DPI	25.2
TOTAL		**1847.4**
Malik Unit-III Steriod	Tablet	180.0
	Ointment	24.0
	HG Capsule	240.0
TOTAL		**444.0**
Malik Unit-IV	Ointment	6.0
	Solution	6.0
TOTAL		**900.0**
AHL Kotdwar General	Tablet	291.1
	HG Capsule	156.0
	Liquid Orals	15.0
	Ointment	18.7
TOTAL		**480.792**
Beta	Tablet	62.4
	HG Capsule	18.7
	Dry Syrup	15.6
	DPI	31.2
TOTAL		**127.92**

REGULATORY APPROVALS/ACCREDITATIONS: FSSAI, ISO 22000:2015, HACCP, GLP, NSF International, GMP Ayush, PPB Kenya, DPML Ivory Coast, TFDA Tanzania, NAFDAC Nigeria, FDB Ghana.

PLANT 7: Part of Akums' subsidiary Pure & Cure Healthcare Pvt. Ltd, this plant is spread over an area of 36,084 square metres. It manufactures general products (non-beta lactam), oral solid dosages, injectables and dermatology formulations.
REGULATORY APPROVALS/ACCREDITATIONS: WHO GMP, GLP, ISO 9001:2015, ISO 14001:2015, DPML Ivory Coast, DPML Nepal.

PLANT 8: Part of another subsidiary, Malik Lifesciences Pvt. Ltd., this unit covers an area of 27,350 sq. metres and is a dedicated unit that caters to the production of oral solid dosages.
REGULATORY APPROVALS/ACCREDITATIONS: WHO GMP, GLP, ISO 9001:2015, PMPB Malawi, FDB Ghana, ISO 14001:2015, MOH Cambodia, DPML Ivory Coast, NDA Uganda.

ASSAM

PLANT 9: This plant is part of Pure & Cure Healthcare Pvt. Ltd., and is located at Guwahati. It covers an area of 56,000 square metres. This unit caters to the production of oral solid dosages. The unit has scope for further expansion given its huge area.
REGULATORY APPROVALS/ACCREDITATIONS: WHO GMP

UTTARAKHAND

PLANT 10: This unit manufactures various dosage forms in general, Beta-Lactam injectables and penam. It is located at a distance of 60km from Haridwar at Kotdwar. It was added to the network via an acquisition.

PUNJAB, HARYANA

PLANTS 11-13: Akums acquired a set of three facilities as part of its acquisition of Parabolic Drugs (now renamed Akums Lifesciences Ltd), a vertically integrated, research-based company specialized in the development, manufacturing and sale of Active Pharmaceutical Ingredients (APIs) and API intermediates.

This business houses a dedicated facility for custom research and synthesis with three units located across Haryana and Punjab: Dera Bassi (Punjab), Chhachhrauli (Punjab) and Barwala (Haryana). This unit is a leading API supplier to partners spread over 51 countries. It handles a variety of chemistries such as beta-lactams, heterocyclic chemistry, carbohydrates chemistry, steroids and stereochemistry.

In addition, it also manages enzyme conversions for some of our products. Its manufacturing capacity for various categories ranges from 750 MT/year to 1,200 MT/Year.
REGULATORY APPROVALS/ACCREDITATIONS: European GMP, Korean FDA WHO-GMP, PMDA
Our antibiotic range of APIs has approval from: European GMP, WHO GMP, ISO 14001-2004 and OHSAS 18001-2007.

HIMACHAL PRADESH

PLANT 14: After the closure of the financial year in March 31, 2022, Akums announced the acquisition of one facility from Ankur Drugs and Pharmaceuticals Limited at Baddi in Solan district of Himachal Pradesh to boost production capacities for general oral tablets and oral liquids.
The unit, which will be fully operational later this year, will have a planned capacity of 6 billion units of tablets and 90million units of oral liquids per annum.

INORGANIC EXPANSION AND ACQUISITIONS

Akums has been consistently growing its business and adding new clients. In our continuous effort to serve our customers efficiently, Akums has been working diligently to constantly upgrade our facilities and expand capacities.

The company's production volumes are likely to increase to 27 billion tablets per year during the financial year 2022-23 from 20 billion in 2021-22. The company realizes that its existing manufacturing facilities may not be sufficient to cater to the needs of its growing business.

Therefore, to cater to the growth in business for the financial year 2022-23 and beyond, it is essential to invest in both organic and inorganic capacity expansion.

UTTRAKHAND

Akums acquired a plant at Sigaddi Growth Centre (SIDCUL), Kotdwar in Pauri district of Uttarakhand from Origin Formulations Pvt. Ltd. This plant is 60 km from our existing facilities at Haridwar and is well connected by road.

This facility is now operated by Akums Healthcare Limited, a subsidiary of Akums Drugs and Pharmaceuticals Ltd., and commenced production in March 2022.

The facility has distinct blocks to manufacture penicillin products (dry powder injection, tablets), beta-lactam antibiotics (hard gelatin capsules and dry syrup) as well as general products (tablets, capsules, topicals).

Keeping in view patient safety, this facility has dedicated blocks to manufacture oral penem tablets. This is the first time in the country that a pharmaceutical facility has dedicated blocks to make such products. In fact, Akums in 2008 was the first to install a separate plant for female hormonal products for the Indian market.

These efforts are in line with our vision of going the extra mile for patient safety and upholding to global standards.

INORGANIC EXPANSION AND ACQUISITIONS

HIMACHAL PRADESH

In March 2022, Akums acquired one plant of Ankur Drugs and Pharma Ltd in Himachal Pradesh's Solan district. It is located in Baddi, India's biggest pharmaceutical manufacturing hub.

The facility was put for auction by Edelweiss Asset Reconstruction Co. Ltd. The facility was previously used to manufacture oral solid dosages including general tablets and penicillin as well as injectables and liquid dosages.

The facility requires a considerable amount of refurbishment and installation of new equipment, but the available civil structure and certain available utilities can be put to use. This will reduce the gestation time required for the start of commercial operations and will have a cost advantage vis-à-vis construction of new facilities.

Since this will be our first facility in Himachal Pradesh, the acquisition will help our formulation operations diversify geographically.

The facility will now be operated by Pure & Cure Healthcare Pvt. Ltd., a subsidiary of Akums Drugs and Pharmaceuticals Ltd. The facility will be operational by the third quarter of the financial year 2022-23.

The facility will boost Akums' production capacities for general oral tablets and oral liquids. The planned capacities of the new facilities are 6 billion units of tablets per annum and 90 million units of oral liquids.

For perspective, Akums produced 16 billion units of tablets in 2021 and 150 million units of oral liquids. Tablets comprise approximately 52% of the market by units while oral liquids comprise almost 10% of the market.

In order to boost production capacity and foray into new capabilities, Akums aspires to expand with a combination of organic and inorganic opportunities this year as well.

SWOT ANALYSIS

A detailed analysis of the company's strengths, weaknesses, opportunities and threats (SWOT).

STRENGTHS

- Leadership in core segment
- Technology-driven innovative and specialized products
- State-of-the-art manufacturing facilities
- Wide product range
- Global accreditation
- Large and growing client base
- Strong R&D, DCGI approvals and IPR
- Strong system of product planning and development
- Dedicated management

WEAKNESSES

- Price competition from small and unorganized players
- Low geographical diversity with exports generating a limited share of revenue
- Regulatory changes may curtail growth of the domestic pharmaceutical market
- Regulatory risks in export markets, particularly in developed countries
- Capex and acquisitions could weigh on liquidity and credit profile

OPPORTUNITIES

- Growth in international business
- Rise in global demand
- Brand building and visibility
- Increase in outsourcing activities
- Increase in spending on health
- Newer dosage forms and therapies

THREATS

- Wage and power cost inflation
- Rising prices of raw materials and other inputs
- Counterfeit drugs
- Supply chain disruptions

STRENGTHS

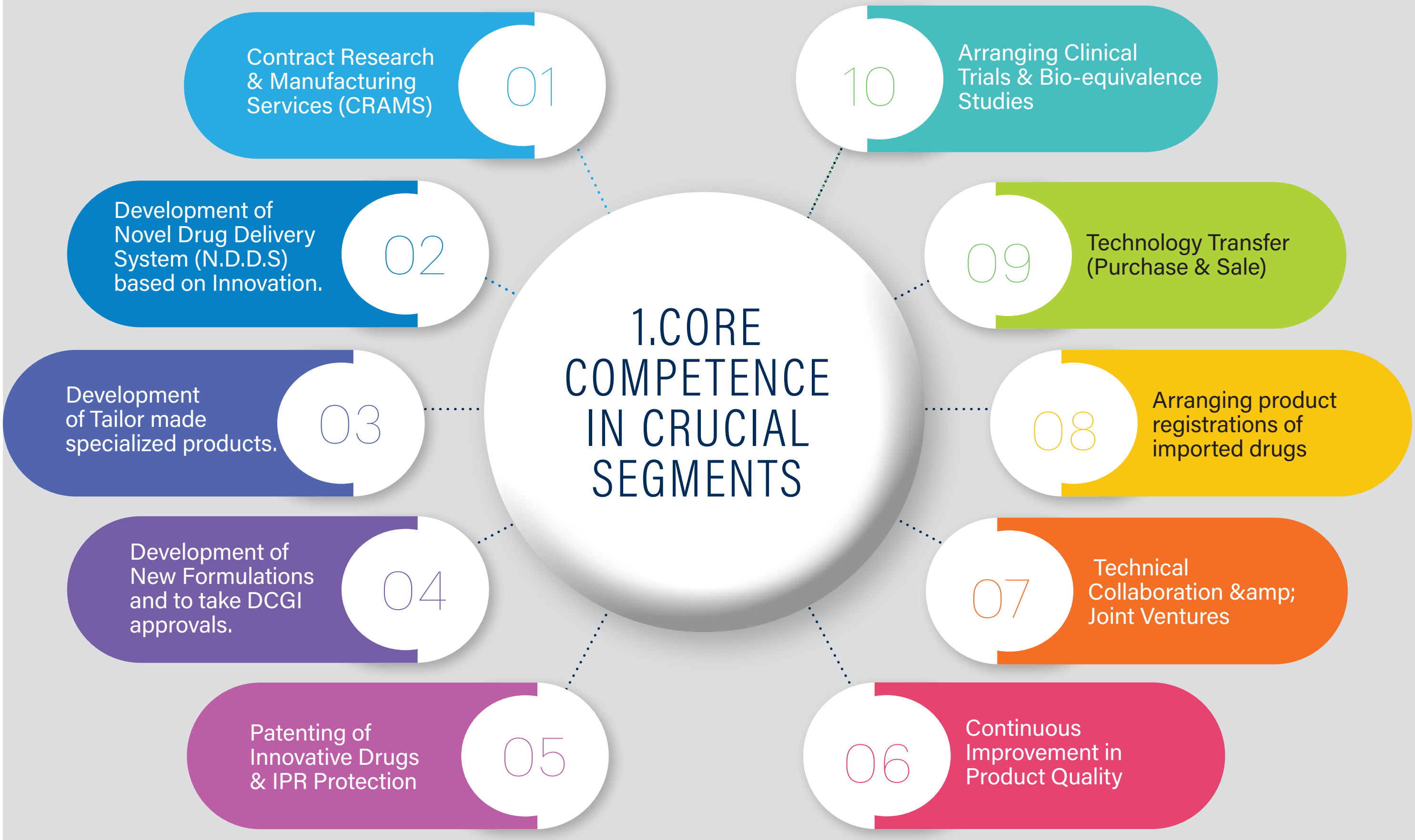
WEAKNESS

STRENGTHS

Akums is the largest manufacturer of pharmaceutical products in India. Over a period of 18 years, the company has achieved greater heights in its domain. Today, Akums, along with its subsidiaries, has 15 state-of-the-art manufacturing facilities. These plants have the capacities to produce 119 million tablets, 19 million hard gelatin capsules, 3 million soft gelatin capsules, 2 million liquid orals and 1 million sachets a day.

Moreover, Akums is significantly ahead of its competition when it comes to adoption and development of innovative technologies, structural drug design, innovative business plans, manufacturing facilities, product range, a large client base and strong research and development. All these factors provide competitive advantages to the company over small and unorganized contract manufacturers.

SOME OF THE MAJOR FACTORS THAT PROVIDE STRENGTH TO AKUMS ARE AS FOLLOWS:



15 State-of-the-art manufacturing facilities

119 Million tablets Per day

19 Million hard gelatin capsules per day

2 Million liquid orals per day

1 Million Sachets per day

2. UNIQUE CHARACTERISTICS OF BUSINESS FACILITIES:

- Akums has the highest manufacturing capacity across all sections in the pharma industry
- Akums' manufacturing facilities produce specialized products like low Rh and clavulanic acid preparations
- Akums' research and development and formulation development centres are approved by the Department of Scientific and Industrial Research (DSIR). Akums also has NABL-certified laboratories
- Akums manufactures the highest number of products
- Akums employs the highest number of technical and non-technical personnel
- Akums has the fastest product delivery
- Akums is financially sound and is well supported by banks
- Akums has a large client base of top multinationals and local pharma companies
- Akums is professionally managed, and its employees are driven, dedicated and disciplined.

3. TECHNOLOGY-DRIVEN INNOVATIVE PRODUCTS:

Akums develops and makes several innovative products such as ready-to-use antibiotics, low-RH sachets and tablets, and medicinal jellies in palatable taste. The company has been expanding its research capabilities to develop breakthrough technologies. Akums has also developed many specialized products that include several introduced in India or even the world for the first time.

4. THERAPEUTIC SEGMENTS AND WIDE PRODUCT RANGE: The company operates in a wide range of therapeutic segments, making everything from over-the-counter antacids and cold medicines to products for cardiovascular and central nervous system diseases.

5. STRONG MANUFACTURING CAPABILITY: The company has 15 state-of-the-art manufacturing facilities as well as R&D centres and central warehousing facilities. The manufacturing plants adhere to international standards. They also have in-house testing facilities including instrumentation and microbiology laboratories.

Akums has ultra-modern machinery with around 200 packaging lines, 14 Alu-Alus, 2 AF 150s, 2 AF 120 Ts, 1 AF60 T and 49 granulation sections consisting of 25 RMGs, 23 Fluid Bed Processors, 26 Auto-coaters, 11 FFs, 8 tunnels, 325 HPLC's, 15 FTIRs, 2 Atomic Absorption Spectro-Photometers, 15 GC-HS-Auto samplers with FID, TCD, ECB, T.O.C.A, HPTLC, ICPOES, Particle size analyzer-Malvern, Zetasizer, Differential Scanning Calorimetry (DSC), 20200 KVA DG Sets, SCADA water System with Hot and Cold Loop, 1170 AHU's and more.

6. GLOBAL ACCREDITATIONS: Akums has been accredited by the World Health Organization's Good Manufacturing Practices (WHO-GMP), Organization for Economic Co-operation and Development's (OECD) Principles of Good Laboratory Practice (GLP), ISO-9001, ISO 14001, Hazard Analysis Critical Control Point (HACCP) of the US Food and Drug Administration (FDA), National Accreditation Board for Testing and Calibration Laboratories (NABL)

India and several other international agencies. It has also been accredited with GMP-Ayush certificates after thorough and stringent inspection of quality norms and systems adopted by the company. Akums' manufacturing facilities have also been audited and approved by the regulatory bodies of various countries,

namely ANVISA-Brazil, NAFDAC-Nigeria, FDB-Ghana, PMPB-Malawi, MOH-Libya, MOH-Cambodia, DDA-Nepal, CD& DA-Sri Lanka, MOH-Vietnam, NDA-Uganda, PPB Kenya, MOH-Belarus, and DPM-Ivory Coast.
Akums observes global standards as per ICH guidelines, as well as UKMHRA and USFDA norms. The company follows health, safety and environment norms, as well as good industrial hygiene practices. Akums has a strong product quality review system and conducts stability studies to ensure quality till shelf life. Akums' R&D activities have been approved by the government of India's Department of Scientific Industrial Research (DSIR).

Akums has a dedicated stability study center as per ICH guidelines for regular monitoring. he quality control department is well equipped with highly sophisticated equipment, instruments, microbiology laboratory and fulfills the requirements of the Code for Federal Regulations (CFR) of the USFDA. International guidelines are followed for documentation and practices. Quality assurance teams monitor all processes and compliances of the quality control department.

7. VAST CLIENT BASE: Akums has been delivering high-quality pharmaceutical formulations, nutraceuticals and cosmetics products to dozens of clients. These include Sandoz, Dr. Reddy's, Bayer, GSK, Merck, Abbott, P&G, SunPharma, Torrent, Allergan, Sanofi Aventis, Wockhardt, Emcure, Intas, FDC, Dabur, Lupin, Cipla, Cadila, Ipca, Akumentis, Glenmark, Alkem, Mankind, Ajanta, Piramal and Novartis.

8. STRONG R&D, DCGI APPROVALS, PATENTS & IPR: The research and development facility at Akums is DSIR-approved and has dedicated scientists with a proven record. The R&D department has been developing unique and innovative products. The department is capable of developing tailor-made products as per customer requirements, from pilot to commercial-scale batches.
Akums' R&D facility houses the most modern and sophisticated equipment and has obtained approvals from the Drug Controller General of India (DCGI) for new fixed-dose combinations and patenting of new formulations. Akums' formulation development department has obtained more than 796 "New Drug Approvals" from DCGI. It has also obtained 429 FSSAI approvals and has filed 61 patents.

9. STRONG SYSTEMS OF PRODUCT PLANNING: Before a product is developed, proper planning is a must. Akums has a well-built system of product planning. This comprises a system for scheduling tasks, prospective procurement of APIs, process validation, equipment qualification etc. This ensures not only better service to customers but also facilitates timely completion of sudden customer demand.

10. STRONG PRODUCT DEVELOPMENT: Akums has the best formulation development in the industry. It has adopted a unique process and method of development and packaging, conducts stability studies—both accelerated and real—and develops tailor made specialized products.
Akums has filed nearly 60 applications for patenting its innovative drugs. It has good liaising for arranging bioequivalence studies, clinical trials and obtaining DCGI approvals. Akums' commercial batches are in consonance with trial batches. At Akums, product development is divided into following two parts—Internal and external source ideas. While some product ideas are generated from within the company itself, sometimes ideas are also received from customers. In such cases, products are developed as per the customer's requirement. The procedure, standards, framework and methodology remain the same in both cases.

PRODUCT DEVELOPMENT PROCESS:

The company follows a systematic and elaborate framework and methodology:

PMT: The product management team studies the most innovative and the newest molecules developed or available in the world. The team identifies its usage, indications and usefulness for India.

MDT: The medical doctors' team studies how the product will work on the human body and its advantages for humans.

IMT: The internal marketing team makes an overall survey as to whether the product will be acceptable in the market from the point of view of both the cost and the demand.

TEST LICENCE: After the product is cleared by PMT, MDT and IMT, a test licence is obtained from the Drugs Control Office.

R&D: The raw material purchase department buys the inputs and the formulation development team develops the product. The product is then analyzed by the quality control department and the product is kept for stability.

REGULATORY DEPARTMENT: This department works in close coordination with the formulation development department and the quality control department to prepare a dossier for filing with the DCGI.

DCGI APPROVAL: Application is filed with the DCGI for approval. The DCGI orders for clinical trials and/or bioequivalence studies. Clinical trials and/or bioequivalence studies are conducted.

COMMERCIAL BATCHES: After the DCGI approval is received, the product is offered to customers. The products are manufactured under the brand names of customers.

PATENTS: Patents are filed for new innovations, wherever required.

11. SYSTEMS, AUDITS, AND COMMUNICATION: Akums has deployed excellent information technology systems. The company's finance, accounts, taxation, costing, material management, sales distribution etc. are controlled through the international SAP system.

There is complete automation in manufacturing processes, raw material stores, raw material testing, color weight variations, coating, finished goods stores etc. Akums has automated the management information system like batch wise production yield and wastage, costing of products, rate or price revisions, and product wise profitability.

12. DEDICATED MANAGEMENT: Akums is managed by the board of directors and assisted by a team of qualified and experienced professional executives. The intelligence, knowledge, education and experience of the promoters create a vision for the organization and the wisdom and effectiveness of the corporate executives translates their vision into reality and converts resources into results.

The dynamic management team comprises professionals who are experts in their fields. These include management graduates, chartered accountants, company secretaries, cost accountants, and postgraduates and graduates in pharmacy, law and marketing and highly qualified and experienced technical professionals with proven caliber and capacity of research and development, quality assurance and manufacturing.

13. DEDICATED EXPORT SUBSIDIARY: In 2014, Akums set up Unosource Pharma as a subsidiary with an aim to expand across the world. Unosource's product portfolio includes generics and branded formulations for emerging markets. It has more than 700 products registered in around 40 countries including a range of dossiers. The company has a presence in Libya, Nigeria, Ghana, Kenya, Uganda, Yemen, Ethiopia, Malawi, Rwanda, Jamaica, Mozambique, Zambia, Burundi, Tanzania, Philippines, Vietnam, Cambodia, Sri Lanka, Bangladesh, Singapore, Nepal, Bhutan, Myanmar, UAE, Ukraine, Tajikistan, Afghanistan, Kazakhstan, Turkmenistan, Kyrgyzstan, Malaysia, Venezuela, Belarus, Nicaragua, Honduras, Guatemala, Ivory coast, Mali, Niger, Benin.

SWOT ANALYSIS

14. HUMAN RESOURCES: Akums provides good remuneration, good facilities, reward for work, and job satisfaction to its employees. The attrition rate in the company is minimal. Akums takes care of employees' every requirement, from residential accommodation to on-the-job training. The company is planning to start educational activities through its CSR project. Akums has also started an employee stock option plan (ESOPs) for its employees.

15. STRONG COMPETITIVE ADVANTAGE: The Akums Group has received 796 approvals from the DCGI for new fixed-dose combinations and molecules and several other approvals are in the pipeline. The group companies have also obtained 429 approvals from the Food Safety and Standards Authority of India (FSSAI). Apart from these, more than 61 applications for patents have been filed by Akums and many more are in the pipeline. The Department of Scientific and Industrial Research (DSIR) and the National Accreditation Board for Testing and Calibration Laboratories (NABL) have both approved Akums' R&D facilities.
We are proud to say that we have no competitors in our league because our nearest rivals are not manufacturing even 20% of what we produce.

16. STRONG RATING: ICRA Ltd. has upgraded the long-term credit rating of Akums to AA- and has a 'Stable' outlook. ICRA has also upgraded the short-term rating to A1+.

17. CORPORATE CULTURE: The following are the hallmarks of Akums' corporate culture:

- Transparent, honest and fair dealings
- Fast and proper communication
- Accountability and proper disclosures
- Compliance of law beyond legal framework
- Independence, integrity and decision making by professionals
- Respect of employees and team work
- Code of conduct for board members and senior management
- Ethics of business and fair business policies
- Adherence to ethical standards for effective management
- Trust and confidence of stakeholders, customers and society
- Society responsiveness
- Trust in creativity
- Built National health
- Growth with goodwill.

WEAKNESSES

While the company has plenty of strengths, we also need to identify and acknowledge our weaknesses in an attempt to improve ourselves and better prepare for the future.

1. PRICE COMPETITION: The presence of small and unorganized players with lesser focus on quality or good manufacturing processes may affect the business of the company. Although they offer a product of inferior quality as compared to Akums, they can do so at a lower price, thereby undercutting companies like ours. This may result in an increasingly competitive environment, characterized by stiff price competition. However, this trend is gradually shifting as all the stakeholders prioritize product quality nowadays. This will certainly help Akums in the coming years.

2. LARGE CAPEX AND ACQUISITIONS: If the group's liquidity or credit profile worsens significantly as a result of the debt-funded capex or acquisitions, this could affect our corporate ratings.

3. LIMITED SHARE OF EXPORTS IN TOTAL REVENUE: The share of exports in our total revenue has remained stable over the years at around 3-5%. At present, the company exports primarily to the semi-regulated markets of Vietnam, Malaysia, Venezuela and the Philippines, among others. However, the management is looking forward to increasing its share of exports in the near to medium term by entering the semi-regulated international pharmaceutical market. The presence of Quality Control is likely to aid the company's initiatives in this regard.

4. SIGNIFICANT INVESTMENTS IN MARKETING SUBSIDIARIES: Akums has created several separate marketing companies over the years to diversify its business profile. It has been extending loans and advances to these subsidiaries to meet their working capital as well as funding requirements. However, material returns from these marketing forays are only likely over the medium term. This could affect the company's profitability and return indicators.

5. REGULATORY RISKS: The growth of the domestic pharmaceutical industry has been impacted to an extent by regulatory interventions or policies such as a ban on many fixed-dose combinations. Regulatory changes such as the expanded National List of Essential Medicines (NLEM) could continue to have a negative bearing on the growth prospects of the industry and may constrain the Group's growth prospects. Overall, even as demand in the pharmaceutical industry is likely to remain healthy, led by an increasing spend on healthcare and various government policies, increased regulatory interventions remain a concern.

OPPORTUNITIES

1. INTERNATIONAL BUSINESS: Akums has a subsidiary, Unosource Pharma Ltd., exclusively for exports to regulated markets including the US, Canada and Europe, and also to semi-regulated ones. Unosource has established its own research and development centre in Mumbai for developing products only for exports. It has filed more than 1,000 dossiers in various countries.

Akums is in the process of acquiring USFDA-approved plants for this purpose. Akums is all set to commence business activities in various countries where the company and its products are on the verge of getting registered or have been recently registered.
Akums has ambitious plans to boost its overseas business in a big way and wants to be a global leader in manufacturing in the coming years.

2. BRAND BUILDING AND MARKETING OF OWN PRODUCTS: In today's scenario, if you are not a brand, you are a commodity. Today, customers can immediately associate products or services with brands. A company can build customer loyalty by promoting its own brands.
In our case, 'Akums' itself is a brand and an icon of the Indian pharma industry. There are hardly any retail shops in the country where products manufactured by Akums are not available.
After making a mark in contract manufacturing, the company visualizes a huge potential for growth in marketing and distribution of its own branded formulations. The company has purchased or otherwise owns the brand names of several products. The company's subsidiaries act as the marketing arms and market products under these brands.
The company proposes to cater to hospitals and nursing homes directly and to establish pharmacy retail chains to enhance its visibility in the market.

3. RISE IN OUTSOURCING ACTIVITIES: Any increase in the volume of outsourcing pharma business to India would also drive growth of the company. Nowadays, most pharma companies—multinational or domestic, large or medium—are outsourcing their manufacturing activities. This helps them focus on their core activities. India is a preferred outsourcing hub for pharmaceutical products due to the low cost of skilled labor. To their advantage, companies like Akums which have good infrastructure facilities and have all systems in place, stand to benefit more than the small and unorganized players who face a whole lot of challenges.

4. RISING GLOBAL DEMAND FOR GENERIC DRUGS: A rise in the geriatric population the world over is forcing countries to move to better quality formulations, which is the company's forte. The company is looking to tap significant export opportunities. Drugs with a market value of $40 billion in the US and $25 billion in Europe are going off patent. This would translate into an opportunity of an additional export of $20 billion that Indian companies like Akums can tap into.

5. EASY ACCESS WITH LOW COST BY USING DIGITAL SOLUTIONS: Digital technology is playing a crucial role in the pharma industry. Companies are dumping traditional marketing for digital marketing. Mobile apps and social media are set to play a bigger role. The ease of accessing information online as well as the growing internet user base has led to the success of taking any business online and organizing it digitally.

6. OTHERS: SOME OTHER FACTORS WHICH COULD BOOST DEMAND FOR PHARMACEUTICAL FORMULATIONS INCLUDE:

- Rapid growth of 'over the counter' (OTC)
- Increase in demand from non-metro markets
- Expansion of health insurance sector
- Increase in per capita income

THREATS

1. UNCERTAINTY IN GOVERNMENT POLICIES: Regulatory control exercised by the government over the pharma industry often creates uncertainties. In March 2016, for instance, India banned 344 fixed-dose combinations. Though the company got a stay from the Delhi High Court, the Supreme Court observed that the government had not given the aggrieved parties a proper opportunity. Therefore, the matter was referred to the Drug Technical Advisory Board (DTAB). However, since a favorable decision was not expected, the company developed alternative formulations to cater to its customers.

2. WAGE INFLATION: Wages are one of major cost contributors in the pharmaceutical manufacturing industry. In fact, a lower labor cost has been one of major competitive advantages over western countries. But nowadays there is a rapid increase in costs of skilled and unskilled manpower such as scientists, compliance personnel, professional consultants, international business development personnel and even workers. Wages may further increase, and this may create pressure on the margin of the company.

3. COUNTERFEIT DRUGS: Counterfeiting is a serious public health menace. This menace requires a combined response from the public and private sectors. The counterfeit medicine market is more lucrative than the narcotics business with the World Health Organization (WHO) estimating that counterfeiting costs the global pharma industry $75 billion a year. A majority of pharmaceutical companies believe the illegal use of their brand name on these counterfeit products threatens the integrity of their companies. As more pharmaceuticals are being sold via the internet, this concern is only getting worse.

4. SUPPLY CHAIN DISRUPTION: After prescription drugs leave manufacturing facilities, they generally go through a number of wholesale and retail drug distributors before ultimately reaching the local pharmacy or hospital. Although the shipping and handling of the drugs takes place under secure, controlled and regulated conditions, every step along the supply chain presents an opportunity for tampering or distraction by criminals. Some manufacturers have gone to great lengths to protect the pharmaceutical supply chain by introducing innovative security measures where they tag individual bottles of medication with small electromagnetic chips known as radio frequency identification (RFID) tags, which enable pharmaceutical manufacturers and wholesale distributors to more closely track products as they move throughout the distribution chain.

5. OUTBREAK OF COVID-19: The outbreak of COVID-19 has exposed the dependency of the Indian pharma sector on China for Active Pharmaceutical Ingredients (APIs). The pandemic impacted the pharma industry and the company in the following ways:

- Non-availability or a severely disrupted supply of raw materials and packing materials
- Absence of seamless internet data connectivity with staff, which caused problems in day-to-day work
- Marketing staff faced issues in generating sales as they were unable to conduct in-person sales calls
- Companies that have global operations faced issues with regard to their operations and staff in those locations.
- Manufacturing units and warehouses were not working at full utilization due to the unavailability of staff.
- Implementing effective and robust cybersecurity measures has been a challenge in the new scenario.

RESEARCH & DEVELOPMENT

Pharmaceuticals is an innovation-driven sector, both in terms of products and processes. Akums has imbibed extensive research & development (R&D) and formulation development (F&D) as key ingredients of its operations. This initiative is led by our talented research staff and is supported by our well-equipped laboratories.

We lay great emphasis on upgrading process technology, cost reduction, pilot plant research, quality improvement, development of new products and optimum utilization of resources. Our F&D unit, in particular, focuses on improving the quality of formulations and developing newer and innovative dosage forms.

Akums' laboratories are fully equipped for physical and metallurgical testing, micro-biological testing, effective controls of process, chemical testing, pharmacological testing, and stability studies.

The R&D units develop technologies and processes that are then implemented at the manufacturing facilities. We constantly monitor and evaluate the benefits from such efforts and refine it further to reduce the cost of production, achieve consistent quality and be competitive in the global market.

Our centralized R&D unit is located at Haridwar, Uttarakhand, where formulations are being developed and researched in all dosage forms.

In addition, Akums has a state-of-the-art R&D centre at Taloja, MIDC, Navi Mumbai for product development, exclusively for regulated markets, like the US, European Union, Canada and Australia. The R&D Centre is led by a strong team of experts handling unique functions like formulation development, analytical development and method validation, packaging development, project management, quality assurance, and regulatory modules.

At the R&D centre, we do not work only towards developing new products but also to make the existing ones better. The direction of the effort covers all ground, starting from simple to ingenious and path-breaking.

858 permissions from the Drugs Controller General of India (DCGI) and a total of 1,197 clients with new client addition in FY2021-22 at 288

We work at simple things that make a world of a difference when it comes to patient compliance, increased bioavailability, patient comfort, and doctor confidence, and reflects the ground we cover for customers along with our clients. We also work at making tablets and capsules smaller by working on new excipients, making them cheaper; increasing the absorption of drugs by nano-drug delivery systems (NDDS) and novel ideas; creating injections that are painless, and so much more.

The driving force of our R&D units is to deploy advanced technologies and novel drug delivery systems to offer innovative products having best patient compliance and product potency.

There are various products that we developed in India for the first time and quite a few that are first in the world. As a result, we now have more than 858 permissions from the Drugs Controller General of India (DCGI) and a total of 1,197 clients with new client addition in FY2021-22 at 288.

These clients are served with 40 dosage forms, 26,953 SKUs and 3,746 formulations. The company manufactured 20 billion units of tablets and capsules in 2021-22 and launched 148 SKUs during the year.

We also integrated SAP and Laboratory Information Management Systems (LIMS) software for operational excellence.

RESEARCH & DEVELOPMENT

ACHIEVEMENTS

The research efforts have borne fruits for the company with several new approvals during the year:

535
TOTAL FSSAI APPROVALS
(in 2021-22: 131)

858
TOTAL DCGI APPROVALS
(in 2021-22: 78)

Innovation is a culture itself at Akums and we have been developing new formulations for years. Some highlights from what we have achieved over time with several products developed for the first time in India or the world:

- Pepmelt antacid mouth melting sachets
- Jaundiff – Versatile Hepato Protector in a single dose
- Newer form of folic acid (4th generation folate) for better absorption and results
- Pamabrom and Paracetamol Tablet
- Gabapentin, Lidocaine & Baclofen topical Gel for neuropathic pains
- Albendazole oral jelly for use in the paediatric segment
- Octenidine range, a new promising antimicrobial agent. Complete range available with cream, topical solution, mouthwash, nasal spray and body wash
- Nefopam tablets/Injection
- Unique food grade product to increase the pH of drinking water that helps in boosting alkalinity and neutralizing acidity, which enhances overall health
- Pinashin – Herbal solution to all Rhinological problems in a single dose
- Diclofenac Painless Injection
- Bimatoprost formulation for growth of eye lashes
- Folic acid mouthwash for gingivitis in pregnancy
- Itraconazole 50 / 100mg Serba HG Capsules
- Room temperature stable Carbetocin formulation

FIRST TIME IN INDIA

- Faropenem 200mg + Clavulanic acid 125mg tablet
- Atorvastatin + Clopidogrel bilayered tablets (with DCGI)
- Estradiol Sustained Release Tablets
- Painless progesterone injection
- Brominidine gel for rosacea (facial redness)
- Oral Bioavailable Keratin for hair, nail, skin
- Enteric Coated Soft Gelatin Capsules for COD liver oil and fish oil
- Faropenem 50/100mg syrup
- Delicious soup for weight loss
- Preservative Free Ophthalmic range – Travoprost, Travoprost + Timolol, Moxifloxacin + Dexamethasone, Loteprednol + Moxifloxacin, and Dorzolamide + Timolol.
- Nepafenac eye drop in solution form
- Alendronate oral jelly for osteoporosis

FIRST TIME IN THE WORLD

- Comfrey root 100% ayurvedic pain relieving gel
- Omeprazole (Controlled Release) and Domperidone (Sustained Release) capsules
- Febuxostat Extended Release for gout
- Atorvastatin Gel for wound healing and pressure ulcers

MUMBAI R&D UNIT

The R&D unit at Akums Drugs & Pharmaceuticals in Mumbai is located at Taloja MIDC. The unit covers a total area of around 1,302 sq. metres including surrounding building of about 800 sq. metres occupied for ETP and other utilities.

The total technical manpower is around 40 scientists including formulations R&D, analytical R& D and Quality Assurance. All the technical persons have very good knowledge and expertise with respect to product development for regulatory markets. They also handle the pre- and post-submission regulatory queries.

The Mumbai R&D unit can develop the following dosage forms for regulatory markets:

- General Solid Oral Dosage Forms (OSD)/Oral Liquide formulations:
- Immediate release (IR) / Chewable/ orally dispersible tablets (ODT)
- Delayed release (DR) Pellets/Tablets/Capsules/sachets.
- Sustained release /Controlled release (SR/CR) Pellets/Tablets/Capsules.
- Variety of oral liquid formulations

Parenteral Dosage Forms:

- General Injections (SVPs) (vials, Ampules, Pre-filled syringes)
- Ophthalmic preparations (solution/suspension/gel/ointment)

Semisolid Topical Formulations:

- Topical Creams/Gels

Hormones DP developments like:

- Oral contraceptive pills (OCP)
- Gels and Creams
- Injections

The Mumbai R&D team has completed and is working on the following product development scope:

- Product development for the Rest of the World (ROW) and Export markets including practical feasibility: **15 drug products**
- Data generation (CDP/COA) for submission to ROW and Export market: **20 drug products**
- Process improvement (green manufacturing process) drug product development and commercial implementation: **12 drug products**
- Troubleshooting drug product development including implementation at plant site: **35 drug products**
- Cost effective and lower weight product development: **6 (six) drug products**
- Pellet drug product development: **5 (five) drug product development activity completed**

In the future, the following scope of work will be established by the Mumbai R&D unit:

- **In-house product development activity for ROW and EU markets**
- **Challenging product development for client (WHO/China and Japan markets)**
- **In-house challenging parenteral product development including Lyophilization technique.**

TECHNOLOGY

BREAKTHROUGH TECHNOLOGIES

Akums has been expanding its research capabilities to develop breakthrough technologies. There is a constant\ endeavor to enhance and/or modify drug release profiles to maximize therapeutic value of the available formulations. Here are some breakthrough technologies:

PRIBSYS

Pribsys Technology enables the ophthalmic formulations to remain preserved from microbial growth without adding any conventional preservation and hence provides alternative to BAK-containing ophthalmic preparations.

EXCEBIND

Excebind technology provides high efficacy to the fiber for binding with maximum dietary fat.

DISTAB

It significantly reduces the disintegrating time of the tablet.

EXCEDERM

It facilitates the absorption of penetrant through the skin by temporarily diminishing the impermeability of the skin and provides more absorption to topical formulations.

FAST ABSOL TECHNOLOGY

In this technology, unique excipients are added to an oral dosage form for rapiddisintegration. This technology enables quicker

DO-WELL TECHNOLOGY

This technology makes injections less viscous, less painful and more efficacious. The patient compliance and

UHVM TECHNOLOGY

Provide stable drug release profile for sustained release of formulations.

SOLPHILIC & SOLPHILIC- H

Technology enhances solubility of hydrophobic drugs and improves absorption and bioavailability

SPORTINE TECHNOLOGY

Provides protective coating to the probiotics to enhance their viability.

SAFTALONG TECHNOLOGY

Improved permeability into cornea epithelium, which is a lipophilic layer.

S-TAB TECHNOLOGY

Enhances the stability and potency of highly unstable drugs.

EFFERVESCENT VAGINAL TABLET

Are useful for fast release of drug even in low volume.

SPORNAM TECHNOLOGY

Provides polysaccharide coating to spores for stability at varying pH.

KURAFAST TECHNOLOGY
Helps in reduction of the disintegration time of dispersible tablets.

BIOPHILIC TECHNOLOGY
Enhanced absorption of herbs and bioactive extracts.

MIZET TECHNOLOGY
Enhanced absorption of lipophilic drugs by conversion into micelles.

AQUAJECT TECHNOLOGY
Provides pain-free oil based injections.

NOVEL TABLET
In tablet technology especially developed for PPI's.

NANO TECHNOLOGY
Offer drug particles in NANO ranger for greater absorption.

E-SOI TECHNOLOGY
Converts ophthalmic suspensions to solutions for better and faster corneal penetration.

ULTAMAX TECHNOLOGY
converts particle size to ultra-micronized form to reduce the intra and interpatient variability in terms of pharmacokinetic parameters.

ENTRO SEAL TECHNOLOGY
provides enteric coating on soft gelatin and soft veg capsules with excellent release profile.

XANLONG TECHNOLOGY
Provides extended retention time to the drug on the corneal surface.

AQUADERM TECHNOLOGY
Converts alcohol based topical formulation to aqueous base.

EMULSOL TECHNOLOGY
converts emulsion in globular/ droplet form thereby helping in greater absorption and stability.

THERAPEUTIC SEGMENTS

Akums manufactures medicines that are used in a wide range of therapeutic segments. The company has also developed specialized products for some of the most prevalent ailments in the world such as diabetes, alopecia (hair loss), hypertension, anxiety and obesity.

DOSAGE FORMS

Akums manufactures almost 4,000 formulations in nearly 40 dosage forms.

1. TABLETS: Uncoated, Film-Coated, Sugar-Coated, Sustained Release, Bi-Layered, Chewable, Effervescent, Tablet in Tablet, Bi-layered Tablet in Tablet, Pills.

2. POWDERS: Effervescent RH Powders, Sachet, Mouth-melt powders, Ready Mixes.

3. CAPSULES: Hard Gelatin, Soft Gelatin, Tablets in capsule, Twist-off Tips, Vegetarian Capsules.

4. TOPICALS: Creams, Ointment, Gels, Lotions, Oils, Shampoo, Face Wash.

5. STERILE PREPARATIONS: Liquid Injections, Dry-powder injections, Ampoules/Vials, Pre-filled syringes, Multi-dose Vials, Ear/Eye/Nasal drops, FFS/Three-piece packs/Cap in cap, Single-unit UNIMS packs, Respules, Large Volume Parental in 100 MLs.

6. ORAL LIQUIDS: Syrups, Suspension, Solutions, Oral jellies in sachet.

PRODUCTS DEVELOPED

- ENO chewable tablet and suspension, a brand extension of GSK's ENO sachet
- Lemon Fizz Antacid sachet for Dabur and Pepfiz Antacid sachet for Sun Pharma
- Pepmelt Antacwid mouth melting sachets, Revital H, Aqsusten, Piranulin for Sun Pharma
- Various ophthalmic formulations converted from suspension to solution for effective absorption, penetration and best patient compliance
- Diclofenac painless injection
- Jaundiff - Versatile Hepato Protector in a single dose
- Pinashin - Herbal solution to all Rhinological problems in a single dose
- Zolpidem Tartrate Inlay tablet
- Pamabrom and Paracetamol tablet
- Bimatoprost formulation for growth of eye lashes
- Gabapentin, Lidocaine and Baclofen topical gel for neuropathic pains
- Topical Itraconazole gel
- Folic acid mouthwash for gingivitis in pregnancy
- Albendazole oral jelly for use in pediatric segment
- Micellized Vitamin D3 drops for higher bioavailability
- Tramadol oral drops for palliative care
- Fenticonazole vaginal capsule
- Citicoline eye drop
- Azelaic acid gel (with nano particles)
- Enteric coated soft gelatin capsules for cod liver oil and fish oil
- Caffeine Citrate injection

MAIN THERAPEUTIC SEGMENTS

- Antiepileptics
- Antiamoebics
- Antiasthmatic
- Antiemetics
- Antibiotics
- Anti-Hypertensives
- Antipyretics
- Anti-diabetics / Diabetes mellitus
- Cosmetics
- Antacids
- Central Nervous System
- Dermatologicals
- Cardiovascular
- Fed Supplement
- Cough & Cold Preparations
- Corticosteroids
- Gastrointestinal Tract (GIT)
- Dyslipidemia
- Pain Management
- Geriatric Care
- Genitourinary
- Herbal Preparations
- Gynecology
- Probiotics
- Haematinics
- Pediatrics
- Respiratory
- Sedatives / Hypnotics
- Tranquilizers
- Urological
- Veterinary

AKUMS' CUSTOMER-FIRST APPROACH

The regulatory requirements in the pharma industry are changing very fast. Akums' policy has always been to stay a step ahead of changing regulatory requirements. This is one of the key reasons why a large number of Indian and multinational pharmaceutical companies work with us.

Indeed, Akums has been delivering high-quality pharmaceutical formulations, nutraceuticals and cosmetics products to scores of clients. We cater to a majority of multinationals and big Indian pharma companies. We not only cater to their production and regulatory requirements but also meet their quality standards.

Our esteemed customers include: Sandoz, Dr. Reddy's, Bayer, Ferring, MSD, GSK, Merck, Abbott, Mylan, Avon, P&G, Sun Pharma, Torrent, Allergan, Besins, 4-Life, Sanofi Aventis, UCB, Menarini Raunaq, Provimi, Wockhardt, Emcure, Intas, FDC, Dabur, Lupin, Pharmed, Blue Cross, Cipla, Cadila, Ipca, Akumentis, TTK, Glenmark, Hetero, Fourrts, Lundbeck, Apex, Alkem, Deys, Mankind, Uni-Sankiyo, Ajanta, Albert David, Eris, Aristo, Medley, Micro, Mapra, Unichem, Biochem, Panacea, Piramal, Medreich, Entod, Novartis, Zuventus, Oriflame, and Tianjin Tianshi.

The company's main export customers include Ful-For, Med-Interplast, Alwatan, Avoross, Nunusfarma, Sinclair, Kalba-International, Ananta, Alter-Ego, United Lab, Coral Med, Euro Health Care, Technopharma, Korlyns, Therapeutics, Sim Ha International, and Lunan Pharmaceuticals Group Corp.

Akums has a strong portfolio of products which are research-oriented, innovative, technology-driven and, very often, developed for the first time in India or the world.

Business goes where it is invited but stays where it is treated well. Retaining the customers is much more important than finding new customers. For retaining customers, attributes like quality, timely supplies, service and satisfaction of the customer, competitive prices, honesty and transparency in dealing, and innovative products are necessary.

While pharma companies evaluate our capabilities, we also evaluate every customer before starting any business. Akums works for the customers who believe in quality. We evaluate a customer on the basis of their ability to sell innovative and patient-friendly medicines and who have the policy of long-term sustainability and believe in long term business relations.

TO STAY ON TOP OF THE CHANGING CUSTOMER REQUIREMENTS, WE HAVE

- Customer-focused result and feedback system
- Customer grievances, complaint and suggestion systems
- Quality responsibility, recall and compliant redressal
- Customer satisfaction surveys
- Lost customer analysis
- Follow up on Customer Feedback

WE ARE ABLE TO SATISFY OUR CUSTOMERS BECAUSE

we have an edge over the others on account of the following:

- Fair business practices
- Integrity at all business levels
- Belief in customer delight
- Protecting consumer interest
- Highest-quality products
- Timely deliveries
- Transparency in dealings
- Transparency in rates
- Honesty in dealings
- Unique business model
- Innovative product development
- Unique characteristics of business
- Competitive advantage over others
- Innovative policies with regard to products
- Different environment and culture
- Excellent systems
- Sustained growth with excellence
- Manufacturer of main brands

HUMAN RESOURCES

At Akums, our employees are not just a headcount but the biggest stakeholders in setting the sail for the company's success and powering our growth. Our continued success is primarily due to the commitment, engagement and performance of our employees.

Akums' growth is backed by the relentless collaboration of our talented and dedicated workforce, and so we have institutionalised a progressive and inclusive stock ownership plan among several initiatives elaborated below.

As a company, Akums also played its part in nurturing human capital by providing a safe working environment and strives to foster a gender-balanced workforce.

Our female employees constitute nearly 25% of the workforce at our factories. This means one in four of our employees are women. We maintained this level during the year 2021-22. We consider it a work in progress and strive to make it even more balanced in the future.

The company also created several employee engagement initiatives, besides implementing training programs and improvement of general wellbeing of our brothers and sisters during the year.

As part of the human capital strategy, it is important to not just attract the right and diverse talent but also ensure they remain engaged. As an employer, Akums provides the right climate for them to grow, succeed and contribute collectively to help achieve our targets and objectives.

Our organisation has played a significant role in providing welfare facilities to the stakeholders, not just monetarily but also non-monetary. Our top management believes that a satisfied employee is the key ingredient for progress of our organisation. As a result, the concept of employee welfare was and will always a part of Akums' priority.

As part of these efforts, we conducted a free vaccination program for colleagues and their families, executed wellness and organizational change initiatives with a primary focus on mental health and wellness, and created information sessions on mental health and well-being, nutrition and work-life balance.

Our employee policies follow a compensation module in sync with our commitment to bring pay equity for all colleagues to build a diverse and inclusive workforce. We are committed to equitable remuneration practices at Akums for employees based on role, education, experience, performance, and location.

Our employee learning and development scheme also includes non-linear career growth paths for the entire workforce to identify and nurture their best fit to the organisation and beyond.

We also conduct a mix of programs including mentoring, job rotations, experiential project roles, skill-based volunteering and learning resources on multiple topics.

These areas include leadership and management skills, industry- and job-specific learning, as well as general business, manufacturing, finance and technology skills. Akums fully understands how critical is the practice of continuously listening and responding to an employee's feedback, and the company also strives to provide regular feedback for a dynamic assessment process through the year.

We are also committed to helping our colleagues achieve their full potential by rewarding them for their performance and leadership skills and by providing opportunities for growth and development.

HIRING

During the year, the Akums family grew much stronger. The total number of our employees increased to 14,523 people at the end of March 31, 2022, from 11,122 a year earlier.

A large part of this increase was due to the organic expansion of the business. We also welcomed new members to the Akums family via acquisitions of Parabolic Drugs (now renamed Akums Lifesciences Ltd).

The company has ensured a smooth transition process for inducting the employees who became part of the company through our inorganic expansion moves. With a calibrated strategy we made them a part of a larger Akums family.

Notably, the increase in employee strength happened despite the Covid pandemic. The addition didn't just power the growth of the company but also made a token contribution with enhanced drug manufacturing for the citizens of the country.

The Akums family tried to help with availability of essential medicines for patients across the country at a time when several instances of shortages were being reported. We are grateful for and proud of their passion and commitment for work despite concerns and apprehensions for their own health during the pandemic.

EMPLOYEE INITIATIVES

Our integrated employee development strategy includes not just the workforce but also their physical work environment as well as other factors in and outside the workplace that affect their quality of life, health, mental wellbeing and, in turn, their performance at work.

1. Conducted regular Surveys: We have done regular surveys to check on the health of our employees and on their vaccination status during the Covid-19 pandemic. We emphasised on all our employees getting vaccinated on time.

2. Training of employees: Different soft skills training and safety training programs were conducted to reskill and upskill our employees. We organised Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) training programs to create a pool of employees who can support the community in case of emergency medical needs.

3. Offered flexibility: Employees were offered flexibility to work from home, in case they were suffering or had any sign or symptoms of Covid-19.

4. Offering health and wellbeing programmes: To reduce the stress related to health and mental disturbances at the time of Covid-19 pandemic, we organised wellbeing programs.

5. Safe work environment: We created a safe place at work going beyond basic government guidelines of rearranging the workplace through social distancing. We regularly monitored employees' body temperature, offered free RT-PCR testing and provided supplementary medicines.

6. Fun learning: To emphasise on learning with fun and to motivate our employees, we conducted various engagement programs to make them more productive by gamifying their work process.

7. Women power celebration: To motivate and recognise our women employees, we celebrated Women's Day with creative ideas besides holding an awards and recognition program.

8. Physical workshops: We also conducted yoga sessions for our employees to inculcate the need for physical exercise and make it an essential part of their daily life schedule.

ESOP

Akums has unveiled an employee stock ownership plan, or ESOP. This ESOP scheme will cover employees of Akums as well as its subsidiaries, thereby making it a broader employee retention programme.
This scheme has been termed as Akums Employee Stock Option Scheme 2022 (ESOP Scheme 2022). This was approved by a resolution passed on 31 March 2022 at the General Meeting of the shareholders. The ESOP Scheme 2022 has become effective from 01 April 2022.

Eligibility:

In determining the eligibility of an employee to receive a stock option as well as in determining the number of options to be granted to any employee, the Board/ Committee shall formulate criterion for the Grant of Options based on, but not limited to, one or more of the following:

a) Criticality of role of the employee.

b) Past-track record, present performance or future potential of the employee.

c) Actual performance of the employee and value addition.

d) Loyalty of the employee.

e) Minimum number of years completed in service/to be completed by the employee.

f) Growth of the company/fulfilment of the budgeted targets.

g) Where an employee is committed to the option as the terms of employment.

h) Any other criteria as may be decided by the Committee.

ESOP Pool and Vesting:

Subject to Clause 16 of ESOP Scheme 2022, the maximum number of Options that may be granted pursuant to this Scheme shall not exceed 10,72,983 Options (which are equal to 1.5% of paid-up share capital of the Company as on 31 March 2022), which shall be convertible into an equal number of Shares. The Company reserves the right to increase or reduce such number of Options as it deems fit.
The vesting period shall commence from the grant date and shall be minimum of 1 (One) year from the grant date and a maximum of 5 (Five) years from the grant date, at the discretion of and in the manner prescribed by the Committee.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR FY2021-22

CORPORATE SOCIAL RESPONSIBILITY

Building a sustainable business involves more than the immediate stakeholders—customers, employees and shareholders. The health and well-being of the society is a key element of social capital, and we at Akums have a clear vision to contribute for a better future.

Corporate Social Responsibility (CSR) is an integral part of Akums' business model and policies. The management's efforts are fully focused to go beyond mere financial goals and statutory requirements to meet the ethical, social and environmental needs and expectations of our stakeholders.

Akums is engaged in community development by contributing towards primary education, basic healthcare, livelihood generation programs including improvement in the employability of women and local youth. We work in sync with district and state-level officials to support for our initiatives.

Towards fulfillment of its CSR commitments, we undertake various activities by funding organizations associated with the group—Akums Health & Education Society and Akums Foundation—as also external agencies.

Akums Health & Education Society is a society formed under Society's Registration Act, 1860 and Akums Foundation is a non-profit organization registered under Section 8 of the Companies Act, 2013. These organizations are involved in various types of CSR activities like distribution of aid to government schools, arranging coaching classes for students and supporting orphanages to ensure the less privileged section of the society get proper education.

They also organize medical camps in villages and anganwadis near the location of our manufacturing pants. In addition, they support religious gatherings and donate medicines to different government organizations and civic administration for distribution to the deprived section of the society.

BRIEF OUTLINE ON CSR POLICY OF AKUMS

The scope of the CSR Policy would include all/any activities specified in Schedule VII of the Companies Act, 2013.

COMPOSITION OF CSR COMMITTEE

Sr. no. Name of Director Nature of directorship

Sanjeev Jain
Executive Director

Sandeep Jain
Executive Director

Dr. Amit Varma
Non-Executive Director

Matangi Gowrishankar
Independent Director

Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.akums.in

Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable for the year under review.

During the financial year 2021-22 your company did not have any CSR obligation. However, the company has spent an amount of Rs 11,09,962/- on CSR activities and as per the provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014 the excess spent amount will be available for set off from the CSR obligation for a period of next 3 (three) financial years subject to the passing of a resolution by the board of directors.

Average net profit of the company as per Section 135(5): Rs (2.53) crore.

7. (a) Two per cent of average net profit of the company as per Section 135(5): Nil

b) Surplus arising out of the CSR projects or programmes or activities of
the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year: Nil

8. CSR amount spent or unspent for the financial year:

(a) Details of CSR amount spent against ongoing projects for the financial year: Nil

(b) Details of CSR amount spent against other than ongoing projects for the financial year: Rs 11,09,962/-

(c) Amount spent in administrative overheads: Nil

(d) Amount spent on impact assessment, if applicable: Not Applicable

(e) Total amount spent for the financial year 2021-22: Rs 11,09,962/-

(f) Excess amount for set off, if any: Rs 11,09,962/-

9 (a) Details of unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

In case of creation or acquisition of capital asset, furnish the details relating to
the asset so created or acquired through CSR spent in the financial year: Not Applicable
Specify the reason(s), if the company has failed to spend two per cent
of the average net profit as per Section 135(5): Not Applicable

CSR ACTIVITIES UNDERTAKEN BY AKUMS

HEALTHCARE

i) Donation of masks and hand sanitizers:
During the year 2021-22, the ongoing Covid-19 pandemic led to numerous challenges to the society. Masks and hand sanitization are the most effective ways to protect oneself and stem the spread of the virus. To support the use of sanitizers, Akums donated 50,000 hand sanitizers and masks to the District Magistrate, Haridwar (Uttarakhand).

ii) Health-related Training:
Akums believes that only healthy human beings can create a healthy society. Akums provided training sessions on various health issues to educate its employees. These straddled areas such as yoga, first aid, HIV, diabetes, heart-related diseases and prevention.
The training programs are imparted to all employees, irrespective of their cadre, to ensure that the knowledge through the training is streamlined with the day-to-day lives of employees and ultimately reach to society at large.

iii) Building of 250-Bed Covid Care Centre:
During 2021, Akums established a 250-bed Covid Care Centre for treatment of Covid patients, including 30 beds with oxygen support. This facility, in one of the manufacturing plants of the company in the industrial area of Haridwar, was equipped with all modern equipment. Hundreds of Covid patient were beneficiaries of this facility.

iv) RT-PCR Tests:
Akums arranged RT-PCR test facility for public at large and these tests were conducted in collaboration with the District Administration of Haridwar. With this initiative 1,415 people benefitted from the tests.

v) Donation of BIPAP Machines:
Akums donated 20 BIPAP machines to different authorities and organizations including District Magistrate, Haridwar; Doon Medical College, Dehradun; and ESIC Hospital, Rudrapur.

vi) Organization of Blood Donation Camp:
The Company organized a blood donation camp in June 2021. During the camp a total of 503 units blood was collected and donated to Haridwar Blood Bank.

ENVIRONMENT

i) Environmental/Greenery Improvement:
Akums believes a business can grow and flourish only if it maintains a healthy, neat and clean environment. The company has a strong commitment towards maintaining the beauty and integrity of environment, cleaning and sanitation.
Akums has taken several steps towards achieving its commitment by maintaining the green belts and parks in and around SIDCUL, Haridwar, and organizing river rejuvenation programs like a Ganga cleanness campaign.

The World Environment Day, World Water Day and Earth Day are celebrated by plantation drives within the manufacturing premises as well as nearby community to spread awareness.

ii) Ganga Cleaning Campaign:

Cleaning of the Ganga, the river that provides a lifeline for north and east India, has always been a priority in the area and now the Indian government is also taking this very seriously. Every year lakhs of pilgrims visit Haridwar and pay respect to the holi river Ganga but end up polluting it. Akums organizes a week-long cleaning drive in the river Ganga every year. This year, too, our employees took part in the campaign. The waste collected in the process was disposed of in an ecofriendly manner. Under the Namami Gange Scheme, the government of India's flagship river conservation program initiated in June 2014, Akums has adopted and maintained the Agrasen Ghat in Haridwar.

iii) Establishment of Vertical Garden:

On the occasion of the Maha Kumbh Mela during April 2021 Akums established a vertical garden on the wall of Keshav Ashram. The dimension of this garden is 200 ft. long and 12 ft. in length. This vertical garden has more than 10,000 plants of various species and has an automated drip system for watering the plants.

iv) Plantation Drive at Rishikul Ground:

Akums organized a plantation drive at the Rishikul ground in Haridwar. Under this initiative, 757 plants of various species were planted in the vicinity of the manufacturing facilities of the company; 12 tree guards were also installed on the occasion.

EDUCATION

i) Aid to educational institutions and underprivileged children:

Akums has a strong belief that the social upliftment of all sections of the society can be achieved by educating a person. Akums, under its CSR initiatives, provides need-based support to schools and has provided aid in the form of construction of boundary walls for safety of students and RO water facility for provision of clean drinking water.

Matra Anchal Kanya Vidyapeeth, an orphanage-cum-residential school for girls in Haridwar (Uttarakhand), is a regular beneficiary of Akums' aid.

D) Other CSR activities

i) Donation of medicines and other related material to M/s Shivanand Kushth Ashram.
ii) Donation of medicines to Uttarakhand Police.
iii) Donation of 200 Covid Kits and 300 hand sanitizers to Minister of Industry & MSME, Uttarakhand.
iv) Donation of INR 2,00,000 to Ramakrishna Mission Sevashrama at Kankhal.
v) Financial assistance of INR 1,25,000 to a national level mountaineer for mountaineering.
vi) Donation of INR 66,000 to Shri Gayatri Anathalaya & Gaushala Prabandhan Nayas.
vii) Donation of 200 blankets to the office of Mayor, Municipal Corporation, Haridwar.
viii) Installation of water coolers.
ix) Installation of sheds and fans at public places.
x) Donation of umbrellas to police officers who were on curfew duty during Covid-19 lockdown.

AWARDS & ACCOLADES

S. NO.	DESCRIPTION	PRESENTED BY	PRESENTED TO	DATE OF AWARD
1	Mr. Sanjeev Jain Awarded With Inspirational Leaders of Asia as Founder, Promoter & Director Of Akums Drugs & Pharmaceuticals Ltd.	White Page International	Sh Sanjeev Jain	27th May 2022
2	AKUMS DRUGS & PHARMACEUTICALS LTD. honored with "Dream Companies To Work For In Pharma Sector"	30th WORLD HRD Congress & Awards by Fun & Joy at Work	Akums Drugs & Pharmaceuticals Ltd.	The award conferred during 30th Edition of the World HRD Congress & Awards on 23rd March 2022 at Taj Lands End, Mumbai
3	MAXCURE NUTRAVEDICS LTD. has been awarded with "Excellence in Innovative Formulations - Nutraceutical & Wellness Award"	CIMS Medica	Akums Drugs & Pharmaceuticals Ltd.	The felicitation was held during Nutrition & Wellness Conference and Awards 2021 Organized by CIMS Medica on 18th Dec, Saturday, Hotel Orchid, Nr. Domestic Airport, Mumbai supported by Ministry of Health & Family and Welfare Association and Ministry of Pharmaceutical, Chemical & Fertilizers.
4	AKUMS Drugs & Pharmaceuticals Ltd. Has Been Awarded With Leader In Pharma Manufacturing & Innovation	CIMS Medica	Akums Drugs & Pharmaceuticals Ltd.	The felicitation was held during 10th Edition of Indian Pharma Expo & Business Excellence Awards, Organized by CIMS Medica scheduled at Pragati Maidan, New Delhi (INDIA), Supported by Ministry of Health & Family and Welfare Association and Ministry of Pharmaceutical, Chemical & Fertilizers
5	INDIA PHARMA AWARD 2021 for Excellence in Contract Research & Manufacturing.	INFORMA MARKETS during their mega event CPhI India 2021	Akums Drugs & Pharmaceuticals Ltd.	The felicitation was held during INDIA PHARMA AWARDS 2021 organized by INFORMA MARKETS during their mega event CPhI India 2021 on 24th Nov 2021 at Hall no – 5, India Expo Mart, Greater Noida.
6	Abbott Has Bestowed Akums Drugs & Pharmaceuticals Ltd. With Business Performer Of The Year – 2021	ABBOTT felicitation was held during Abbott Partners Meet – SAMANVAY	Akums Drugs & Pharmaceuticals Ltd.	26th Nov, 2021
7	Akums Drugs & Pharmaceuticals Ltd. Honored With Most Trusted Contract Manufacturer In Pharmaceutical Formulations During India's Most Trusted Healthcare Award	My Brand Better	Akums Drugs & Pharmaceuticals Ltd.	21 March, 2021 at The Park, New Delhi

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Standalone Balance Sheet as at 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

Particulars		Notes	As at 31 March 2022	As at 31 March 2021
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	**2a**	2,028.54	1,978.42
	(b) Right-of-use assets	**54**	284.33	293.58
	(c) Capital work-in-progress	**2b**	5.17	12.60
	(d) Investment property	**3**	196.98	153.23
	(e) Intangible assets	**4**	22.09	18.88
	(f) Financial assets			
	(i) Investments	**5**	1,413.89	1,304.51
	(ii) Loans	**6**	8,214.81	4,757.39
	(iii) Others financial assets	**7**	105.08	122.90
	(g) Non-current tax assets (net)	**8**	257.14	188.64
	(h) Deferred tax assets (net)	**20**	-	337.53
	(i) Other non-current assets	**9**	59.87	109.86
	Total non-current assets		**12,587.90**	**9,277.54**
(2)	**Current assets**			
	(a) Inventories	**10**	1,793.09	959.09
	(b) Financial assets			
	(i) Investments	**11a**	-	190.07
	(ii) Trade receivables	**11b**	3,039.27	2,116.63
	(iii) Cash and cash equivalents	**12a**	254.88	1.46
	(iv) Bank balances other than (iii) above	**12b**	2.50	8.50
	(v) Loans	**13**	-	126.50
	(vi) Others financial assets	**14**	169.32	106.49
	(c) Other current assets	**15**	292.53	197.25
	Total current assets		**5,551.59**	**3,705.99**
	Total assets		**18,139.49**	**12,983.53**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	**16**	143.07	13.01
	(b) Other equity	**17**	1,712.31	5,657.46
	Total equity		**1,855.38**	**5,670.47**
Liabilities				
(1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Lease liability	**50**	166.91	170.98
	(ii) Other financial liabilities	**18**	10,549.45	5,607.00
	(b) Provisions	**19**	81.27	75.08
	(c) Deferred tax liabilities (net)	**20**	127.94	-
	Total non-current liabilities		**10,925.57**	**5,853.06**

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	**21**	1,220.89	227.14
(ii) Trade payables	**22**		
Total outstanding dues to micro and small enterprises; and		96.25	94.84
Total outstanding dues of creditors other than micro and small enterprises		2,426.17	803.81
(iii) Lease liability	**50**	13.79	13.23
(iv) Other financial liabilities	**23**	94.41	98.10
(b) Other current liabilities	**24**	1,328.63	44.66
(c) Provisions	**25**	178.40	178.22
Total current liabilities		**5,358.54**	**1,460.00**
Total equity and liabilities		**18,139.49**	**12,983.53**

Summary of significant accounting policies and other explanatory information **1-56**

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 June 2022

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Standalone statement of profit and loss for the year ended 31 March 2022
(All amounts in ₹ millions unless otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
INCOME			
Revenue from operations	**26**	11,620.61	8,374.36
Other income	**27**	584.76	545.14
Total Income		**12,205.37**	**8,919.50**
EXPENSES			
Cost of materials consumed		7,865.07	5,130.45
Change in inventories of finished goods and work-in-progress	**28**	(184.53)	106.43
Employee benefits expense	**29**	1,363.69	1,226.53
Other expenses	**30**	1,255.00	1,105.68
Total		**10,299.23**	**7,569.09**
Earnings before fair value changes, finance costs, depreciation and amortisation, exceptional item and tax (EBITDA)		1,906.14	1,350.41
Fair value changes on financial instruments	**18.1**	4,941.74	538.23
Finance costs	**31**	36.53	8.20
Depreciation and amortisation expense	**32**	277.63	261.03
(Loss)/ profit before exceptional items and tax		(3,349.76)	542.95
Exceptional items	**33**	-	(2,494.95)
(Loss) before tax		(3,349.76)	(1,952.00)
TAX EXPENSES	**46**		
Income tax			
Current year		15.63	62.22
Tax for earlier years		(12.21)	1.73
Deferred tax charge/(credit)		464.57	(561.67)
Total tax expense		**467.99**	**(497.72)**
(Loss) for the year		(3,817.75)	(1,454.28)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to statement of profit and loss			
Re-measurement gains/(losses) on defined benefit plans		3.55	2.38
Tax effect relating to these items		0.89	0.83
Total other comprehensive income, net of tax		**2.66**	**1.55**

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
Total comprehensive income comprising of (loss) for the year and other comprehensive income for the year		(3,815.09)	(1,452.73)
Earnings per equity share of ₹ 2 (31 March 2021: ₹ 10) each			
Basic and diluted	**34**	-53.37	-20.33
Summary of significant accounting policies and other explanatory information	**1-56**		

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 June 2022

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Standalone statement of changes in equity for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

a. EQUITY SHARE CAPITAL

Particulars	Amount
As at 1 April 2020	**13.01**
Changes in equity share capital	-
As at 31 March 2021	**13.01**
Changes in equity share capital (refer note 16.1 for details)	130.06
As at 31 March 2022	**143.07**

b. OTHER EQUITY

Particulars	Reserves and surplus			Total
	Security premium	Retained earnings	Put option reserve	
Balance as at 1 April 2020	**11.25**	**8,900.18**	**(1,801.24)**	**7,110.19**
Add: (loss) for the year	-	(1,454.28)	-	(1,454.28)
Add: Other comprehensive income for the year, net of tax				
- Remesurement of defined benefit plans	-	1.55	-	1.55
Balance as at 31 March 2020/ 1 April 2021	**11.25**	**7,447.45**	**(1,801.24)**	**5,657.46**
Add: (Loss) for the year	-	(3,817.75)	-	(3,817.75)
Less: Utilisation on account of bonus issue	**(11.25)**	(118.81)	-	(130.06)
Add: Other comprehensive income for the year, net of tax				
- Remesurement of defined benefit plans	-	2.66	-	2.66
Balance as at 31 March 2022	**-**	**3,513.55**	**(1,801.24)**	**1,712.31**

Summary of significant accounting policies and other explanatory information **1-56**

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 June 2022

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Standalone statement of cash flow for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities		
Net (loss) before tax	**(3,349.76)**	**(1,952.00)**
Adjustments for:		
Depreciation and amortisation	277.63	261.03
Bad debts	0.60	6.71
Exceptional items	-	2,494.95
Fair value changes on financial instruments	4,941.74	538.23
Provision for expected credit loss on trade receivable (reversed)/ created	(10.00)	57.38
Loss on sale of property, plant and equipment	-	0.28
Interest expense	36.53	8.20
Interest income	(433.44)	(453.77)
Gain on reassessment of ROU	(9.81)	-
Liability no longer required written back	(1.92)	(0.35)
Share of profit from investment in firm/ LLP	(71.35)	(54.90)
Rental income	(20.98)	(16.56)
Operating profit before working capital changes	**1,359.24**	**889.21**
Adjustments for movement in working capital changes:		
Inventories	(834.00)	270.67
Trade receivables	(913.24)	(403.87)
Other financial assets	(67.75)	59.81
Other assets	(96.79)	(35.93)
Trade payables	1,625.69	(185.47)
Other financial liabilities	(11.96)	(1.35)
Provisions	9.92	14.83
Other liabilities	1,283.97	(3.15)
Cash flow generated from operations (gross)	**2,355.08**	**604.75**
Less: taxes paid (net)	(71.94)	(49.02)
Net cash flow generated from operating activities (A)	**2,283.14**	**555.73**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including investment property, capital work-in-progres, capital advances and payable towards property, plant and equipment)	**(302.86)**	**(330.85)**
Proceeds from sale of property plant and equipment	19.01	40.87
Investment in subsidiaries and associate	(109.38)	(596.13)
Investment in current investments	190.07	(190.07)
Proceeds from redemption of deposits having original maturity of more than 3 months	45.19	574.83
Loan given to subsidiary companies / LLP	(16,901.69)	(3,866.52)
Loan repaid by subsidiary companies / LLP	13,570.77	2,897.94
Withdrawals from partnership firm	54.90	-
Interest received	433.44	453.76
Rent received	20.98	16.56
Net cash flow used in investing activities (B)	**(2,979.57)**	**(999.61)**
C. Cash flow from financing activities		
Proceeds from / (repayment of) current borrowings (net)	993.75	(130.90)
Payment of lease liabilities	(22.72)	165.09
Interest paid	(21.18)	(8.19)
Net cash flow generated from financing activities (C)	**949.85**	**26.00**

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Standalone statement of cash flow for the year ended 31 March 2022
(All amounts in ₹ millions unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	253.42	(417.89)
Cash and cash equivalents at the beginning of the year (refer note 12a)	1.46	419.35
Cash and cash equivalents at the end of the year (refer note 12a)	**254.88**	**1.46**

Statement of cash flow (cont'd)
Components of cash and cash equivalents are as below:

	As at 31 March 2022	As at 31March2021
Balance with scheduled banks		
in current accounts	254.12	0.37
Cash on hand	0.76	1.09
	254.88	**1.46**

Note 1: The above cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of cash flows'.
Note 2: 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	Current borrowings	Lease liabilities	Put option liability	Total
Net debt as on 1 April 2020	**358.04**	**19.13**	**5,035.77**	**5,412.94**
Cash flows				
(Repayments)/ proceeds (net)	(130.90)	159.95	-	29.05
Non-cash changes				-
Interest on lease liability	-	5.13	-	5.13
"Fair value changes to financial instrument (refer note 18.1)"	-	-	538.23	538.23
Balance as on 31 Mach 2021/ 1 April 2021	**227.14**	**184.21**	**5,574.00**	**5,985.35**
Cash flows				
(Repayments)/ proceeds (net)	993.75	(22.72)	-	971.03
Non-cash changes				
Interest on lease liability	-	15.32	-	15.32
"Fair value changes to financial instrument (refer note 18.1)"	-	-	4,941.74	4,941.74
Gain on reassessment of ROU	-	(9.81)	-	(9.81)
New leases	-	13.70	-	13.70
Balance as on 31 Mach 2022	**1,220.89**	**180.70**	**10,515.74**	**11,917.33**

Summary of significant accounting policies and other explanatory information 1-56
This is the Standalone Balance Sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 June 2022

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

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Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

1 COMPANY OVERVIEW AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 COMPANY OVERVIEW

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

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

1.2 BASIS OF PREPARATION

The standalone financial statement of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The standalone financial statements have been prepared under the historical cost convention and amortised costs 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 standalone financial statements of the Company are presented in Indian Rupees (₹), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimals in millions 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 Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

The standalone financial statements of the Company for the year ended 31 March 2022 were approved and authorised for issue by Board of Directors in their meeting held on 17 June 2022. 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 standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in the standalone financial statements.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

a. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.
The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

▪The nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;

▪ The entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;

▪ The instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;

▪ Changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate. These amendments did not have any material impact on the financial statements of the Company.

b. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Company.

c. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

▪ **Ind AS 102 Share Based Payments -** Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events.'

▪ **Ind AS 103 Business Combinations-** The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.

▪ **Ind AS 114 Regulatory Deferral Accounts-** The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability.' However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.

▪ **Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets-** The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.

▪ **Ind AS 38 Intangible Assets-** The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.

▪ **Ind AS 106 Exploration for and Evaluation of Mineral Resources-** Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Company.

1.3 USE OF JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of financial statement is in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. Accounting estimates could change from period to period. Actual results may differ from these estimates.

Judgements, estimates and assumptions

These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. 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 assets.

d) Provisions and 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. In the circumstances, when the outcome is not probable, company accounts for that as a contingent liability.

e) Employee benefits – Management's estimate of the employee benefits 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 employee benefits amount and the annual defined benefit expenses.

1.4 PROPERTY, PLANT AND EQUIPMENT

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.
In case an item of property, plant and equipment is acquired on deferred payment basis if any, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

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

ASSET CLASS	USEFUL LIVES
Buildings	**30 years**
Plant and equipments	**15 years**
Furniture and fittings	**10 years**
Vehicles	**8/10 years**
Office equipments	**5 years**
Computers	**3/6 years**
Research and development equipments	**10 years**
Electrical installations	**10 years**
Pollution control equipments	**15 years**

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

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

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

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 standalone statement of profit and loss.

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

De-recognition

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

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Non-Derivative financial liability:

Initial recognition

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Subsequent measurement

After initital recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method (EIR).

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

De-recognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit 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 FAIR VALUE MEASUREMENT

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

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

1.8 INVESTMENT IN SUBSIDIARIES

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.Thus, an investor controls an investee if and only if the investor has all the following:

a) power over the investee;
b) exposure, or rights, to variable returns from its involvement with the investee; and
c) the ability to use its power over the investee to affect the amount of the investor's returns.

The Company has elected to recognise its investments in subsidiary at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements.'

Investments carried at cost are tested annually for impairment as per requirements of Ind AS 36 - Impairment of Assets.

1.9 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.

1.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

1.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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.

1.12 OPERATING EXPENSES

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

1.13 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

i. Initial recognition

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

ii. Measurement at the balance sheet date

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

iii. Treatment of exchange difference

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

1.14 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.

1.15 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 recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Company’s ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits that Company expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

1.16 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 employee state insurance 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 other comprehensive income 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.

1.17 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.

1.18 INVENTORIES

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

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

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

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

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

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

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

1.19 INVESTMENT PROPERTY

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with requirement for cost model.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use.

1.20 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: I**dentify the contract with the customer

- **Step 2:** Identify the performance obligations in the contract

- **Step 3:** Determine the transaction price

- **Step 4:** Allocate the transaction price to the performance obligations

- **Step 5:** Recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

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

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

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

1.21 OTHER INCOME

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

Interest

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

1.22 GOVERNMENT GRANTS

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

1.23 BORROWINGS COSTS

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

1.24 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, if any.

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

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

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

The Company as a lessor

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

1.25 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 48.

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

1.26 EARNINGS BEFORE FAIR VALUE CHANGES, FINANCE COSTS, DEPRECIATION AND AMORTISATION AND TAX (EBITDA)

The Company presents EBITDA in the statement of profit and loss; this is not specifically required by Ind AS 1. The term EBITDA are not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals 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 Companies Act or under the Indian Accounting

Standards.

Measurement of EBITDA

Accordingly, the Company has elected to present earnings before fair value changes, finance costs, depreciation and amortisation and tax (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 fair value changes on financial instrument, finace costs, depreciation and amortisation and tax expense.

1.27 AMENDMENT TO ACCOUNTING STANDARDS (IND AS) ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on its financial statements.

Ind AS 37 – Onerous Contracts - costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract.' Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact on its financial statements.

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2A. PROPERTY, PLANT AND EQUIPMENT

Particulars	Buildings	Plant and equipments	Furniture and fittings	Vehicles
GROSS BLOCK				
Balance as at 1 April 2020	1,037.75	2,042.59	107.66	26.18
Additions	6.12	75.22	2.11	3.58
Disposals/ adjustments	-	(33.02)	(0.19)	-
Balance as at 31 March 2021/ 1 April 2021	**1,043.87**	**2,084.79**	**109.58**	**29.76**
Additions	25.79	166.01	31.58	2.32
Disposals/ adjustments	(1.06)	(13.32)	(0.01)	(1.56)
Balance as at 31 March 2022	**1,068.60**	**2,237.48**	**141.15**	**30.52**
Accumlated depreciation				
Balance as at 1 April 2020	310.91	1,035.87	63.41	17.94
Charge for the year	32.43	138.16	6.54	2.15
Reversal of disposal	-	(15.71)	0.01	-
Balance as at 1 April 2021	**343.34**	**1,158.32**	**69.96**	**20.09**
Charge for the year	33.71	139.29	8.89	2.24
Reversal of disposal	(0.06)	(5.25)	-	(1.26)
Balance as at 31 March 2022	**376.99**	**1,292.36**	**78.85**	**21.07**
Net block				
As at 31 March 2021	700.53	926.47	39.62	9.67
As at 31 March 2022	**691.61**	**945.12**	**62.30**	**9.45**

Notes:
(i) Refer note 39 for details of assets pledged as security by the Company.
(ii) Refer note 36 for disclosures of contractual commitments for the acquisition of property, plant and equipment.
(iii) Title deeds of all the immovable property held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Company.

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Office equipment	Computers	Research and development equipments	Electrical installation	Pollution control equipments	**Total**
75.11	85.59	374.40	161.71	4.72	3,915.71
4.51	6.47	35.06	1.96	3.45	138.48
(0.64)	0.09	(10.68)	(0.48)	0.03	(44.89)
78.98	**92.15**	**398.78**	**163.19**	**8.20**	**4,009.30**
26.57	19.28	29.51	10.31	-	311.37
(4.45)	(0.49)	(8.37)	(6.14)	-	(35.40)
101.10	**110.94**	**419.92**	**167.36**	**8.20**	**4,285.27**
57.17	56.67	169.62	98.63	3.27	1,813.49
5.65	7.46	32.30	9.51	0.36	234.56
(0.48)	0.11	(0.69)	(0.44)	0.03	(17.17)
62.34	**64.24**	**201.23**	**107.70**	**3.66**	**2,030.88**
6.92	9.08	33.33	8.13	0.65	242.24
(4.22)	(0.34)	(1.92)	(3.34)	-	(16.39)
65.04	**72.98**	**232.64**	**112.49**	**4.31**	**2,256.73**
16.64	27.91	197.55	55.49	4.54	1,978.42
36.06	**37.96**	**187.28**	**54.87**	**3.89**	**2,028.54**

2B. AGEING OF CAPITAL WORK-IN-PROGRESS

The table below analyse the capital work-in-progress ageing:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	**TOTAL**
31 March 2022					
Plant and equipments	1.55	-	-	-	**1.55**
Building	3.62	-	-	-	**3.62**
	5.17	**-**	**-**	**-**	**5.17**
31 March 2021					
Plant and equipments	2.58	-	-	-	**2.58**
Building	10.02	-	-	-	**10.02**
	12.60	**-**	**-**	**-**	**12.60**

Note : There are no such project under capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022 and 31 March 2021

3. INVESTMENT PROPERTY

Tangible assets provided on operating lease to subsidiary as follows:

Particulars	Freehold land	Buildings	Total
GROSS CARRYING VALUE			
Opening balance as at 1 April 2020	**64.62**	**129.58**	**194.20**
Additions during the year	-	-	-
Closing balance as at 31 March 2021/ 1 April 2021	**64.62**	**129.58**	**194.20**
Additions during the year	48.88	-	48.88
Closing balance as at 31 March 2022	**113.50**	**129.58**	**243.08**
DEPRECIATION			
Opening balance as at 1 April 2020	**-**	**35.84**	**35.84**
Charge for the year	-	5.13	5.13
Closing balance as at 31 March 2021/ 1 April 2021	-	40.97	40.97
Charge for the year	-	5.13	5.13
Closing balance as at 31 March 2022	**-**	**46.10**	**46.10**
NET CARRYING VALUE			
As at 31 March 2021	64.62	88.61	153.23
As at 31 March 2022	**113.50**	**83.48**	**196.98**

Information regarding income and expenditure of Investment property

	Year ended 31 March 2022	Year ended 31 March 2021
Rental income derived from investment properties	12.96	12.96
Less – Depreciation	(5.13)	(5.13)
Profit arising from investment properties before indirect expenses	**7.83**	**7.83**

Fair Value of the above said property at the end of the year is ₹ 215.01 millions (₹ 164.58 millions) as valued by an accredited independent valuer with specialisation in valuing these types of properties.

Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy

The fair value measurement for the investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

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4. INTANGIBLE ASSETS

Particulars	Brands / trademarks	Software license	Total
Gross carrying value			
Opening balance as at 1 April 2020	**4.90**	**106.44**	**111.34**
Additions during the year	-	9.30	9.30
Closing balance as at 31 March 2021/ 1 April 2021	**4.90**	**115.74**	**120.64**
Additions during the year	-	10.52	10.52
Closing balance as at 31 March 2022	**4.90**	**126.26**	**131.16**
Amortisation			
Accumulated as at 1 April 2020	**2.57**	**92.24**	**94.81**
Charge for the year	0.81	6.14	6.95
On disposal	-	-	-
Balance as on 31 March 2021/ 1 April 2021	**3.38**	**98.38**	**101.76**
Charge for the year	0.77	6.54	7.31
On disposal	-	-	-
Balance as on 31 March 2022	**4.15**	**104.92**	**109.07**
Net carrying value			
As at 31 March 2021	**1.52**	**17.36**	**18.88**
As at 31 March 2022	**0.75**	**21.34**	**22.09**

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Particulars	As at 31 March 2022	As at 31 March 2021
5. INVESTMENTS		
Investment in equity instrument		
Investments in subsidiaries (measured at cost), Unquoted		
5.1. Investment in equity instruments of subsidiaries		
50,000 (31 March 2021: 50,000) equity shares of Amazing Research Laboratories Limited of Rs. 10 each	1.95	1.95
50,000 (31 March 2021: 50,000) equity shares of May & Baker Pharmaceuticals Limited of Rs. 10 each	0.50	0.50
50,000 (31 March 2021: 50,000) equity shares of Nicholas Healthcare Limited of Rs. 10 each	0.50	0.50
50,000 (31 March 2021: 50,000) equity shares of Plenteous Pharmaceuticals Ltd. of Rs. 10 each	0.50	0.50
Nil (31 March 2021: 50,000) equity shares of Abbott Pharma Limited of Rs. 10 each #	-	0.65
10,000 (31 March 2021: 10,000) equity shares of AVHA Lifesciences Private Limited of Rs. 10 each	0.10	0.10
10,000 (31 March 2021: 10,000) equity shares of Sarvagunaushdhi Private Limited of Rs. 10 each	0.10	0.10
50,000 (31 March 2021: 50,000) equity shares of Maxcure Nutravedics Limited of Rs. 10 each	80.42	80.42
500,000 (31 March 2021: 500,000) equity shares of Delcure Lifesciences Limited of Rs. 10 each	7.25	7.25
467,000 (31 March 2021: 467,000) equity shares of Malik Lifesciences Private Limited of Rs.10 each	34.85	34.85
2,500,000 (31 March 2021: 2,500,000) equity shares of Pure and Cure Healthcare Private Limited of Rs.10 each	324.67	324.67
18,000,000 (31 March 2021: 18,000,000) equity shares of Unosource Pharma Limited of Rs.10 each	180.00	180.00
50,955 (31 March 2021: 47,995) equity shares of Akumentis Healthcare Limited of Rs.10 each	170.79	170.79
99,994 (31 March 2021: nil) equity shares of Akums Healthcare Limited of Rs.10 each	1.00	1.00
1,54,121 (31 March 2021: 92,112) equity shares of Medibox Digital Solutions Private Limited of Rs. 10 each**	30.64	30.02
50,00,000 (31 March 2021: 45,00,000) equity shares of Akums Lifesciences Limited of Rs.10 each	154.40	45.00
1,000 (31 March 2021: nil) equity shares of Burroughs Welcome Pharmacia Private Limited of Rs.10 each	0.01	-
	987.68	**878.30**
5.2 INVESTMENT IN PREFERENCE SHARES*		
Investments in subsidiaries (measured at cost), Unquoted		
5,918 (31 March 2021: 5,918) Cumulative compulsory convertible participating preference shares of Akumentis Healthcare Limited of Rs.100 each	424.21	424.21
	424.21	**424.21**
5.3 INVESTMENT IN PARTNERSHIP FIRM		
(Investments carried at cost, trade, long term, unquoted)		
AUSL Pharma	0.40	0.40
(Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (40%), Vikram Malhotra (36%), Sunil Anand (12%) and Jaideep Malhotra (12%), Total capital of the firm Rs.1,000,000)		
	0.40	**0.40**
5.4 Other investments - Investments in limited liability partnership (LLP) firms		
(Investments carried at cost, trade, long term, unquoted)		
Upadhrish Reserchem LLP	1.50	1.50
(Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (99.93 %) and S.P. Ojha (0.07%), Total Capital of the LLP Rs.1,501,000)		
Akum Impex LLP	0.10	0.10
(Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (99.98%), Shri Sanjeev Jain (0.01%) and Shri Sandeep Jain (0.01%) . Total Capital of the LLP Rs.1,00,000)		
	1.60	**1.60**
	1,413.89	**1,304.51**

Particulars	As at 31 March 2022	As at 31 March 2021
Aggregate amount of unquoted investments	**1,413.89**	**1,304.51**

Aggregate provision for diminution in value of investments
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.
** During 2020-21, the Company has purchased CCCPPS in the current year from Sequoia Capital India Investment IV. These shares are convertible into equity shares in the ratio of 1:1. On 16 March 2022, the additonal rights attached to CCCPS have been removed and these are now equitable to the equity shares issued by the company.*
*** The Company is excericising control over Medibox Digital Solutions Private Limited jointly with its wholly owned subsidiary Maxcure Neutravedics Limited*
 # The Company during the current year has disposed off its investment in Abbott Pharma Limited vide board resolution dated 16 March 2022

During the year Company increased its stake in the following entities :		
Acquisition from other equity holder :		
Medibox Digital Solutions Private Limited	0.62	16%
Akums Lifesciences Limited	109.40	-
Fresh investment made :		
Burroughs Welcome Pharmacia Private Limited	0.01	100%

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6. LOANS

Unsecured, considered good		
Loans to related parties (refer note 42 and 53)*	8,214.81	4,757.39
Unsecured, considered doubtful		
Loans to related party (refer note 42 and 53)	-	1,523.48
Less: Provision for expected credit loss on loans (refer note 33)	-	1,523.48
	-	-
	8,214.81	**4,757.39**

**Net of loan written off of ₹ 1,523.48 millions (31 March 2021: ₹ 874.32 millions)*
** includes interest receivable from related parties amounting to Rs. 35.41 millions (31 March 2021: Rs. 4.72 millions)*
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

7. OTHER FINANCIAL ASSETS

Security deposits	58.05	36.68
Deposit having remaining matuirty of more than 12 months*	47.01	86.20
Other receivable	0.02	0.02
	105.08	**122.90**

**pledged with government authorities and others.*
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

8. NON-CURRENT TAX ASSETS

Advance income-tax (net of provision)	257.14	188.64
	257.14	**188.64**

Particulars	As at 31 March 2022	As at 31 March 2021
9. OTHER NON-CURRENT ASSETS		
Unsecured, considered good		
Capital advances	0.21	51.71
Advances other than capital advances:		
Tax deposited with sales tax department (refer note 35 (b))	51.31	51.31
Prepaid expenses	5.29	3.78
Other receivable	3.06	3.06
	59.87	**109.86**
10. INVENTORIES		
(refer note 1.18 on inventories)		
Raw materials		
on hand	1,026.56	534.96
in transit	32.74	9.10
Packing materials		
on hand	321.07	198.56
in transit	3.75	0.73
Work-in-progress	201.81	81.58
Finished goods	174.29	109.99
Stores and spares		
on hand	32.15	22.91
in transit	0.72	1.26
Refer note 39 for information on inventories pledged as security by the Company	**1,793.09**	**959.09**

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Particulars	As at 31 March 2022	As at 31 March 2021
11a. INVESTMENTS		
Current, unqouted (measured at fair value through profit and loss)		
Non-Trade		
Investments in mutual funds		
Nil (31 March 2021: 39,258.99) units of HDFC Overnight fund- Direct Plan- Growth Option	-	120.06
Nil (31 March 2021: 64,351.26) units of AXIS Overnight fund- Direct Plan- Growth Option	-	70.01
	-	**190.07**
Aggregate amount of unquoted investments	-	**190.07**

Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assesment of expected credit loss respectively

Particulars	As at 31 March 2022	As at 31 March 2021
11b. Trade receivables		
Trade receivables considered good (unsecured)	3,039.27	2,116.63
Trade receivables-credit impaired	26.96	57.38
	3,066.23	**2,174.01**
Less: Allowance for expected credit losses	26.96	57.38
	3,039.27	**2,116.63**
11.1 Dues to related party (refer note 42)	375.03	635.71

11.2 Refer note 39 for information on trade receivables pledged as security by the Company.
11.3 Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively. All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.
11.4 Refer note 50 for the ageing of the trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
12. CASH AND BANK BALANCES		
12a. Cash and cash equivalents		
Balance with scheduled banks		
in current accounts	254.12	0.37
Cash on hand	0.76	1.09
	254.88	**1.46**

Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.
Refer note 39 for assets pledged as security by the Company

12b. Other bank balances		
Deposits with original maturity of more than 3 months and remaining maturirty of less than 12 months	2.50	8.50
	2.50	**8.50**

Refer note 39 for assets pledged as security by the Company

13. LOANS		
Loan receivables -considered good (unsecured) (Refer note 42 and 53)*	-	126.50
	-	**126.50**

*Loans given to related parties are repayable on demand and carries an interest rate in the range of 7% to 12% p.a (31 March 2021: 8% to 12% p.a).
The loan is provided to these companies for meeting their working capital requirement.
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

14. OTHER FINANCIAL ASSETS		
Unsecured, considered good		
Dues from partnership firm and LLPs (refer note 42)	71.35	54.90
Balance with statutory dues	93.97	47.59
Other loans and advances	4.00	4.00
	169.32	**106.49**
15. OTHER CURRENT ASSETS		
Unsecured, considered good		
Advance to suppliers	54.87	40.93
Prepaid expenses	23.01	21.13
Balance with statutory authorities	212.03	120.45
Others	2.62	14.74
	292.53	**197.25**

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Particulars	As at 31 March 2022	As at 31 March 2021
16. EQUITY SHARE CAPITAL		
Authorised		
7,50,00,000 (31 March 2021: 15,00,000) equity shares of ₹ 2 (31 March 2021: ₹ 10) each	150.00	15.00
Issued, subscribed and fully paid up		
7,15,32,175 (31 March 2021: 13,00,585) equity shares of ₹ 2 (31 March 2021: ₹ 10) each	143.07	13.01
	143.07	**13.01**

16.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	13,00,585	13.01	13,00,585	13.01
Add: Shares issued during the year				
- Additonal shares issued on account of share split in the	52,02,340	-	-	-
- Bonus share issued during the year	6,50,29,250	130.06	-	-
At the end of the year				
	7,15,32,175	**143.07**	**13,00,585**	**13.01**

16.2 Terms/rights attached to equity shares

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

In the event of winding up of the Company, the equity shareholders will be entitled to be repaid remaining assets of the Company, after distribution of all preferential amounts, in the ratio of the amount of capital paid on such equity shares. However, no such preferential amounts existed until 02 October 2019.

On 03 October 2019, the Company executed a shareholders' agreement (the Agreement) with its existing shareholders (Mr. Sandeep Jain and Mr. Sanjeev Jain) and Ruby QC Investments Pte. Limited (the Investor) wherein 125,585 fully paid equity shares were issued by the Company and 70,642 equity shares were transferred by the said shareholders directly to the Investor for a total consideration of ₹ 5,000 millions giving the Investors 15.09% stake in the Company.

As per the Agreement, in the event of liquidation of the Company, the equity shares held by the Investor will have preferential right on the liquidation proceeds so available to the Company over other shareholders. Also refer note 18.1

16.3 Details of shareholders holding more than 5% shares in the Company and shares held by promoters*

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% Holding	No. of shares	% Holding
Sanjeev Jain#	3,03,46,470	42.42	5,52,054	42.45
Sandeep Jain#	3,03,64,345	42.45	5,52,179	42.46
Ruby QC Investment Holding Pte Ltd.	1,07,92,485	15.09	1,96,227	15.09

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.

16.4 No shares, except below 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.

Particulars	No of shares
Shares issued as bonus shares in 2021-22	**6,50,29,250**
Additonal shares issued on account of share split	**52,02,340**

16.5 No shares have been reserved for issue under options. The Company vide board resolution dated 16 March 2022 and shareholder resolution dated 31 March 2022 has approved the Employee Stock Option Scheme 2022. The Company is in the finalisation of the number of options which needs to be granted to the employees of the Company. Pending the number of options granted, no adjustment has been recorded in these standalone financial statements.

Particulars	As at 31 March 2022	As at 31 March 2021
17. OTHER EQUITY		
(a) Securities premium		
Balance as at beginning of the year	11.25	11.25
Less: Utilisation on account of bonus issue	(11.25)	-
Balance as at end of the year	**-**	**11.25**
(b) Retained earnings		
Balance as per last financial statements	7,447.45	8,900.18
Add: (Loss) for the year	(3,817.75)	(1,454.28)
Add: Other comprehensive income for the year		
- Remesurement of defined benefit plans	2.66	1.55
Less: Utilisation on account of bonus issue	(118.81)	-
Balance as at end of the year	**3,513.55**	**7,447.45**
(c) Put option reserve		
Balance as at beginning/ end of the year	(1,801.24)	(1,801.24)
Total	**1,712.31**	**5,657.46**

NATURE OF RESERVES
The description of nature and purpose of each of the above reserve within equity is as under:

1.Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2.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. It includes other comprehensive income representing the acturial gain/ loss arising on account of defined benefit plan

3. Put option reserve
Refer note 18.1 for further details.

18. Financial liabilities		
Put option liability (refer note 18.1 and 45)	10,515.74	5,574.00
Security deposit received		
from customers	26.98	26.67
from others	6.73	6.33
	10,549.45	**5,607.00**

18.1 Pursuant to the Agreement described in note 16.2, the Investor has a right to exercise an option ("put option") after 54 months from 3 October 2019 to require the Company to buyback its equity shares at fair market value at the date of exercise of the put option, in case the Company is not able to give exit to the Investor through an 'initial public offer' or a secondary sale to a third party.

The put option is considered to be contractual obligation of the Company to deliver cash and accordingly the entire amount of ₹ 5,000.00 millions paid by the Investor has been recognised as a financial liability at fair value in accordance with Ind AS 109 - Financial instruments and presented above as "put option liability".

The put option liability represents the fair value of the contractual obligation of the Company and includes amounts payable in respect of shares transferred directly from the said shareholders to the Investor amounting to ₹ 1,799.99 millions and the face value of the equity shares directly issued to the Investor by the Company amounting to ₹ 1.26 millions with a corresponding adjustment of ₹ 1,801.24 millions to "other equity" as a "put option reserve". Further, the increase in the put option liability on its subsequent re-measurement at fair value at the balance sheet date amounting to ₹ 4,941.74 millions (31 March 2021: ₹ 538.23 millions) is disclosed seperately in the standalone statement of profit and loss.

Particulars	As at 31 March 2022	As at 31 March 2021
19. Provisions		
(a) Provision for employee benefits		
Gratuity (refer note 38)	62.29	57.07
Compensated absences (refer note 38)	18.98	18.01
	81.27	**75.08**
20. Deferred tax liabilities (net)		
In accordance with Ind AS 12 "Income Tax", the Company has accounted for deferred taxes.		
Deferred tax liabilities consists of (refer note 46):		
Accelerated depreciation and amortisation for tax purposes on property, plant and equipment and intangible assets	205.87	314.54
Deferred tax assets consists of:		
Expenses allowable under Income Tax Act, 1961 on payment basis	23.41	34.85
Lease liability	3.64	3.57
Provision for expected credit loss	6.78	20.05
Provision for sales tax	44.10	61.23
Provision for diminution in value of loans given	-	532.37
Deferred tax liabilities (net)	**127.94**	**(337.53)**
21. Borrowings		
Secured		
Loan repayable on demand (from bank)		
Working capital loan (refer note a to f)	1,220.89	227.14
	1,220.89	**227.14**

Notes:

Nature of security and repayment terms of the above borrowings are as below:	**Amount Outstanding**	
	As at 31 March 2022	As at 31 March 2021
a) Working capital from State Bank of India Cash Credit facility received from State Bank of India has been secured by Company's all current assets (present and future) at Company's head office and hypothecation of stocks, book debts and fixed & movable assets of the unit I, II & III; equitable mortgage by deposit of title deeds in respect of land at Haridwar of the unit I ,II & III and personal guarantee of directors of the Company. The loan is repayable on demand and carries an interest rate in the range of 7.85% to 9.00% p.a.(previous year 8.90% to 9.25% p.a.)	471.53	224.94
(b) Working capital loan from Standard Chartered Bank Cash credit facility from Standard Chartered Bank is secured by Hypothecation/ mortgage of stocks, book debts and fixed and movable assets of unit IV & V; equitable mortgage by deposit of title deeds in respect of land at Haridwar and personal guarantee of directors. The loan is repayable on demand and carries an interest rate in the range of 7.20% to 9.20% p.a.(previous year 8.40% to 10.75% p.a.).	-	0.10

Notes:
Nature of security and repayment terms of the above borrowings are as below:

Particulars	Amount Outstanding As at 31 March 2022	Amount Outstanding As at 31 March 2021
(c) Overdraft facility from Punjab National Bank The bank overdrafts are secured against Fixed Deposit. The loan is repayable on demand and carries an interest rate in the range of 7.25% to 9% p.a.	-	2.11
(d) Working capital from HDFC Bank Working Capital Loan from Hdfc Bank Limited is secured by is secured by hupothecation/ mortgage of stocks,book debts and fixed and movable assets of unit IV & V, equitable mortgage by deposits of title deeds in respect of land at haridwar and carrries an interest rate in the range of 4.0% p.a to 4.30% pa. and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	450	-
(e) Working capital from Yes Bank Working Capital Loan from Yes Bank Limited is unsecured and carrries an interest rate in the range of 4.0% p.a to 4.30% pa. and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	200	-
(f) Working Capital Loan from CITI Bank Limited Cash Credit facility from CITI Bank Limitedis secured by hupothecation/mortgage of stocks,book debts and fixed and movable assets of unit IV & V;equitable mortgage by deposits of title deeds in respect of land at haridwar and carrries an interest rate in the range of 7.95% p.a. to 9.5% p.a.	99.36	-
	1220.89	**227.15**

The above loans have been utilised as per the purpose for these loans were sanctioned

a) Refer note 39 for assets pledged as security

b) Refer note 45 for disclosure of fair values in respect of financial liabilties measured at amortised cost and analysis of the maturity profile.

c) The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and breaches in the financial covenants of any interest-bearing loans and borrowing doesn't have any financial impact on the terms of repayment of classification.

d) The above loans have been utilised as per the purpose for these loans were sanctioned

e) The property on which mortgaged or any charged created during the financial year has been duly registered with Registrar of companies.

(All amounts in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
22. TRADE PAYABLES		
Total outstanding dues of micro and small enterprises (ref note 52): and	96.25	94.84
Total outstanding dues of creditors other than micro and small enterprises	2,426.17	803.81
	2,522.42	**898.65**
Dues to related parties (refer to note 42)	1,267.37	84.30
Refer note 45 for disclosure of fair values in respect of financial liabilties measuredat amortised cost and analysis of the maturity profile. Refer note 50 for disclosure in respect of ageing of the above payables.		
23. OTHER FINANCIAL LIABILITIES		
Employee payables	81.09	93.76
Payable for property, plant and equipment	13.32	4.34
	94.41	**98.10**
24. OTHER CURRENT LIABILITIES		
Advance from customers	1,307.24	25.69
Statutory dues payable	21.39	18.97
	1,328.63	**44.66**
25. PROVISIONS		
Provision for employee benefits		
Gratuity (refer note 38)	1.79	1.54
Compensated absences (refer note 38)	1.38	1.45
Provision for sales tax (refer note 35(b))	175.23	175.23
	178.40	**178.22**
Note:		
Movement of other provisions in accordance with Ind AS 37		
Opening provisions	175.23	175.23
Add: Provision made during the year	-	-
Less: Provision utilised during the year	-	-
Closing provisions	**175.23**	**175.23**

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Particulars	Year ended 31 March 2022	Year ended 31 March 2021
26. REVENUE FROM OPERATIONS		
Sale of finished products	10,762.37	7,555.54
Sale of other products	363.41	322.63
	11,125.78	**7,878.17**
Other operating revenues		
Job work income	319.39	346.58
Testing charges and others	111.93	111.99
Sale of scraps	63.51	37.62
Refer Note 43 in terms of disclosures required under Ind AS 115	**11,620.61**	**8,374.36**
27. OTHER INCOME		
Interest income on:		
Fixed deposits	4.52	21.24
Loans given to related parties (refer note 42)	428.92	432.53
Others	0.42	-
Share of profit from investment in LLP and partnership firm (refer note 42)	71.35	54.90
Foreign currency translations	7.25	1.76
Rental income	20.98	16.56
Income from government grants/ subsidy	0.98	1.58
Liabilities not payable/ writtenoff	1.92	0.35
Profit on sale of property, plant and equipment	0.07	-
Gain on reassessment of right-of-use assets	9.81	-
Reversal of expected credit loss on trade receivables	10.00	-
Miscellaneous income	28.54	16.22
	584.76	**545.14**
28. CHANGE IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS		
Opening stock		
Finished goods	109.99	189.10
Work-in-progress	81.58	108.90
(A)	191.57	298.00
Less: Closing stock		
Finished goods	174.29	109.99
Work-in-progress	201.81	81.58
(B)	376.10	191.57
Change in inventory of finished goods and work in progress (A-B)	**(184.53)**	**106.43**
29. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	1,287.33	1,153.12
Contributions to provident and other funds (refer note 38)	41.59	39.11
Staff welfare expense	34.77	34.30
	1,363.69	**1,226.53**

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(All amounts in ₹ millions unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
30. OTHER EXPENSES		
Consumption of stores and spare parts	153.04	138.12
Job charges paid	234.27	190.64
Power and fuel	362.48	286.41
Rent	10.21	10.97
Repairs and maintenance		
Plant and equipments	97.37	76.81
Buildings	22.87	13.54
Others	108.41	88.82
Travelling expense	10.09	5.42
Vehicle running expense	5.80	3.90
Fees and subscription	17.84	20.93
Legal and professional expenses	108.55	71.84
Payment to auditors (refer note 37)	2.69	3.04
Bad debts written off	0.60	6.71
Provision for expected credit loss on trade receivables	-	57.38
Commission on sales	12.39	20.42
Selling and distribution expenses	10.79	12.44
Loss on sale of property, plant and equipment	-	0.28
Staff recruitment	10.83	12.91
Corporate social responsibility expense (refer note 44)	-	21.13
Miscellaneous expenses	86.77	63.97
	1,255.00	**1,105.68**
31. FINANCE COSTS		
Interest		
on current borrowings	18.41	1.49
on income-tax	0.03	0.23
Interest expense on lease liability	15.32	5.13
Other borrowing costs	2.77	1.35
	36.53	**8.20**
32. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipment	242.24	234.56
Amortisation of right-of-use assets (refer note 54)	22.95	14.39
Depreciation on investment property	5.13	5.13
Amortisation of intangible assets	7.31	6.95
	277.63	**261.03**

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33. Exceptional items

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Diminution in the value of loans given	**-**	**2494.95**

Notes:
The Company, in earlier years, had granted loan of ₹ 2,494.95 millions to its subsidiary company 'Delcure Lifesciences Limited' which was engaged in trading of pharmaceutical products. The company incurred huge losses from its operations and subsequently was majorly impacted due to COVID 19. Pursuant to which, management has conducted a detailed evaluation for recoverablity of the loan so given and decided to impair the outstanding loan. Accordingly, ₹ Nil (previous year - ₹ 971.47 millions) in respect of interest accrued on loan given has been written off by the Company while the amount of ₹ 1,523.48 millions (previous year - ₹ Nil) for the amount of loan given has been written off in the standalone financial statement. Further, the amount written off in the current year was provided for and deferred tax asset was recognised on the said loan in the previous year. The impact of entire amount was provided for in the statement of profit and loss of the standalone financial statement prepared for the year ended 31 March 2021.

34. Earning per equity share (EPS)

(Loss) attributable to equity shareholders (₹)	(3,817.75)	(1,454.28)
Total number of equity shares outstanding at the end of the year (in nos.)*	7,15,32,175	7,15,32,175
Weighted average number of equity shares in calculating basic and diluted EPS (in nos.)*	7,15,32,175	7,15,32,175
Nominal value per share (₹)	10.00	10.00
Basic and diluted EPS (₹)	**(53.37)**	**(20.33)**

* The number of shares outstanding have been adjusted retrospectively to give impact
of the issuance of bonus shares and stock split in accordance with Ind AS 33 - Earnings per share.

35. Contingent liabilities and litigations

(i) Liabilities under export scheme (refer note (a) below)	4.28	4.28
(ii) Demand raised by sales tax authorities (refer note (b) below)	166.69	150.19
(iii) Corporate guarantee given (represents only drawn amount) (refer note (c) below)	156.77	142.81
(iv) Income tax matters (refer note (d) below)	17.70	17.70
(v) Others (refer note (e) below)	0.33	0.33

Notes:
(a) Upto the end of the year, the Company had saved ₹ 4.28 millions as custom duty payable on import purchase of capital goods under the Export Promotion Capital Goods ("EPCG") scheme of the Government of India. The Company has undertaken an export obligation of ₹ 25.69 millions against import of capital goods by paying concessional rate of custom duty under EPCG scheme. If the Company is unable to meet this export obligation within six years from issue of authorization letters, i.e., on or before 11 February 2022, the Company will be liable to deposit the duty saved amount along with interest for the period. The Company have already fulfilled its export obligation under EPCG scheme. However, it is in the process of obtaining discharge certificate of its obligation under EPCG scheme.

(b) Pursuant to the Industrial Promotion Policy, 2003, which amongst other benefits, provided a concessional central sales tax ("CST") @1% to new industries set up in the state of Uttarakhand, the Company commenced manufacturing at its factory units at Haridwar.

Until 30 June 2013, the unit I of the Company availed concessional CST of 1% in terms of the relevant notifications of the sales tax department. However, during FY 2012-13, the sales tax department, after making provisional assessment for period 1 April 2011 to 31 December 2012, issued a notice to the Company disallowing the concessional CST of 1% due to non-fulfillment of certain conditions as stipulated in the said notification and raised a demand amounting to ₹ 88.78 millions for differential CST @1%.

The Company contested the aforementioned assessment order before the Joint Commissioner (Appeals), Dehradun, Uttarakhand and the Commercial Tax Tribunal, Uttarakhand. As no relief was granted to the Company in the aforesaid proceedings, the Company filed an appeal before the Hon'ble High Court, Uttarakhand on 19 August 2013, which admitted the appeal and granted a stay against the demands for the period from April 2010 to June 2013 raised by the sales-tax department, till the final order by the High Court.

Further, the sales tax department made final assessments from 1 April 2010 to 31 March 2014 raising a demand of ₹ 160.62 millions (excluding interest demanded at the rate of 15% per annum), which have been contested by the Company and have been presently stayed by the Hon'ble High Court, Uttrakhand. The Company has deposited ₹ 51.31 millions under protest against the said demands.

The Company, as a matter of prudence, has provided an amount of ₹ 175.23 millions (including interest of ₹ 28.32 millions) for the period

March 2010 to March 2013. The management has classified the balance demand of ₹ 13.70 millions and also interest of ₹ 152.99 millions (calculated at 15% per annum for the period 01 April 2013 to 31 March 2022) as a contingent liability.
Based on the assessments by the management, consideration of merits of the case and external legal advice, the Company believes that there is a fair chance of winning the case. Accordingly, no further provisions, if any, are considered necessary to be recorded in these stand-alone financial statement.

(c) Corporate guarantees given represents guarantees given to banks for the loans taken by subsidiary companies.

((d) Assessment for certain previous years (AY 2017-18 and AY 2018-19) is open and department has raised demands of ₹ 17.70 millions (31 March 2021: ₹ 17.70 millions). The matter is pending at CIT level and based on the assessments by the management, consideration of merits of the case and external legal advice, the Company believes that there is a fair chance of winning the case. Accordingly, no further provisions, if any, are considered necessary to be recorded in these standalone financial statement.

(e) One of the vendor has filed a legal suit against the Company in respect of unpaid amount for the material supplied to the Company. The amount of claim filed amounts to ₹ 0.33 millions (31 March 2021: ₹ 0.33 millions). However, based on discussions with the solicitors, the management believes that the Company has a likely chance of a favorable outcome and accordingly no provision, if any, has been considered necessary to be recorded in the books of accounts.

(f)Pursuant to judgement by the Hon'ble Supreme Court of India of February 2019, it was held that basic wages, for the purpose of provident fund, should include certain allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and date from which the said ruling applies. The Company, based on discussion with internal counsel, believes that the ruling would be applicable prospectively and accordingly the management has not provided for liability arising, if any, for the past periods. Further, the management believes that it is compliant in all material aspects, with the relevant statutory requirements for the current year. Accordingly, the Company believes that this matter will not have any material adverse impact on the financial position of the Company.

36. CAPITAL AND OTHER COMMITMENTS

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**49.08**	**44.08**
37. PAYMENT TO AUDITOR		
(a) As auditor	2.50	2.90
(b) For reimbursement of expenses	0.19	0.14
	2.69	**3.04**
38. EMPLOYEES BENEFITS		
A. Defined contribution plan		
The amount recognised as expense towards contribution to defined contribution plans for the year is as below:		
Company's contribution to Provident Fund	38.95	36.34
Company's contribution to Employees' State Insurance Scheme	2.64	2.77
	41.59	**39.11**
B. Defined benefit plan - Gratuity		
(i) Present value of defined benefit obligation as at the end of the year		
Non-current	62.29	57.07
Current	1.79	1.54
	64.08	**58.61**
(ii) Movement in the present value of defined benefit obligation recognised in the balance sheet		
Present value of the obligation as at the beginning of the year	58.61	50.47
Service cost	10.45	11.00
Interest cost	3.98	3.43
Benefits paid	(5.41)	(3.91)
Actuarial gain recognised during the year in other comprehensive income	(3.55)	(2.38)
Present value of the obligation as at end of the year	64.08	58.61

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(iii) Expense recognised in the statement of profit and loss consists of:		
Service cost	10.45	11.00
Interest cost	3.98	3.43
Net impact on profit before tax	14.43	14.43
Actuarial gain recognised during the year in other comprehensive income	3.55	2.38
Amount recognised in total comprehensive income	**17.98**	**16.81**
(iv)Breakup of actuarial gain :		
Actuarial gain from experience adjustment	3.55	2.38
Total actuarial gain	**3.55**	**2.38**

(v) Change in fair value of plan assets

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

(vi) Actuarial assumptions		
Discount rate (per annum)	7.18%	6.79%
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)	23.40 years	23.78 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		
Impact of change in discount rate		
Present value of obligation at the end of the year	64.08	58.61
- Impact due to increase of 0.5 %	(3.76)	(3.51)
- Impact due to decrease of 0.5 %	4.11	3.85
Impact of change in salary increase		
Present value of obligation at the end of the year	64.08	58.61
- Impact due to increase of 0.5 %	4.01	3.84
- Impact due to decrease of 0.5 %	(3.75)	(3.54)

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

(vii) Maturity profile of defined benefit obligation (discounted)		
Within next 12 months	1.79	1.54
Between 1-5 years	13.37	12.23
Beyond 5 years	48.92	44.84
	64.08	**58.61**

(viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 17.61 millions as at 31 March 2022 (31 March 2021 : ₹ 16.66 millions).

(ix) Other long-term employee benefits

An amount of ₹ 4.13 millions [31 March 2021 : ₹ 9.31 millions] pertains to expense towards compensated absences.

Particulars	As at 31 March 2022	As at 31 March 2021
39. ASSETS PLEDGED AS SECURITY (refer note 21)		
Current		
Inventories	1,793.09	683.57
Cash and cash equivalents	254.88	9.73
Other bank balances	2.50	8.50
Loans	-	126.50
Other financial assets	169.32	247.46
Other current assets	292.53	207.17
Trade receivables	3,039.27	1,460.14
Total current assets pledged as security	**5,551.59**	**2,743.07**
Non-current		
Property, plant and equipment	2,028.54	1,717.40
Capital work-in-progress	5.17	12.60
Total assets pledged as security	**7,585.30**	**4,473.07**

40. Property on which mortgaged or any charged created during the financial year has been duly registered with Registrar of companies.

41. REPORTING TO BANKS/ FINANCIAL INSTITUTIONS

The Company is regular in submission of quarterly stock statements with banks for the borrowings sanctioned against hypothecation of current assets. Further, all the quarterly statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.

42. RELATED PARTY DISCLOSURES

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

I. Relationships

Name of entity	Principal place of business of investee	Shareholding as at 31 March 2022	Shareholding as at 31 March 2021
(a) Members of the same group			
Subsidiaries			
Abbott Pharma Limited (till 28 March 2022)	India	-	100.00%
Akumentis Healthcare Limited	India	91.50%	91.50%
Akums Healthcare Limited (w.e.f. 29 December 2020)	India	100.00%	100.00%
Akums Lifescience Limited (w.e.f. 16 January 2021)	India	100.00%	100.00%
Amazing Research Laboratories Limited	India	100.00%	100.00%
AVHA Lifesciences Private Limited	India	100.00%	100.00%
Delcure Lifesciences Limited	India	100.00%	100.00%
Maxcure Nutravedics Limited	India	100.00%	100.00%
Malik Lifesciences Private Limited	India	100.00%	100.00%
May and Baker Pharmaceuticals Limited	India	100.00%	100.00%
Nicholas Healthcare Limited	India	100.00%	100.00%
Plenteous Pharmaceuticals Limited	India	100.00%	100.00%
Pure and Cure Healthcare Private Limited	India	100.00%	100.00%
Sarvagunaushdhi Private Limited	India	100.00%	100.00%
Unosource Pharma Limited	India	99.89%	99.89%
Akum Impex LLP	India	99.98%	99.98%
Upadhrish Reserchem LLP	India	99.93%	99.93%
Burroughs Welcome Pharmacia Private Limited (w.e.f. 30 September 2021)	India	99.93%	0.00%
Step down subsidiary of Company			
Medibox Digital Solutions Private Limited	India	100.00%	84.00%
Cure Sure Pharma (till 31 March 2022)	India	91.50%	91.50%

Name of entity	Principal place of business of investee	Shareholding as at 31 March 2022	Shareholding as at 31 March 2021
(b) Associate of the Company			
AUSL Pharma	India	40.00%	40.00%

(c) Key management personnel (KMP)

Name	Designation
Mr. Sandeep Jain	Whole Time Director
Mr. Sanjeev Jain	Whole Time Director
Mr. Basant Kumar Singh	Whole Time Director (from 16 March 2022)
Mr. Deepak Gurudas Haldankar	Whole Time Director (till 31 March 2022)
Mr. Nand Lal Kalra	Independent Director
Ms. Neena Vivek	Independent Director
Mr. Kewal Handa	Independent Director (from 16 March 2022)
Ms. Matangi Gowrishankar	Independent Director (from 16 March 2022)
Mr. Amit Varma	Nominee Director
Mr. Dharamvir Malik	Company Secretary#
Mr. Sumeet Sood	Chief Financial Officer# (from 14 February 2022)
Mr. Vinod Raheja	Chief Financial Officer# (till 4 January 2022)

as per Companies Act, 2013

(d) Relatives of KMP*

Mr. Kanishk Jain
Ms. Arushi Jain
Mr. D.C. Jain

(e) Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company*

Akums Health and Education Society

* where transactions have occurred

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II Summary of related party transactions-

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Transactions during the year		
Inter-corporate loan given		
Pure and Cure Healthcare Private Limited	4,713.45	1,334.00
Maxcure Nutravedics Limited	4,026.33	707.90
Akums Lifesciences Limited	3,129.76	556.40
Malik Lifesciences Private Limited	2,779.00	217.00
Others	2,222.46	1,046.93
Inter-corporate loan repaid		
Pure and Cure Healthcare Private Limited	5,562.00	1,227.00
Maxcure Nutravedics Limited	3,380.50	736.40
Malik Lifesciences Private Limited	2,615.50	547.50
Others	2,012.77	484.19
Loan written off		
Delcure Lifesciences Limited	1,523.48	874.32
Interest receivable written off		
Delcure Lifesciences Limited	-	97.15
Provision created on loans given		
Delcure Lifesciences Limited	-	1,523.48
Provision created on trade receivable		
Delcure Lifesciences Limited	-	40.00
Interest received		
Akums Lifesciences Limited	95.24	3.36
Malik Lifesciences Private Limited	65.64	97.18
Unosource Pharma Limited	57.40	71.81
Maxcure Nutravedics Limited	45.40	14.41
Others	165.23	245.42
Sales of goods and others		
Unosource Pharma Limited	389.46	638.72
Akumentis Healthcare Limited	354.07	305.73
Plenteous Pharmaceuticals Limited	273.84	524.39
Pure and Cure Healthcare Private Limited	232.12	235.11
Nicholas Healthcare Limited	168.26	-
Others	236.85	394.34
Sales of property, plant and equipment		
Pure and Cure Healthcare Private Limited	9.59	17.75
Malik Lifesciences Private Limited	4.27	-
Akums Lifesciences Limited	1.77	-
Maxcure Nutravedics Limited	-	3.76
Upadhrish Reserchem LLP	-	5.08
Others	0.62	-
Sales of MEIS License Fees		
Maxcure Nutravedics Limited	4.20	-
Malik Lifesciences Private Limited	0.73	-

II Summary of related party transactions-

Particulars	As at 31 March 2022	As at 31 March 2021
Purchase of goods and others		
Maxcure Nutravedics Limited	1,204.44	682.17
Pure and Cure Healthcare Private Limited	555.46	552.53
Malik Lifesciences Private Limited	259.01	255.86
Others	105.67	83.28
Purchase of assets		
Malik Lifesciences Private Limited	-	2.09
Pure and Cure Healthcare Private Limited	2.79	1.17
Upadhrish Reserchem LLP	-	0.38
Others	-	0.12
Purchase of MEIS License Fees		
Unosource Pharma Limited	4.20	-
Expenses Incurred		
Sarvagunaushdhi Private Limited	0.36	0.15
Others	0.01	-
Selling and distribution expenses		
Medibox Digital Solutions Private Limited	5.00	-
Repairs and maintenance- Plant and machinery		
Upadhrish Reserchem LLP	8.14	-
Consumption of stores and spare parts		
Upadhrish Reserchem LLP	38.07	-
Job work charges		
Malik Lifesciences Private Limited	45.13	-
Pure and Cure Healthcare Private Limited	189.14	-
Expenses paid by other group company		
Pure and Cure Healthcare Private Limited	1.20	6.55
Unosource Pharma Limited	-	6.19
Others	0.02	-
Service Income		
Unosource Pharma Limited	3.11	-
Maxcure Nutravedics Limited	6.01	-
Akumentis Healthcare Limited	0.09	2.39
Others	0.24	-
Expenses incurred on behalf of Company		
Akums Lifesciences Limited	241.68	-
Maxcure Nutravedics Limited	375.37	111.83
Others	182.20	17.80
Job work Income		
Pure and Cure Healthcare Private Limited	0.94	-
Rent received		
Maxcure Nutravedics Limited	4.86	3.60
Malik Lifesciences Private Limited	14.22	12.96
Others	10.88	8.67

II Summary of related party transactions-

Particulars	As at 31 March 2022	As at 31 March 2021
Corporate guarantee given/ (withdrawn)		
Akums Lifesciences Limited	700.00	-
Delcure Lifesciences Limited	(100.00)	-
Plenteous Pharmaceuticals Limited	-	(8.40)
Amazing Research Laboratories Limited	33.40	5.00
Corporate guarantee charges		
Akums Lifesciences Limited	3.50	-
Delcure Lifesciences Limited	-	0.50
May and baker Pharmaceuticals Limited	0.25	0.25
Plenteous Pharmaceuticals Limited	0.25	0.25
Others	0.27	0.10
Profit share from investment in Partnership firm/ LLP		
AUSL Pharma	2.03	3.47
Upadhrish Reserchem LLP	69.32	51.42
Investment through acquisition of shares		
Akumentis Healthcare Limited	-	575.00
Akums Lifesciences Limited	109.40	45.00
Akums Healthcare Limited	-	1.00
Burroughs Welcome Pharmacia Private Limited	0.01	-
Medibox Digital Solutions Private Limited	0.62	30.02
Remuneration paid		
Mr. Sanjeev Jain	33.50	33.18
Mr. Sandeep Jain	33.50	33.18
Mr. Basant Kumar Singh	0.20	-
Mr. Deepak Haldankar	9.65	2.06
Mr. Vinod Raheja	14.13	7.99
Mr. Sumeet Sood	1.66	-
Rent paid		
Akums Healthcare Limited	0.53	-
Mr. Sanjeev Jain	3.84	3.84
Mr. Sandeep Jain	4.80	4.80
Mr. D.C. Jain	0.30	0.30
Sitting fees		
Mr. Kewal Handa	0.08	-
Mr. Nand Lal Kalra	0.19	0.14
Ms. Neena Vivek	0.18	0.12
Professional charges		
Mr. D.C. Jain	1.80	1.80
(b) Balance outstanding at year end		
Inter-corporate loan given		
Akums Lifesciences Limited	2,647.97	538.11
Delcure Lifesciences Limited	-	1,523.48
Malik Lifesciences Private Limited	1,203.00	1,039.50
Pure and Cure Healthcare Private Limited	7.45	856.00
Unosource Pharma Limited	710.00	835.17
Others	3,610.97	1,610.38

II Summary of related party transactions-

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivable		
Akums Lifesciences Limited	122.72	0.37
AVHA Lifesciences Private Limited	-	63.62
Plenteous Pharmaceuticals Limited	11.45	380.76
Unosource Pharma Limited	122.90	90.31
Others	117.96	100.65
Interest receivable		
Akums Lifesciences Limited	12.26	3.11
Akums Healthcare Limited	3.79	1.44
Malik Lifesciences Private Limited	6.64	-
Maxcure Nutravedics Limited	3.47	-
Unosource Pharma Limited	3.82	-
Others	5.42	0.17
Trade payable		
Malik Lifesciences Private Limited	71.11	7.48
Maxcure Nutravedics Limited	929.19	40.05
Pure and Cure Healthcare Private Limited	266.11	23.48
Others	0.96	13.29
Security deposit payable		
AVHA Lifesciences Private Limited	-	0.90
Amazing Research Laboratories Limited	1.74	0.84
May and baker Pharmaceuticals Limited	0.95	0.95
Plenteous Pharmaceuticals Limited	0.78	0.78
Sarvagunaushdhi Private Limited	0.60	0.60
Other payable		
Maxcure Nutravedics Limited	0.02	-
Corporate guarantee**		
Akums Lifesciences Limited	700.00	-
Amazing Research Laboratories Limited	53.40	20.00
Delcure Lifesciences Limited	-	100.00
May and baker Pharmaceuticals Limited	50.00	50.00
Plenteous Pharmaceuticals Limited	50.00	50.00

**represents corporate guarantee given to subsidiaries for the loan taken by them. The guarantee given has been restricted to the amount of loan outstanding as on the closing date.

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Particulars	As at 31 March 2022	As at 31 March 2021
43. DISCLOSURE REQUIRED UNDER IND AS 115 - REVENUE FROM CUSTOMERS		
A Disaggregation of revenue:		
Revenue arises mainly from the sale of manufactured and traded goods.		
Sale of products		
Revenue from sale of goods - manufactured	10,762.37	7,555.54
Revenue from sale of goods - others	363.41	322.63
Other operating revenue		
Job work charges	319.39	346.58
Testing charges and others	111.93	111.99
Sale of scrap	63.51	37.62
	11,620.61	**8,374.36**
B Contract balances		
The following table provides information about receivables and contract liabilities from contract with customers:		
Contract liabilities		
Advance received from customers	1,307.24	25.69
Total contract liabilities	**1,307.24**	**25.69**

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	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	25.69	27.19
Addition during the year	1,307.24	25.69
Revenue recognised during the year	25.69	27.19
Closing balance	**1,307.24**	**25.69**

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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44 CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, a Company, meeting the applicable threshold, required to spend at least 2% of its average net profit for the immediately preceding three financial year as per section 198 of the Companies Act 2013 on corporate social responsibility(CSR) activities. The CSR committee has been formed by the Company as per the Act and the Company has identified areas of "Promoting Education and Healthcare and Rural Development projects" for CSR activities.
The Company has spent amount on corporate social responsibility expenses as below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Unspent balance as at beginning of the year	-	-
Gross amount required to be spent during the year	-	19.50
Amount spent during the year		
- Construction/acquisition of any asset	-	-
- On purposes other than above	0.50	21.13
Unspent balance as at year end [(excess)/ shortfall]	(0.50)	-

The excess amount spent on CSR during FY 2021-22 has been recognised as an asset in the books of account as per Companies Act 2013.

45 FINANCIAL INSTRUMENTS

A FINANCIAL INSTRUMENTS BY CATEGORY

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

Particulars	Amortised cost/ fair value	
	As at 31 March 2022	As at 31 March 2021
Financial assets at amortised cost		
Trade receivables	3,039.27	2,116.63
Cash and cash equivalents	254.88	1.46
Other bank balances	2.50	8.50
Loans	8,214.81	4,883.89
Other financial assets	274.40	229.39
Total financial assets	**11,785.86**	**7,239.87**
Financial liabilities at amortised cost		
Borrowings	1,220.89	227.14
Trade payables	2,522.42	898.65
Lease liabilities	180.70	184.21
Other financial liabilities	128.12	131.10
Finanacial laibilities carried at fair value		
Liability arising out of put option	10,515.74	5,574.00
Total financial liabilities	**14,567.87**	**7,015.10**

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 in subsidiaries and associate as at the close of the year ended 31 March 2022 are carried at cost, per the option availed by the Company under the relevant provision of Ind AS. Hence the same has not been considered in the above table.

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

Particulars	PERIOD	LEVEL 1	LEVEL 2	LEVEL3	**TOTAL**
Financial assets at fair value through profit and loss					
Investment in current investment	31 March 2022	-	-	-	**-**
	31 March 2021	-	190.07	-	**190.07**
Financial liabilities at fair value through profit and loss					
Liability arising out of put option	31 March 2022	-	-	10,515.74	**10515.74**
	31 March 2021	-	-	5,574.00	**5574**

B.2 VALUATION PROCESS AND TECHNIQUE USED TO DETERMINE FAIR VALUE

Specific valuation techniques used to value financial instruments include:
(a) for current investment directly observable market inputs, other than level 1 inputs have been used.
(b) for liability arising on account of put option, adjusted discounted cash flow method (income approach) has been used.
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant unobservable inputs
	Year ended 31 March 2022	Year ended 31 March 2021	
Liability arising out of put option	10,515.74	5,574.00	Growth rate

B.3 SENSITIVITY ANALYSIS

Description	Year ended 31 March 2022	Year ended 31 March 2021
Impact on liability arising on account of put options fair value if change in growth rate		
- Impact due to increase of 0.5%	24.71	2.69
- Impact due to decrease of 0.5%	(24.71)	(2.69)

B.4 THE FOLLOWING TABLE PRESENTS THE CHANGES IN LEVEL 3 ITEMS FOR THE PERIODS ENDED 31 MARCH 2022 AND 31 MARCH 2021

Particulars	Liability arising out of put option
As at 1 April 2020	**5,035.77**
Add: Issue of equity shares	-
Add: fair value changes during the year	538.23
As at 31 March 2021	**5,574.00**
Add: Issue of equity shares	-
Add: fair value changes during the year	4,941.74
As at 31 March 2022	**10,515.74**

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 summarised 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 custome₹ Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

(a) MARKET RISK

(i) Foreign currency risk

The entity has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The company does not use forward contracts and swaps for managing risks associated with foreign ecurrency nor used for speculative purposes.

FOREIGN CURRENCY RISK EXPOSURE:

Particulars	31 MARCH 2022		31 MARCH 2021	
	USD	₹	USD	₹
Trade receivables	-	-	0.10	3.67
Trade and other payables	1.35	103.79	-	-
Total	**1.35**	**103.79**	**0.10**	**3.67**

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

Particulars	Currency	31 MARCH 2022		31 MARCH 2021	
		Increase	Decrease	Increase	Decrease
INR/USD- increase by 1.47%* (31 March 2022 1.47%)	USD	(1.53)	1.53	0.05	(0.05)

* Holding all other variables constant

(ii) INTEREST RATE RISK
The entity's policy is to minimise interest rate cash flow risk exposures on long-term financing. As on 31 March 2020, 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 31 March 2022	As at 31 March 2021
Variable rate borrowing	1,220.89	227.14
Fixed rate borrowing	-	-
Total borrowings	**1,220.89**	**227.14**

SENSITIVITY
Below is the sensitivity of profit or loss and equity changes in interest rates.

INTEREST SENSITIVITY*		
Interest rates – increase by 100 basis points	12.21	2.27
Interest rates – decrease by 100 basis points	(12.21)	(2.27)

* Holding all other variables constant

(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
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

Financial assets that expose the entity to credit risk –31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	254.88	-	254.88
Other bank balances	2.50	-	2.50
Loans	8,214.81	-	8,214.81
Other financial assets	274.40	-	274.40
Moderate credit risk			
Trade receivables	3,066.23	(26.96)	3,039.27
Total	**11,812.82**	**(26.96)**	**11,785.86**

Financial assets that expose the entity to credit risk –31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	1.46	-	1.46
Other bank balances	8.50	-	8.50
Loans	4,883.89	-	4,883.89
Other financial assets	229.39	-	229.39
Moderate credit risk			
Trade receivables	2,174.01	(57.38)	2,116.63
Total	**7,297.25**	**(57.38)**	**7,239.87**

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

As at 31 March 2022	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	1,992.14	-	-	1,992.14
Less than 6 months	934.51	-	-	934.51
6 months - 1 years	33.52	-	-	33.52
More than 1 years	106.06	25.42%	(26.96)	79.10
Total	**3,066.23**		**(26.96)**	**3,039.27**

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

As at 31 March 2021	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	1,209.75	-	-	1,209.75
Less than 6 months	831.62	-	-	831.62
6 months - 1 years	52.05	-	-	52.05
More than 1 years	80.59	71.20%	(57.38)	23.21
Total	**2,174.01**		**(57.38)**	**2,116.63**

Reconciliation of loss provision – Trade receivables

Particulars	Total
Loss allowance on 1 April 2020	**(14.69)**
Changes in provision	(42.69)
Loss allowance on 31 March 2021	**(57.38)**
Reversal of provision	30.42
Loss allowance on 31 March 2022	**(26.96)**

(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 access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31 March 2022	As at 31 March 2021
Working capital facility	**631.36**	**425.11**

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 2022

Particulars	less than 1 year	1-5 years	More than 5 years	**Total**
Non-derivatives				
Borrowings	1,220.89	-	-	1,220.89
Trade payable	2,522.42	-	-	2,522.42
Lease liabilities	13.79	94.08	72.83	180.70
Other financial liabilities	94.41	10,549.45	-	10,643.86
Total	**3,851.51**	**10,643.53**	**72.83**	**14,567.87**

Maturities of financial liabilities (Cont'd)
31 March 2021

Particulars	less than 1 year	1-5 years	More than 5 years	**Total**
Non-derivatives				
Borrowings	227.14	-	-	227.14
Trade payable	898.65	-	-	898.65
Lease liabilities	13.23	74.48	96.50	184.21
Other financial liabilities	98.10	5,607.00	-	5,705.10
Total	**1,237.12**	**5,681.48**	**96.50**	**7,015.10**

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46. TAXES

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current taxes		
-on profit and loss	15.63	62.22
-tax for earlier years	(12.21)	1.73
Total	**3.42**	**63.95**
Deferred taxes	465.46	(560.84)
Tax expense	**468.88**	**(496.89)**

(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:

Profit before income taxes	(3,349.76)	(1,952.00)
Income tax using the Company's domestic tax rate *	25.17%	34.94%
Expected tax expense [A]	**(843.00)**	**(682.00)**
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Additional benefit claimed on expenditure incurred on research and development	-	(66.95)
Change of tax rates	94.41	-
Effect of non-deductible expenses and others	1,229.68	250.33
Tax earlier years	(12.21)	1.73
Total adjustments [B]	**1,311.88**	**185.11**
Actual tax expense [C=A+B]	**468.88**	**(496.89)**
*Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	22%	30%
Surcharge (% of tax)	10%	12%
Cess (% of tax)	4%	4%
Applicable rate of tax	25.17%	34.94%

Note:
The Taxation Laws (Amendment) Act, 2019 (2019 Tax Act) provided 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 had reviewed the implications of 2019 Tax Ordinance on its tax liability for the year and had chosen to be taxed as per new regime.

b) Changes in deferred tax assets and liabilities for the year ended 31 March 2022:

Particulars	As at 31 March 2021	Recognised in OCI	Recognised in profit and loss	As at 31 March 2022
Deferred tax liability consists of :				
Property, plant and equipment and intangible assets (314.54)		-	108.67	(205.87)
Deferred tax assets consists of :				
Employee benefits	34.84	(0.89)	(10.54)	23.41
Provision for credit losses on financial assets	20.05	-	(13.27)	6.78
Lease liability	3.57	-	0.07	3.64
Provision for sales tax	61.23	-	(17.13)	44.10
Provision for diminution in value of loans given	532.37	-	(532.37)	-
Net deferred tax (liability)/ asset	**337.53**	**(0.89)**	**(464.57)**	**(127.94)**

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Changes in deferred tax assets and liabilities for the year ended 31 March 2021:

Particulars	As at 31 March 2020	Recognised in OCI	Recognised in profit and loss	As at 31 March 2021
Deferred tax liability consists of :				
Property, plant and equipment and intangible assets (314.54)	(326.49)	-	11.95	(314.54)
Deferred tax assets consists of :				
Employee benefits	36.60	(0.83)	(0.91)	34.84
Provision for credit losses on financial assets	5.13	-	14.92	20.05
Lease liability	0.23	-	3.34	3.57
Provision for sales tax	61.23	-	-	61.23
Provision for diminution in value of loans given	-	-	532.37	532.37
Net deferred tax (liability)/ asset	**(223.30)**	**(0.83)**	**561.67**	**337.53**

47. RESEARCH AND DEVELOPMENT EXPENDITURE

The Company has its research and development centres located in Haridwar and Mumbai which concentrates on the development of new pharmaceutical formulations. Research and development costs incurred amounted to ₹ 223.64 millions (31 March 2021: ₹ 208.30 millions) (including depreciation of ₹ 23.07 millions (31 March 2021: ₹ 25.06 millions) and interest expense of ₹ 1.34 millions (31 March 2021: ₹ 1.40 millions) recognised in the standalone financial statements.

48. SEGMENT REPORTING

The Company is primarily engaged in the manufacturing of "pharmaceuticals formulations". Hence as per, chief operating decision maker, the sale of pharmaceuticals formulations has been considered as a single operating segment per Ind AS 108 'Operating Segments' and accordingly disclosures have been limited to single operating segment. The revenues of the Company are majorly domestic, hence revenues from customers are only in one geographical area i.e. with in India.
Revenue from one customer, accounting for more than 10% of the total revenue, is ₹ 1792.65 millions
(31 March 2021: ₹ 1,203.72 millions).

49. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Particulars	As at 31 March 2022	As at 31 March 2021
Current borrowings	1,220.89	227.14
Less:		
Cash and cash equivalents	254.88	1.46
Other bank balances	2.50	8.50
Net debt (A)	**963.51**	**217.18**
Total equity* (B)	1,855.38	5,670.47
Gearing ratio (A/B)	**34.18%**	**3.69%**

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

50. AGEING OF TRADE RECEIVABLES AND TRADE PAYABLES AS PER SCHEDULE-III

a) Trade receivables ageing

The table below analyse the outstanding trade receivables:

31 March 2022

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	2,926.65	33.52	54.65	-	51.41	3,066.23
(ii) Disputed trade receivables- considered good	-	-	-	-	-	-
(iii) Disputed trade receivables- credit impaired	-	-	-	-	(26.96)	(26.96)
	2,926.65	**33.52**	**54.65**	**-**	**24.45**	**3,039.27**

31 March 2021

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	2,041.38	52.05	15.67	-	64.91	2,174.01
(ii) Disputed trade receivables- considered good	-	-	-	-	-	-
(iii) Disputed trade receivables- credit impaired	-	-	-	-	(57.38)	(57.38)
	2,041.38	**52.05**	**15.67**	**-**	**7.53**	**2,116.63**

Note: There are no unbilled receivables, hence same is not disclosed in the ageing schdeule.

b) TRADE PAYABLES AGEING

The table below analyse the outstanding trade payables:

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	
MSME	84.45	11.80	-	-	-	96.25
Others	990.69	1,366.56	6.07	-	0.24	2,363.56
Unbilled dues	62.61	-	-	-	-	62.61
	1,137.75	**1,378.36**	**6.07**	**-**	**0.24**	**2,522.42**

31 MARCH 2021

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	
MSME	83.48	11.36	-	-	-	94.84
Others	390.93	329.66	6.72	-	-	727.31
Unbilled dues	76.50	-	-	-	-	76.50
	550.91	**341.02**	**6.72**	**-**	**-**	**898.65**

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51. RATIO DISCLOSURES

Particulars	Numerator	Denominator	Current year	Previous year	% Variance
(a) Current ratio	Current assets	Current liabilities	1.04	2.54	-59%
(b) Debt - Equity ratio	Total debt	Shareholders equity	0.66	0.04	1543%
(c) Debt service coverage ratio	Earnings available for debt service	Debt Service	90.00	475.50	-81%
(d) Return on equity ratio	Net profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	(1.01)	(0.23)	346%
(e) Inventory turnover ratio	Cost of goods sold	Average inventory	5.58	4.79	17%
(f) Trade receivables turnover ratio	Net credit sales	Avg. accounts receivable	4.51	4.30	5%
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	5.22	6.40	-18%
(h) Net capital turnover ratio	Net sales	Working capital	60.19	3.73	1514%
(i) Net profit ratio	Net profit	Net Sales	(0.33)	(0.23)	41%
(j) Return on capital employed	Earning before interest and taxes	Capital employed	0.53	0.12	342%
(k) Return on investment	Profit after tax	Investment	(1.24)	0.24	-621%

Reason for variance:

1 Increase in working capital loans to finance increase in operations have lead to change in the ratios.

2 On account of fair value changes in the financial instrument (put option liability), there has been a change in the ratios.

52. 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 2022	As at 31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due	96.25	94.84
- Interest amount due	-	-
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

53. The Company has given loans, made investment and given guarantee for various subsidiary companies and associate. The details of loans, investment made and guarantee outstanding as at year end is given in below mentioned table along with purpose of the loan and guarantee given as required u/s 186(4) of the Companies Act 2013.

Name of Entity	Interest Rate p.a	Repayable (on or before)	Year ended 31 March 2022	Year ended 31 March 2021
a) Short term loan given for general corporate purpose				
Maxcure Nutravedics Limited*	7%	December 2026	-	**46.50**
AUSL Pharma*	12%	December 2026	-	**80.00**
Total (A)			**-**	**126.50**
b) Long term loan given for general corporate purpose				
Amazing Research laboratories Limited	7%	December 2026	262.00	217.00
Akums Healthcare Limited	7%	December 2026	724.04	178.88
Akums Lifesciences Limited	7%	December 2026	2,647.97	538.11
Burroughs Welcome Pharmacia Private Limited	7%	December 2026	4.80	-
AUSL Pharma	12%	December 2026	55.00	-
AVHA Lifesciences Private Limited	7%	December 2026	90.00	320.00
Delcure Lifesciences Limited	7%	December 2026	-	-
Malik Lifesciences Private Limited	7%	December 2026	1,203.00	1,039.50
Maxcure Nutravedics Limited	7%	December 2026	692.33	-
May and Baker Pharmaceuticals Limited	13%	December 2026	-	13.50
Medibox Digital Solutions Private Limited	7%	December 2026	-	9.50
Nicholas Healthcare Limited	7%	December 2026	685.00	24.50
Plenteous Pharmaceuticals Limited	7%	December 2026	581.90	258.40
Pure and Cure Healthcare Private Limited	7%	December 2026	7.45	856.00
Sarvagunaushdhi Private Limited**	7%	December 2026	410.00	380.00
Upadhrish Reserchem LLP	7%	December 2026	105.90	82.10
Unosource Pharma Limited	7%	December 2026	710.00	835.17
Total (B)			**8,179.39**	**4,752.66**
Total loans given (A+B)			**8,179.39**	**4,879.16**

**Till previous year loans given to these components were short term demand callable loans but in the current year company has renegotiated the terms of these loans and entered into a fresh agreement as per which loans become due in December 2026*

*** The Company pursuant to providing support to its subsidiary had decided in earlier years not to charge interest on the loans given in earlier years of ₹ 380.00 millions. However, the Company has started charging interest @ 7% p.a. on the entire outstanding amount subsequent to balance sheet date.*

Particulars	As at 31 March 2022	As at 31 March 2021
c) Particulars of Investment made- Equity instruments*		
Akumentis Healthcare Limited	170.79	170.79
Akums Healthcare Limited	1.00	1.00
Akums Lifesciences Limited	154.40	45.00
Amazing Research Laboratories Limited	1.95	1.95
AVHA Lifesciences Private Limited	0.10	0.10
Abbott Pharma Limited	-	0.65
Burroughs Welcome Pharmacia Private Limited	0.01	-
Delcure Lifesciences Limited	7.25	7.25
Malik Lifesciences Private Limited	34.85	34.85
Maxcure Nutravedics Limited	80.42	80.42
May and Baker Pharmaceuticals Limited	0.50	0.50
Medibox Digital Solutions Private Limite	30.64	30.02
Nicholas Healthcare Limited	0.50	0.50
Plenteous Pharmaceuticals Limited	0.50	0.50
Pure and Cure Healthcare Private Limited	324.67	324.67
Sarvagunaushdhi Private Limited	0.10	0.10
Unosource Pharma Limited	180.00	180.00
Total (C)	**987.68**	**878.30**
d) Particulars of Investment made- Cumulative compulsory convertible participating preference shares		
Akumentis Healthcare Limited	424.21	424.21
Total (D)	**424.21**	**424.21**
Total investments made (C+D)	**1,411.89**	**1,302.51**

**As per requirement of Section 186(4), disclosure is required in regards to body corporates only*

Particulars	As at 31 March 2022	As at 31 March 2021
e) Guarantee given for subsidiary Companies bank loan availed by them		
Akums Lifesciences Limited	700.00	-
Amazing Research Laboratories Limited	53.40	20.00
Delcure Lifesciences Limited	-	100.00
May and Baker Pharmaceuticals Limtied	50.00	50.00
Plenteous Pharmaceuticals Limited	50.00	50.00
Total (guarantee)	**853.40**	**220.00**

54. LEASE

(a) The Company has adopted Ind AS 116 'Leases' from 1 April 2019.

(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 2021 is 9% p.a (1 April 2020: 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 2022:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	**4**	**5-8 years**	**7 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 2021:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Building	**4**	**6-9 years**	**8 years**

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

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

Particulars	CATEGORY OF RIGHT-OF-USE ASSETS		
	Land	Building	Total
Balance as at 1 April 2020 (on account of application of Ind AS 116)	121.12	18.48	139.60
Add: Additions during the year	-	181.81	181.81
Less: Deletion during the year	-	13.44	13.44
Less: Amortisation charged on the right-of-use assets (refer note 32)	1.52	12.87	14.39
Balance as at 31 March 2021/ 1 April 2021	**119.60**	**173.98**	**293.58**
Add: Additions during the year	-	13.70	13.70
Less: Amortisation charged on the right-of-use assets (refer note 32)	1.52	21.43	22.95
Balance as at 31 March 2022	**118.08**	**166.25**	**284.33**

(F). LEASE PAYMENT NOT RECOGNISED AS LEASE LIABILITY

Particulars	As at 31 March 2022	As at 31 March 2021
Expenses relating to short term leases(included in other expenses)	10.21	10.97
Total	**10.21**	**10.97**

(G) THE TOTAL CASH OUTFLOW FOR LEASES FOR THE YEAR ENDED 31 MARCH 2022 WAS ₹ 16.64 MILLIONS. (31 March 2021: ₹ 7.46 millions)

(h) 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	29.50	15.71	13.79
1-5 Year	119.99	47.96	72.03
More than 5 Year	111.62	16.74	94.88
Total	**261.10**	**80.41**	**180.70**

Future minimum lease payments as on 31 March 2021 are as follows:

Minimum Lease payments due	AS ON 31 MARCH 2021		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	29.28	16.04	13.24
1-5 Year	123.97	49.50	74.47
More than 5 Year	113.97	17.47	96.50
Total	**267.22**	**83.01**	**184.21**

55. Other statutory information

(a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(b) The Company do not have any transactions with companies struck off.
(c) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
(d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
(g) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
(h) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

56. Pursuant to changes notified in Schedule-III, during the year ended 31 March 2022, the Company has reclassified/regrouped certain previous year's balances.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 June 2022

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Consolidated balance sheet as at 31 March 2022

(All amounts in ₹ million unless otherwise stated)

Particulars	Assets	Notes	As at 31 March 2022	As at 31 March 2021
1)	**Non-current assets**			
	(a) Property, plant and equipment	2a	9,320.28	8,134.13
	(b) Right-of-use assets	56	810.59	701.95
	(c) Capital work-in-progress	2b	308.18	170.05
	(d) Goodwill	54	20.63	150.40
	(e) Other intangible assets	3	53.87	53.45
	(f) Intangible assets under development	2c	2.53	-
	(g) Financial assets			
	(i) Investments	4	3.86	5.30
	(ii) Loans	5	55.00	-
	(iii) Other financial assets	6	394.03	454.98
	(h) Non-current tax assets (net)	7	360.43	136.22
	(i) Deferred tax assets	22	188.53	147.01
	(j) Other non-current assets	8	256.38	141.17
	Total non-current assets		**11,774.31**	**10,094.66**
(2)	**Current assets**			
	(a) Inventories	9	7,224.48	4,298.59
	(b) Financial assets			
	(i) Investments	10	-	190.09
	(ii) Trade receivables	11	8,843.12	5,313.99
	(iii) Cash and cash equivalents	12	551.39	220.67
	(iv) Bank balances other than (iii) above	13	477.08	458.01
	(v) Loans	5	-	80.00
	(vi) Other financial assets	14	208.01	144.07
	(c) Current-tax asset	15	-	1.60
	(d) Other current assets	16	1,336.55	867.03
	Total current assets		**18,640.63**	**11,574.05**
	Assets held for sale	58	275.53	-
	Total assets		**30,690.47**	**21,668.71**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	17	143.07	13.01
	(b) Other equity	18	6,076.69	8,835.46
	Total equity attributable to equity holders of the Company		6,219.76	8,848.47
	(c) Non-controlling interest's		31.95	22.88
	Total equity		**6,251.71**	**8,871.35**
	LIABILITIES			
(1)	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	19	133.33	11.61
	(ii) Lease liabilities	56	304.08	278.67
	(iii) Other financial liabilities	20	10,644.88	6,090.43

Particulars	Assets	Notes	As at 31 March 2022	As at 31 March 2021
	(b) Provisions	21	239.32	204.44
	(c) Deferred tax liabilities	22	392.98	412.69
	Total non-current liabilities		**11,714.59**	**6,997.84**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	23	3,441.04	959.03
	(ii) Lease liabilities	56	66.22	50.44
	(iii) Trade payables	24		
	Total outstanding dues to micro and small enterprises; and		331.87	330.56
	Total outstanding dues of creditors other than micro and small enterprises		5,566.35	3,083.58
	(iv) Other financial liabilities	25	705.69	427.49
	(b) Other current liabilities	26	1,545.76	263.67
	(c) Provisions	27	589.24	566.16
	(d) Current tax liabilities (net)	28	478.00	118.59
	Total current liabilities		**12,724.17**	**5,799.52**
	Total equity and liabilities		**30,690.47**	**21,668.71**

Summary of significant accounting policies and other explanatory information 1-60

This is the consolidated balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 June 2022

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Consolidated statement of profit and loss for the year ended 31 March 2022

(All amounts in ₹ million unless otherwise stated)

Particulars Assets	Notes	As at 31 March 2022	As at 31 March 2021
INCOME			
Revenue from operations	29	36,772.93	27,226.29
Other income	30	172.30	211.56
Total income		**36,945.23**	**27,437.85**
EXPENSES			
Cost of materials consumed		16,592.94	12,667.95
Purchase of stock-in-trade		7,947.13	4,545.81
Change in inventories of finished goods, stock-in-trade and work-in-progress	31	(1,089.48)	(304.66)
Employee benefits expense	32	4,976.59	4,208.92
Other expenses	33	4,267.20	3,196.61
Total expenses		**32,694.38**	**24,314.63**
Earnings before fair value changes, finance costs, depreciation and amoritisation, exceptional items and share of profit/ loss of associate and tax (EBITDA)		4,250.85	3,123.22
Fair value changes to financial instruments		4,941.74	538.23
Finance costs	34	166.55	67.44
Depreciation and amortisation expense	35	946.79	698.41
(Loss)/ profit before exceptional items and tax		(1,804.23)	1,819.14
Exceptional items	54	129.77	100.00
(Loss))/ profit before share of profit of an associate		(1,934.00)	1,719.14
Share of profit of an associate	39	2.03	3.47
(Loss)/ profit before tax		(1,931.97)	1,722.61
Tax expense:	49		
Current tax		690.45	552.99
Tax for earlier years		(53.26)	-
Deferred tax charge/(reversal)		(60.42)	(64.73)
Total tax expense		**576.77**	**488.26**
(Loss)/ profit for the year		(2,508.74)	1,234.35
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (losses) on defined benefit plan		(1.69)	(2.49)
Income-tax effect related to items that will not be reclassified to profit and loss		0.81	1.22
Other comprehensive income, net of tax		(0.88)	(1.27)
Total comprehensive income for the year (comprising of (loss)/ profit for the year and other comprehensive income for the year)		(2,509.62)	1,233.08
Total comprehensive income attributable to:			
Owners of the Parent		(2,526.20)	1,226.42
Non-controlling interests		16.58	6.66
Out of total comprehensive income above, profit for the year attributable to:			
Owners of the Parent		(2,525.36)	1,227.05
Non-controlling interests		16.62	7.30

Particulars Assets	Notes	As at 31 March 2022	As at 31 March 2021
Out of total comprehensive income above, other comprehensive income attributable to:			
Owners of the Parent		(0.84)	(0.63)
Non-controlling interests		(0.04)	(0.64)
Earnings per equity share of ₹ 2 (31 March 2021: ₹ 10) each			
Basic and diluted	36	**(35.07)**	**17.26**
Summary of significant accounting policies and other explanatory information	1-60		

This is the consolidated balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 June 2022

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Consolidated statement of changes in equity for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Amount
As at 1 April 2020	**13.01**
Changes in equity share capital	-
As at 31 March 2021/ 1 April 2021	**13.01**
Changes in equity share capital (refer note 17.1 for details)	130.06
As at 31 March 2022	**143.07**

B. OTHER EQUITY

Particulars	Reserves and surplus			Put option reserve	Total other equity attributable to equity holders of the parent	Non-controlling Interests (NCI)	**Total**
	Capital reserve	Security premium	Retained earnings				
Balance as at 1 April 2020	22.03	1,282.91	7,707.27	(1,801.24)	7,210.97	(15.14)	**7,195.83**
Profit for the year	-	-	1,227.06	-	1,227.06	7.30	**1,234.36**
Other comprehensive income for the year, net of tax							
Re-measurement of defined benefit plans	-	-	(0.63)	-	(0.63)	(0.64)	**(1.27)**
Addition on account of business combination (refer note 38 B (i))	1,007.95	-	-	-	1,007.95	31.36	**1,039.31**
Adjustments on account of transaction with holders of NCI (refer note 38 B(ii))	-	-	(609.89)	-	(609.89)	-	**(609.89)**
Balance as at 31 March 2021 / 1 April 2021	**1,029.98**	**1,282.91**	**8,323.81**	**(1,801.24)**	**8,835.46**	**22.88**	**8,858.34**
Profit/ (Loss) for the year	-	-	(2,525.36)	-	(2,525.36)	16.62	**(2,508.74)**
Other comprehensive income for the year, net of tax							
Re-measurement of defined benefit plans	-	-	(0.84)	-	(0.84)	(0.04)	**(0.88)**
Adjustment on account of further acquisition (refer note 38 A)	-	-	(102.51)	-	(102.51)	(7.51)	**(110.02)**
Shares issued during the year		(11.25)	(118.81)		(130.06)	-	**(130.06)**
Balance as at 31 March 2022	**1,029.98**	**1,271.66**	**5,576.29**	**(1,801.24)**	**6,076.69**	**31.95**	**6,108.64**

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 June 2022

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Consolidated statement of cash flow for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from operating activities		
Net (loss)/ profit before tax	**(1,931.97)**	**1,722.61**
Add/ less: non-cash adjustments		
Depreciation and amortisation	946.79	698.41
Bad debts	67.74	52.83
Provision for expected credit loss on trade receivable	120.88	87.11
Liabilities no longer required, written back	(21.00)	(32.16)
Loss on sale of property, plant & equipment and intangible assets	20.66	(5.96)
Impairment of goodwill	129.77	100.00
Share of profit from associate	(2.03)	(3.47)
Finance costs	166.55	67.44
Profit on sale of current investments	-	(0.77)
Gain on reassessment of right of use assets	(10.55)	-
Fair value charges on financial instrument (refer note 20.1)	4,941.74	538.23
Interest income	(46.31)	(61.44)
Operating profit before working capital changes	**4,382.27**	**3,162.83**
Adjustments for working capital changes		
Inventories	(2,925.89)	(315.41)
Trade receivables	(3,717.75)	361.48
Other assets	(568.71)	2.49
Trade payables	2,505.09	(819.04)
Other financial liabilities	(137.16)	(509.39)
Provisions	56.27	(37.66)
Other liabilities	1,282.09	(50.90)
Cash generated from operations (gross)	876.20	1,794.40
Less: direct taxes paid	(548.18)	(455.53)
Net cash flow generated from operating activities	**(A) 328.03**	**1,338.87**
B. Cash flow from investing activities		
Purchase of property, plant and equipment & intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment)	(2,575.82)	(828.10)
Proceeds from sale of property, plant and equipment	19.24	9.38
Withdrawal from interest in partnership firm	3.47	5.24
Investment in deposits having original maturity of more than 3 months	53.51	380.24
Consideration paid to NCI towards further acquisition of interest in subsidiaries	(110.02)	(605.00)
(Purchase of)/ proceeds from sale of current investments	190.09	(130.88)
Loan repaid by associate	25.00	8.50
Interest received	46.31	66.77
Net cash flow used in investing activities	**(B) (2,348.22)**	**(1,093.85)**
C. Cash flow from financing activities		
Proceeds from non-current borrowings	133.33	11.61
Repayments of non-current borrowings	(11.61)	(350.24)
Proceeds from/ (repayment of) current borrowings (net)	2,482.01	(439.28)
Payment of lease liabilities	(163.73)	(129.26)
Interest paid	(89.10)	(50.18)
Net cash flow (used in)/ generated from financing activities	**(C) 2,350.91**	**(957.35)**

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Consolidated statement of cash flow for the year ended 31 March 2022
(All amounts in ₹ millions unless otherwise stated)

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
Net (decrease)/ increase in cash and cash equivalents	**(D= A+B+C)**	**330.72**	**(712.33)**
Add: acquired under business combination	E	-	5.11
Cash and cash equivalents as at the beginning of the year	F	220.67	917.89
Cash and cash equivalents as at the end of the year (refer note 12)	**(D+E+F)**	**551.40**	**210.67**
Components of cash and cash equivalents are as below:			
Balance with banks:			
- in current accounts		479.34	190.50
- in deposit accounts with original maturity of less than three months		68.00	24.86
Cash on hand		4.05	5.31
		551.39	**220.67**

Note 1: The above cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

Note 2: 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:

Statement of cash flow (cont'd)

Reconciliation between the opening and closing balances in th balance sheet for liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes pursuant to Ind AS 7:

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Consolidated statement of cash flow for the year ended 31 March 2022
(All amounts in ₹ millions unless otherwise stated)

Particulars	Non current borrowings	Current borrowings	Lease liabilities	Put option liability	Total
Balance as at 1 April 2020	**350.24**	**1,398.31**	**183.82**	**5,035.77**	**6,968.14**
Cash flows					
Repayments (net)	(338.63)	(439.28)	(129.26)	-	(907.17)
Non cash changes					
Interest expense on lease liabilities	-	-	17.25	-	17.25
Fair value changes to financial instrument	-	-	-	538.23	538.23
Modification within lease agreements	-	-	12.21	-	12.21
New leases	-	-	245.10	-	245.10
Balance as at 31 March 2021/ 1 April 2021	**11.61**	**959.03**	**329.11**	**5,574.00**	**6,873.75**
Cash flows					
Repayments (net)	121.72	2,482.01	(174.27)	-	2,429.47
Non cash changes					
Interest expense on lease liabilities	-	-	29.68	-	29.68
Fair value changes to financial instrument	-	-	-	4,941.74	4,941.74
Modification within lease agreements	-	-	(10.55)	-	(10.55)
New leases	-	-	196.34	-	196.34
Balance as at 31 March 2022	**133.33**	**3,441.04**	**370.32**	**10,515.74**	**14,460.43**

Summary of significant accounting policies and other explanatory information 1-60

This is the consolidated balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 June 2022

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

1 GROUP OVERVIEW AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

Akums Drugs and Pharmaceuticals Limited (the 'Holding Company' or 'Parent Company') is the a public limited Company domiciled in India. Its registered office is 304, Mohan Place, LSC C Block, New Delhi - 110034. The Holding Company was incorporated on 19 April 2004 under the provisions of the erstwhile Companies Act, 1956.

The Holding Company, together with its subsidiaries (hereinafter, the 'Group') and associate, is primarily engaged in manufacturing of pharmaceutical products. Refer note 37 for entities considered in consolidation.

Significant accounting policies

1.2 BASIS OF PREPARATION

These Consolidated Financial Statements ("the CFS") of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") and comply with requirements of Ind AS, notified under section 133 of the Companies Act 2013, ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, stipulation contained in Schedule III (Revised) and other pronouncements/ provisions of applicable laws.

These CFS have been prepared using the significant accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these consolidated financial statements.

These CFS have been prepared under the historical cost convention and amortised costs 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 Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions:

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

A liability is classified as current if it satisfies any of the following conditions:

(i) It is expected to be settled in normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest two decimals millions as per the requirement of Schedule III to the act, unless otherwise stated.

These consolidated financial statments were authorised for issue in accordance with a resolution of the Board of Directors on 17 June 2022. The Board of Directors can permit the revision to these consolidated financial statements after obtaining necessary approvals or at the instance of regulatory authorities, as per provisions of the Act.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

a. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.
The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

▪ The nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;

▪ The entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;

▪ The instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;

▪ Changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Group.

b. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Group.

c. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

▪ **Ind AS 102 Share Based Payments -** Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events.'

▪ **Ind AS 103 Business Combinations -** The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.

▪ **Ind AS 114 Regulatory Deferral Accounts -** The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability.' However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.

▪ **Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets -** The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.

▪ **Ind AS 38 Intangible Assets -** The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.

▪ **Ind AS 106 Exploration for and Evaluation of Mineral Resources;** Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Group.

1.3 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries and its associate (including erstwhile associate). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;
(b) The rights arising from other contractual arrangements;
(c) The Group's voting rights and potential voting rights; and
(d) The size of the Group's Holding of voting rights relative to the size and dispersion of the Holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

An associate is an entity over which the Group has significant influence, i.e., the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The financial statements of all entities included in the consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended 31 March 2022.

The following consolidation procedures are adopted:

Subsidiary:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill; and
(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Ind AS 12 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate or equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively. When a liability assumed is recognised at the acquisition date but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. A deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 'Financial Instruments' ("Ind AS 109"), is measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.
Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combinations involving entities that are controlled by the Group are accounted for using the ‘pooling of interests’ method as follows:

- The assets and liabilities of the e combining entities are reflected at their carrying amounts;
- Except for adjustments made to harmonise accounting policies, no adjustments are ade to reflect fair values, or recognise any new assets or liabilities;
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve;
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee; and
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

1.4 FAIR VALUE MEASUREMENTS

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

a. In the principal market for the asset or liability, or
b. In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

1.5 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 Group expects to receive in exchange for those products or services and which concides with the dispatch of goods.
Revenue from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes goods and service tax (GST) collected from customers, since GST not received by the Group 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 Group. Accordingly, it is excluded from revenue. Revenue from the sale of goods is net of returns.

The Group accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Group's estimate of expected sales returns. The Group deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience in the markets in which the Group operates. With respect to established products, the Group considers its historical experience of sales returns, levels of inventory in the distribution channel, estimated shelf life, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group recognises an asset i.e., Right to recover products from customer (included in other current assets) for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with remeasuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

1.6 OTHER INCOME

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

Interest

Interest income is recognised as and when due on the time proportion basis by using effective interest method ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

1.7 INVENTORIES

Inventories include raw material, stores and spares, finished goods, work in progress, stock-in-trade and packing material.
Inventories are stated at lower of cost or net realisable value. The cost in respect of the various items of inventory is computed as under:

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

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

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

(iv) Finished goods - at estimated cost or net realisable value, whichever is less. The cost includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

(v) Stock-in-trade - at cost or net realisable value, whichever is less. Cost includes cost of purchase, other costs incurred in bringing the inventories to their present location and condition and taxes which are not eligible for setoff. Cost is determined on weighted average basis.

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

1.8 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 Group. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss as incurred.

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 Group:

AASSET CLASS	USEFUL LIVES
Buildings	**30 years**
Plant and equipments	**15 years**
Furniture and fittings	**10 years**
Vehicles	**8 to 10 years**
Office equipments	**5 years**
Computers	**3/6 years**
Research and development laboratory equipment	**10 years**
Electrical installation	**10 years**

Leasehold improvements are amortised over the period of the lease or the useful life of the asset, whichever is lower.

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 consolidated statement of profit and loss when the asset is derecognized.

1.9 INTANGIBLE ASSETS

Recognition and initial measurement

Intangible assets (including Brands/ Trademarks) 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 4-5 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 consolidated statement of profit and loss.

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

De-recognition

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

1.10 BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed to the Consolidated Statement of Profit and Loss in the period in which they occur.

1.11 EMPLOYEE BENEFITS

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

Defined contribution plans:

The Group's contribution to provident fund and employee state insurance 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 Group has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

Defined benefit plans - unfunded

The defined benefit plans sponsored by the Group 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 Group.

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 Other Comprehensive Income in the year in which such gains or losses are determined.

Other long-term employee benefits - compensated absences

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.

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

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.

1.12 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

The Group's consolidated financial statements are presented in ₹, which is also the Parent Company's functional currency. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

1.13 GOVERNMENT GRANTS

Grants from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

When loans or similar assistance are provided by Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant and is recognised in the Consolidated Statement of Profit and Loss under 'other operating revenue.'

Grants related to depreciable assets are treated as deferred income which is recognised in the consolidated statement of profit and loss on a systematic and rational basis over the useful life of the asset. Such allocation to income is usually made over the periods and in the proportions in which depreciation on related assets is charged.

Grants related to income are recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and are presented as 'other income.'

1.14 TAXES

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and respective local jurisdictions of members of the Group.

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, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI 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 assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Group's ability to recover the deferred tax assets is assessed by the management at the close of each financial year which depends upon the forecasts of the future results and taxable profits that Group expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the relevant members of the Group will pay normal income tax during the specified period. Such asset is reviewed at each reporting period end and the adjusted based on circumstances then prevailing.

Deferred tax assets are recognised on the unrealized profit for all the inter-company sale/ purchase eliminations of property, plant and equipment and inventories.

Deferred tax on business combination When a liability assumed is recognized at the acquisition date but the related costs are not deducted in determining taxable profits until a later period, a deductible temporary difference arises which results in a deferred tax asset. a deferred tax asset also arises when the fair value of an identifiable asset acquired is less than its tax base. In both cases, the resulting deferred tax asset affects goodwill.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1.15 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group operates in a single segment of pharmaceuticals formulations and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed by the Group under note no 51.
The board of directors of the Holding Company has been identified as being the chief operating decision maker by the management of the Group.

1.16 FINANCIAL INSTRUMENTS

Financial instruments are recognised when the Group 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 Group determines that the fair value at initial recognition differs from the transaction price, the Group 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 Group 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 Group 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 – 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 Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group 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 profit or loss.

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 from the Group'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 Group also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

NON-DERIVATIVE FINANCIAL LIABILITIES

Initial recognition

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss.

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

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 consolidated 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 consolidated 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.

1.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

1.18 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 Group 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 Group in accordance with the contract and all the cash flows that the Group 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 Group is required to consider –

a. All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Group 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 Group 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 Group.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group 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 Group 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 Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group 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 Group 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.

1.19 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 Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group 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 consolidated 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 consolidated statement of profit and loss.

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group'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.

1.20 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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 Group; 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.

1.21 EARNINGS PER SHARE

Basic earnings/ (loss) per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events, other than conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings/ (loss) 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.

1.22 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 Group 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.

1.23 LEASES

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 Group 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 consolidated Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group 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.

1.24 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group'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. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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 particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements. Changes in estimates are accounted for prospectively.

(i) Judgements

Judgements In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Contingencies
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) 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.

(ii) Estimates and assumptions
Estimates and assumptions The key assumptions concerning the future and other key sources of estimation 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. The Group bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Useful lives of property, plant and equipment/ intangible assets: The Group reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

(b) Employee benefits: The cost of the employee benefit and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. an actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates.

and future pension increases. In view of the complexities involved in the valuation and its long-term nature, employee benefit is highly sensitive to changes in these assumptions. all assumptions are reviewed at each reporting date.

(c) Inventories: The Group estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

(d) Business combinations: The Group uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination.

(e) Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fai assumptions about these factors could affect the reported fair value of financial instruments.

1.25 OPERATING EXPENSES

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

1.26 EARNINGS BEFORE FAIR VALUE CHANGES, FINANCE COSTS, DEPRECIATION AND AMORTISATION AND TAX (EBITDA)

The Group presents EBITDA in the consolidated 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 consolidated financial statements when such presentation is relevant to an understanding of the Group'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 Group has elected to present earnings before fair value changes, finance costs, depreciation and amortisation and tax ('EBITDA') as a separate line item on the face of the consolidated statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss). In its measurement, the Group does not include fair value changes on financial instrument, finace costs, depreciation and amortisation and tax expense.

1.27 AMENDMENT TO ACCOUNTING STANDARDS (IND AS) ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs (MCA notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact on its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its financial statements.

Ind AS 37 – Onerous Contracts - costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact on its financial statements.

1.28 ASSETS HELD FOR SALE

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

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2A. PROPERTY, PLANT AND EQUIPMENT

Tangible assets provided on operating lease to subsidiary as follows:

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fittings
GROSS CARRYING VALUE				
As at 1 April 2020	140.68	2,684.11	4,611.44	262.68
Additions during the year	-	163.97	264.63	14.26
Acquired as part of business combination	146.84	775.93	1,112.13	2.14
Disposal / adjustments	-	(7.00)	(2.17)	(0.55)
Balance as at 31 March 2021/ 1 April 2021	**287.52**	**3,617.01**	**5,986.03**	**278.53**
Additions during the year	48.88	297.81	1,143.38	91.73
Disposals	-	7.00	(91.66)	(2.03)
Balance as at 31 March 2022	**336.40**	**3,921.82**	**7,037.75**	**368.23**
Accumulated depreciation				
As at 1 April 2020	-	555.13	1,742.68	126.77
Charge for the year	-	99.90	327.63	21.41
On disposals	-	(0.44)	(2.16)	(0.12)
Balance as at 31 March 2021 / 1 April 2021	**-**	**654.59**	**2,068.15**	**148.06**
Charge for the year	-	133.18	500.15	31.04
On disposals	-	0.44	(54.51)	(1.37)
Balance as at 31 March 2022	**-**	**788.21**	**2,513.79**	**177.73**
Net Block				
As at 31 March 2021	**287.52**	**2,962.42**	**3,917.88**	**130.47**
As at 31 March 2022	**336.40**	**3,133.61**	**4,523.96**	**190.50**

Notes:
(i) Refer note 44 for details of assets pledged as security by the Group.
(ii) Refer note 41 for disclosures of contractual commitments for the acquisition of property, plant and equipment.
(iii) Plant & equipments capitalised in the current year, includes Rs 70.59 million towards indirect expenses (employee benefit expenses, power and fuel expenses etc)

Vehicles	Office equipments	Computers	R&D equipments	Electrical installation	**Total**
60.63	157.34	159.33	815.23	463.06	9,354.50
8.41	13.37	17.66	101.23	11.86	595.39
1.00	-	0.36	-	-	2,038.40
(3.28)	(2.59)	(1.50)	(1.22)	(3.53)	(21.84)
66.76	**168.12**	**175.85**	**915.24**	**471.39**	**11,966.45**
36.66	59.61	54.97	214.89	117.81	2,065.74
(5.56)	(8.60)	(3.50)	(3.71)	(0.86)	(108.92)
97.86	**219.13**	**227.32**	**1,126.42**	**588.34**	**13,923.27**
25.85	109.96	108.84	347.48	223.96	3,240.67
6.24	15.89	17.82	74.05	37.14	600.08
(1.33)	(1.84)	(1.36)	0.01	(1.19)	(8.43)
30.76	**124.01**	**125.30**	**421.54**	**259.91**	**3,832.32**
7.67	20.48	22.41	85.89	38.96	839.78
(2.24)	(7.85)	(3.05)	(0.19)	(0.34)	(69.11)
36.19	**136.64**	**144.66**	**507.24**	**298.53**	**4,602.99**
36.00	**44.11**	**50.55**	**493.70**	**211.48**	**8,134.13**
61.67	**82.49**	**82.66**	**619.18**	**289.81**	**9,320.28**

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2B. AGEING OF CAPITAL WORK-IN-PROGRESS (CWIP)

The table below analyse the capital work-in-progress ageing:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
31 March 2022					
Plant and equipments	165.57	-	-	-	165.57
Buildings	142.61	-	-	-	142.61
	308.18	**-**	**-**	**-**	**308.18**

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
31 March 2021					
Plant and equipments	1.95	-	-	-	**1.95**
Building	168.10	-	-	-	**168.10**
	170.05	**-**	**-**	**-**	**170.05**

Notes :
(i) There are no such project under capital work in progress or intangible under development whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022 and 31 March 2021.
(ii) Plant and equipments in CWIP for the current year, includes Rs 68.54 million towards indirect expenses (employee benefit expenses, power and fuel expenses etc).
(iii) Refer note 44 for details of assets pledged as security by the Group.

2C. AGEING OF INTANGIBLE ASSETS UNDER DEVELOPMENT AS ON :

31 March 2022					
Software pending installation	2.53	-	-	-	2.53
	2.53	**-**	**-**	**-**	**2.53**

Note:- There is no intangible under development as on 31 March 2021.

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3. INTANGIBLE ASSETS (ACQUIRED)

Particulars	Brands / trademarks	Software license	Total
GROSS CARRYING VALUE			
Balance as at 1 April 2020	131.05	188.01	319.06
Acquired as part of business combination	-	14.98	14.98
Balance as at 31 March 2021/ 1 April 2021	**131.05**	**202.99**	**334.04**
Additions during the year	2.10	28.27	30.37
Disposal during the year	(19.45)	(1.31)	(20.76)
Balance as at 31 March 2022	**113.70**	**229.95**	**343.65**
Accumulated amortisation			
Balance as at 1 April 2020	97.48	142.02	239.50
Charge for the year	24.40	16.69	41.09
Balance as at 31 March 2021 / 1 April 2021	**121.88**	**158.71**	**280.59**
Charge for the year	6.97	22.89	29.86
On disposal	(19.45)	(1.22)	(20.67)
Balance as on 31 March 2022	**109.40**	**180.38**	**289.78**
Net carrying value			
As at 31 March 2021	**9.17**	**44.28**	**53.45**
As at 31 March 2022	**4.30**	**49.57**	**53.87**

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Particulars	As at 31 March 2022	As at 31 March 2021
4. INVESTMENTS		
Investment in equity instruments		
Non-trade, unquoted (measured at fair value through profit and loss)		
18,750 (31 March 2021: 18,750) equity shares of Nimbua Greenfield (Punjab) Ltd of Rs. 10 (31 March 2021: Rs. 10) each fully paid up	0.19	0.19
55,000 (31 March 2021: 55,000) equity shares of Mohali Green Environment Private Ltd of Rs. 10 (31 March 2021: Rs. 10) each fully paid up	1.24	1.24
	1.43	**1.43**
Investment in partnership firm (considered as associate) accounted for using the equity method		
AUSL Pharma*	0.40	0.40
Add: Share in profit of associate	2.03	3.47
	2.43	**3.87**
Aggregate amount of unquoted investments	**3.86**	**5.30**

" Name of the partner/ share of partner in profit-*
Akums Drugs and Pharmaceuticals Limited (40%), Vikram Malhotra (36%),
Sunil Anand (12%) and Jaideep Malhotra (12%), Total capital of the firm: ₹ 1.00 million"
Also refer note 39(I) (a) for further details
Refer note 48 for disclosure of fair value in respect of financial assets measured at fair value through profit and loss.

Particulars	As at 31 March 2022	As at 31 March 2021
5. LOANS		
Unsecured, considered good		
Non-current		
Loans to related parties (refer note 45)	55.00	-
Current		
Loans to related parties (refer note 45)	-	80.00
	55.00	**80.00**

Refer note 48 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.
Loan has been given to associate for business purposes carrying interest rate of 12% p.a. (previous year : 12% p.a.). In current year, repayment terms of loan has been re-structured and is now payable by end of December 2025 (previous year: repayable on demand)

Particulars	As at 31 March 2022	As at 31 March 2021
6. OTHER FINANCIAL ASSETS		
Financial assets carried at amortised cost		
Security deposits	233.93	181.31
Deposits with remaining maturity of more than 12 months*	133.13	205.71
Other receivable	26.97	67.96
	394.03	**454.98**

**Pledged with government authorities and others.*
Refer note 48 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
7. NON-CURRENT TAX ASSETS		
Advance income tax (net of provision)	**360.43**	**136.22**
8. OTHER NON-CURRENT ASSETS		
Unsecured, considered good		
Capital advances	160.31	68.72
Advances other than capital advance:		
Prepaid expenses	33.39	15.87
Tax deposited with sales tax department (refer note 40 a (i))	51.31	51.31
Other receivable	11.37	5.27
	256.38	**141.17**
9. INVENTORIES		
(refer note 1.7 on inventories)		
Raw materials		
on hand	3,040.92	1,766.36
in transit	205.26	20.42
Packing materials		
on hand	808.75	497.43
in transit	10.31	1.28
Work-in-progress	670.36	342.66
Finished goods	1,600.08	974.85
Stock-in-trade		
on hand	722.97	481.29
in transit	-	107.46
Stores and spares		
on hand	122.28	65.56
in transit	2.03	2.09
Right to recover products from customers (refer note 27.2)	41.52	39.19
	7,224.48	**4,298.59**

Refer note 44 for information on inventories pledged as security by the Group

Particulars	As at 31 March 2022	As at 31 March 2021
10. INVESTMENTS		
Unqouted (measured at fair value through profit and loss)		
Non-trade		
Investment in mutual funds		
Nil (31 March 2021: 45,874.99) units of HDFC Overnight fund - Direct Plan- Growth Option	-	120.08
Nil (31 March 2021: 64,351.26) of AXIS Overnight fund - Direct Plan- Growth Option	-	70.01
	-	**190.09**
Aggregate value of unquoted investments	-	190.09

Refer note 48 for disclosure of fair value in respect of financial assets measured at fair value through profit and loss.

Particulars	As at 31 March 2022	As at 31 March 2021
11. TRADE RECEIVABLES		
Trade receivables - unsecured, considered good	8,842.47	5,313.99
Trade receivables - unsecured, credit impaired	125.51	138.98
Less: Allowance for expected credit losses	(124.86)	(138.98)
	8,843.12	**5,313.99**

Particulars	As at 31 March 2022	As at 31 March 2021
11.1 Dues from related party (refer note 45)	**12.91**	**0.10**

11.2 Refer note 44 for information on trade receivables pledged as security by the Group.
11.3 Refer note 48 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively. All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.
11.4 Refer note 57 for the ageing of the trade receivables

12. CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2022	As at 31 March 2021
Balance with banks:		
- in current accounts	479.34	190.50
- in deposit accounts with original maturity of less than three months	68.00	24.86
Cash on hand	4.05	5.31
	551.39	**220.67**

Refer note 48 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.
Refer note 44 for assets pledged as security by the Group.

13. OTHER BANK BALANCES

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits having original maturity of more than three months but remaining maturity of less than twelve months	477.08	458.01
	477.08	**458.01**

Refer note 44 for assets pledged as security by the Group.
Refer note 48 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

14. OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets carried at amortised cost		
(Unsecured, considered good)		
Balances with statutory and government authorities	203.53	138.99
Others	4.48	5.08
	208.01	**144.07**

Refer note 48 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

15. CURRENT TAX ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
Income-tax assets (net of provisions)	-	1.60
	-	**1.60**

16. OTHER CURRENT ASSETS

Particulars	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good)		
Advance to suppliers and others	202.91	166.01
Prepaid expenses	79.42	64.70
Balances with statutory and government authorities	1,043.18	603.21
Other current assets	11.04	33.11
	1,336.55	**867.03**

Particulars	As at 31 March 2022	As at 31 March 2021
17. EQUITY SHARE CAPITAL		
Authorised		
7,50,00,000 (31 March 2021: 15,00,000) equity shares of ₹ 2 (31 March 2021: ₹ 10) each	150.00	15.00
Issued, subscribed and fully paid up		
7,15,32,175 (31 March 2021: 13,00,585) equity shares of ₹ 2 (31 March 2021: ₹ 10) each	143.07	13.01
	143.07	**13.01**

17.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2022 No. of shares	As at 31 March 2022 Rs	As at 31 March 2021 No. of shares	As at 31 March 2021 Rs
At the beginning of the year	13,00,585	13.01	13,00,585	13.01
Add: Shares issued during the year				
- Additonal shares issued on account of share split in the	52,02,340	-	-	-
- Bonus share issued during the year	6,50,29,250	130.06	-	-
At the end of the year				
	7,15,32,175	**143.07**	**13,00,585**	**13.01**

17.2 Terms/rights attached to equity shares

The Holding 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 Group, the equity shareholders will be entitled to be repaid remaining assets of the Group, after distribution of all preferential amounts, in the ratio of the amount of capital paid on such equity shares. However, no such preferential amounts existed until 02 October 2019.

On 03 October 2019, the Holding Company executed a shareholders' agreement ("the Agreement") with its existing shareholders (Mr. Sandeep Jain and Mr. Sanjeev Jain) and Ruby QC Investments Pte. Limited ("the Investor") wherein 125,585 fully paid equity shares were issued by the Holding Company and 70,642 equity shares were transferred by the said shareholders directly to the Investor for a total consideration of ₹ 5,000 millions giving the Investors 15.09% stake in the Group.

As per the Agreement, in the event of liquidation of the Group, the equity shares held by the Investor will have preferential right on the liquidation proceeds so available to the Holding Company over other shareholder. Also refer note 20.1.

17.3 Details of shareholders holding more than 5% shares in the holding company*

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% Holding	No. of shares	% Holding
Sanjeev Jain#	**3,03,46,470**	**42.42**	**5,52,054**	**42.45**
Sandeep Jain#	**3,03,64,345**	**42.45**	**5,52,179**	**42.46**
Ruby QC Investment Holding Pte Ltd.	**1,07,92,485**	**15.09**	**1,96,227**	**15.09**

 # promoters of the Holding Company. There has been no change in the shareHolding ratio of the promoters. Further, the change in shares held is due to split and bonus issue in the current year.
**As per records of the Holding 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.*

17.4 No shares, except below 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.

Particulars	No of shares
Shares issued as bonus shares in 2021-22	**6,50,29,250**
Additonal shares issued on account of share split	**52,02,340**

17.5 No shares have been reserved for issue under options. The Holding Company vide board resolution dated 16 March 2022 and shareholder resolution dated 31 March 2022 has approved the Employee Stock Option Scheme 2022. The Holding Company is in the finalisation of the number of options which needs to be granted to the employees of the Holding Company. Pending the number of options granted, no adjustment has been recorded in these consolidated financial statements.

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Particulars	As at 31 March 2022	As at 31 March 2021
18. OTHER EQUITY		
(a) Capital reserve on consolidation		
Balance as at the beginning of the year	1,029.98	22.03
Add: Addition during the year (refer note 38)	-	1,007.95
Balance as at the end of the year	**1,029.98**	**1,029.98**
(b) Securities premium		
Balance as at the beginning of the year	1,282.91	1,282.91
Less: shares issued during the year	(11.25)	-
Balance as at the end of the year	**1,271.66**	**1,282.91**
(c) Retained earnings		
Balance as at the beginning of the year	8,323.81	7,707.27
Add: (loss)/ profit for the year	(2,525.36)	1,227.06
Add: other comprehensive income, net of tax		
Re-measurement (losses) on defined benefit plan	(0.84)	(0.63)
Add: transactions with holders of NCI (refer note 38)	(102.51)	(609.89)
Less: shares issued during the year	(118.81)	-
Balance as at the end of the year	**5,576.29**	**8,323.81**
(d) Put option reserve		
Balance as at the beginning/ end of the year	**(1,801.24)**	**(1,801.24)**
	6,076.69	**8,835.46**

Nature of reserves

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

1. Capital reserve on consolidation

The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve on consolidation. The reserve is not available for distribution.

2. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

3. Retained earnings

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

4. Put option reserve

Refer note 20.1 for details.

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Particulars	As at 31 March 2022	As at 31 March 2021
19. BORROWINGS		
Secured		
Term loans from banks (refer note 19.1 below)	200.00	98.53
Unsecured		
Loan from others (refer note 19.2 below)	-	11.61
	200.00	**110.14**
Less: shown in current maturities of long-term borrowings (refer note 23)	(66.67)	(98.53)
	133.33	**11.61**

19.1 TERM LOANS - SECURED - FROM BANK

	Amount outstanding	
	As at 31 March 2022	**As at 31 March 2021**
a) Term loan-1 taken from HDFC Bank Limited (by Pure & Cure Healthcare Private Limited)	-	98.53

Carries an interest rate equivalent to MCLR plus 0.70% (i.e. 8.40% p.a. in current year and 9.20% p.a. in previous year), are secured by way of mortgage/hypothecation (pari passu) on immovable assets of Haridwar unit (Plant 6) and movable assets of the Group company, both present and future. The loan is repayable in quarterly installments of ₹ 49.31 millions each till September 2021; starting from June 2019). The loan has been repaid in the current year.

b) Term loan - 2 taken from HDFC Bank Limited (by Pure & Cure Healthcare Private Limited)	**200.00**	**-**

carries an interest rate of 5% p.a. linked with 3 months T-Bill are secured by way of mortgage/ hypothecation (pari passu) on immovable assets of Haridwar unit and movable assets of the Group company,both present and future. The loan is repayable in quarterly installments of Rs 16.67 millions each till March 2025; starting from June 2022).

19.2 Unsecured loans from others represents loan taken from directors of Ziven Lifesciences Limited (Subsidiary of Akums Lifesciences Limited). The loan carried an interest rate of 9.25% p.a. (31 March 2021: 9.25% p.a.). The loan has been adjusted in the current financial year.

19.3 Refer note 44 for assets pledged as security.

19.4 Refer note 48 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.

19.5 The Group has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

20. OTHER FINANCIAL LIABILITIES		
Put option liability (refer notes 20.1 below and note 48)	10,515.74	5,574.00
Security deposit received:		
from customers	113.40	94.96
from contractors and suppliers	15.74	12.64
Others (refer note 20.2 below)	-	408.83
	10,644.88	**6,090.43**

Note

20.1 Pursuant to the Agreement described in note 17, the Investor has a right to exercise an option (put option) after 54 months from 3 October 2019 to require the Holding Company to buyback its equity shares at fair market value at the date of exercise of the put option, in case the Holding Company is not able to give exit to the Investor through an 'initial public offer' or a secondary sale to a third party. The put option is considered to be contractual obligation of the Holding Company to deliver cash and accordingly the entire amount of ₹ 5,000.00 millions paid by the Investor has been recognised as a financial liability at fair value in accordance with Ind AS 109 - Financial instruments and presented above as "put option liability.

The put option liability represents the fair value of the contractual obligation of the Holding Company and includes amounts payable in respect of shares transferred directly from the said shareholders to the Investor amounting to ₹ 1,799.99 millions and the face value of the equity shares directly issued to the Investor by the Holding Company amounting to ₹ 1.26 millions with a corresponding adjustment of ₹ 1,801.24 millions to "other equity" as a "put option reserve". Further, the increase in the put option liability on its subsequent re-measurement at fair value at the balance sheet date amounting to ₹ 494.17 millions (31 March 2021: ₹ 538.22 millions) is disclosed seperately in the consolidated statement of profit and loss.

20.2 Represents the portion of financial creditors which is to be paid by the Group subsequent to 31 March 2022, pursuant to the resolution plan approved for Akums Lifesciences Limited.

Particulars	As at 31 March 2022	As at 31 March 2021
21. PROVISIONS		
Provision for employee benefits		
Gratuity (refer note 43)	172.92	143.44
Compensated absences	66.40	61.00
	239.32	**204.44**
22. DEFERRED TAX LIABILITIES (NET)		
In accordance with Ind AS 12 "Income Tax", the Group has accounted for deferred taxes. The major component of deferred tax liabilities / assets are as under:		
Deferred tax liabilities comprises of:		
Temporary difference of book and tax depreciation	552.27	654.27
Right to recover products from customer	10.45	9.86
	562.72	664.13
Deferred tax assets comprises of:		
Temporary difference of book and tax depreciation	1.38	1.01
Items that are tax deductible on payment basis	76.44	88.65
Carried forward business losses	67.40	46.18
Refund liability	101.02	90.65
Lease liabilities	5.99	5.52
Provision for dimunition in value of investment	-	25.17
Provision for expected credit loss	11.06	35.98
Provision for sales tax	44.10	61.23
MAT credit entitlement	50.88	44.06
	358.27	398.45
Deferred tax liabilities (net)	**204.45**	**265.68**
Deferred tax assets	188.53	147.01
Deferred tax liabliities	392.98	412.69

Notes:
1. Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. The deferred tax assets has been created only where it is reasonably certain that there will be sufficient taxable income against which such deferred tax assets can be utilised.
2. Refer note 49 for details.

Particulars	As at 31 March 2022	As at 31 March 2021
23. BORROWINGS		
Secured		
Loan repayable on demand (from banks)		
Working capital loan from bank (refer note 23.1 to 23.5 below)	3,374.37	860.50
Current maturities of long-term borrowings (refer note 19)	66.67	98.53
	3,441.04	**959.03**

Notes:

23.1 Nature of security and repayment terms of the above borrowings are as below:	**Amount outstanding**	
	As at 31 March 2022	**As at 31 March 2021**
(a) Working capital loan from Citi Bank Limited (by Maxcure Nutravedics Limited)	**429.36**	**100.00**
Working capital loan taken from CITI Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and immovable assets and carries an interest rate in the range of 4.00% to 4.20% p.a. (6.25% p.a. in previous year)and is repayable after minimum 7 days to maximum 180 days		
(b) Working capital loan from State Bank of India (by Akums Drugs and Pharmaceuticals Limited)	**471.53**	**224.94**
Cash Credit facility received from State Bank of India has been secured by Company's all current assets (present and future) at Company's head office and hypothecation of stocks, book debts and fixed & movable assets of the unit I, II & III; equitable mortgage by deposit of title deeds in respect of land at Haridwar of the unit I ,II & III and personal guarantee of directors of the Company. The loan is repayable on demand and carries an interest rate in the range of 8.85% p.a.(previous year 7.85% to 9.00% p.a.)		
(c) Working capital loan from ICICI Bank (by Amazing Research Laboratories Limited)	**98.49**	-
WCDL facility from ICICI bank was secured by exclusive charge on all moveable fixed assets & Current assets and corporate guarantee from Akums Drugs and Pharmaceuticals Ltd (Holding company) and carries an interest rate of 7.5% p.a.		
(d) Working capital loan from Standard Chartered Bank (by Akums Drugs and Pharmaceuticals Limited)	**-**	**0.10**
Cash credit facility from Standard Chartered Bank is secured by Hypothecation/ mortgage of stocks, book debts and fixed and movable assets of unit IV & V; equitable mortgage by deposit of title deeds in respect of land at Haridwar and personal guarantee of directors. The loan is repayable on demand and carries an interest rate in the range of 7.20% to 9.20% p.a.(previous year 8.40% to 10.75% p.a.).		
(e) Cash Credit from IDFC Bank Limited (by Maxcure Nutravedics Limited)	**0.17**	**-**
Cash credit facility taken from IDFC Bank Limited is secured by hypothecation(pari passu) of stocks,current assets and mortgaged of movable assets and immovable assets and carries an interest rate of 9.5% p.a. (9.5% p.a. in previous year)		
(f) Cash Credit from Citi Bank Ltd (by Maxcure Nutravedics Limited)	**24.99**	**-**
Cash credit facility taken from CITI Bank Limited is secured by hypothecation (pari passu) of stocks,current assets and mortgaged of movable and immovable assets and carries an interest rate in the range of 7.20% to 9.20% p.a. (8.05% to 10.15% p.a. in previous year)		

Particulars	As at 31 March 2022	As at 31 March 2021
(g) Cash credit from Yes Bank (by Malik Lifesciences Private Limited) Cash credit facility taken from Yes Bank Limited is secured by hypothecation (pari passu) of stocks,current assets and mortgaged of movable assets and carries an interest rate in the range of 7.20% p.a. to 7.30% p.a. (8.05% to 10.35%% p.a. in previous year)	**1.18**	**-**
(h) Cash Credit facility from HDFC Bank Limited (by Pure and Cure Healthcare Private Limited) Cash credit facility taken from HDFC Bank Limited is secured by hypothecation (pari passu) of stocks, current assets and mortgaged of movable assets and carries an interest rate in the range of 8.50% p.a. to 8.60% p.a. (8.60% to 10.0% p.a. in previous year)	**-**	**243.24**
(i) Cash Credit facility from HDFC Bank Limited (by Malik Lifesciences Private Limited) Cash credit from HDFC Bank secured by hypothecation (first pari-passu charge) of current assets and mortgage of and movable fixed assets of Malik LIfesciences Private Limited and carries an interest rate in the range of 8.60% to 10% p.a. (8.35% to 9.15%% p.a. in previous year).	**-**	**145.99**
(j) Working capital loan from Yes bank Limited (by Amazing Research Laboratories Limited) Overdraft facility from Yes Bank was secured by exclusive charge on all current & moveable fixed assets and unconditional & irrevocable corporate guarantee from Akums Drugs & Pharmaceuticals Ltd (Holding company) and carries an interest rate of 7.7% p.a.	**100.00**	**21.33**
(k) Working Capital Loan from HDFC Bank Limited (by Plenteous Pharmaceuticals Limited) Working Capital Loan taken from HDFC Bank Limited is secured by hypothecation(pari passu) of current assets, movable fixed assets, immovable fixed asssets and carrries an interest rate in the range of 4.25% p.a.to 4.50% p.a. (previous year : nil) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	**1,363.84**	**44.73**
(l) Working capital loan from Yes bank Limited (by Delcure Lifesciences Limited) Secured by way of hypothecation /mortgage of stocks , book debts, fixed/movable assets of the Delcure Lifesciences Limited. The loan is repayable in next one year and carries rate of interest of 11.30% to 11.55 % (11.30% to 11.55 % in the previous year)	**-**	**34.85**
(m) Working capital loan from Yes Bank Limited (by May and Baker Pharmaceuticals Limited) Cash Credit facility received from Yes Bank of India has been Secured by exclusive charge on all current assets and movable fixed assets(both current and future) and corporate guarantee of Holding Company. The loan is repayable on demand and carries an interest rate in the range of 8.50% to 9.00% p.a.(previous year 8.90% to 9.25% p.a.)	**884.81**	**43.23**
(n) Overdraft facility from Punjab National Bank (by Akums Drugs and Pharmaceuticals Limited) The bank overdrafts are secured against Fixed Deposit. The loan is repayable on demand and carries an interest rate in the range of 7.25% to 9% p.a.	**-**	**2.11**
	3,374.37	**860.52**

23.2 Refer note 44 for assets pledged as security

23.3 Refer note 48 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.

23.4 The above loans have been utilised as per the purpose for these loans were sanctioned

23.5 The group has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and breaches in the financial covenants of any interest-bearing loans and borrowing doesn't have any financial impact on the terms of repayment of classification.

Particulars	As at 31 March 2022	As at 31 March 2021
24. TRADE PAYABLES		
Total outstanding dues of micro and small enterprises (refer note 48 and 53); and	331.87	330.56
Total outstanding dues of creditors other than micro and small enterprises (refer note 48)	5,566.36	3,083.58
	5,898.23	**3,414.14**
Trade payables to related parties (refer note 45)	**0.01**	**8.91**
25. OTHER FINANCIAL LIABILITIES		
Interest accrued but not due on long-term borrowings	2.91	4.16
Employee payables	333.35	254.04
Book overdraft	48.12	16.62
Payable towards property, plant and equipment	80.23	52.16
Others (refer note below)	241.08	100.51
	705.69	**427.49**

Note:
Includes amount of ₹ 213.88 millions (31 March 2021: ₹ 72.15 millions) related to financial creditors which is to be paid by the Group prior to 31 March 2023.

Particulars	As at 31 March 2022	As at 31 March 2021
26. OTHER CURRENT LIABILITIES		
Advance from customers	1,450.50	173.89
Statutory dues payable	95.26	81.07
Others	-	8.71
	1,545.76	**263.67**
27. PROVISIONS		
Provision for employee benefits		
Gratuity (refer note 43)	12.07	10.76
Compensated absences	18.45	16.09
Provision for sales tax (refer notes 40 (i))	175.23	175.23
Refund liability (refer note 27.2 below)	383.49	364.08
	589.24	**566.16**

Notes:

Particulars	As at 31 March 2022	As at 31 March 2021
27.1 CHANGES IN PROVISION FOR SALES TAX IN ACCORDANCE WITH IND AS - 37		
Balance as at beginning / end of the year	**175.23**	**175.23**
27.2 CHANGES IN REFUND LIABILITY IN ACCORDANCE WITH IND AS - 37		
Refund liability is accounted for by recording a provision based on the Company's estimate of expected sales return. Movement in the provision for refund liability is as below:		
Balance as at beginning of the year	**364.08**	**420.41**
Less: provision made/(written back) during the year (net)	19.41	(56.33)
Balance as at end of the year	**383.49**	**364.08**
28. CURRENT TAX LIABILITIES (NET)		
Provision for taxes (net of advance taxes paid)	478.00	118.59
	478.00	**118.59**

Particulars	As at 31 March 2022	As at 31 March 2021
29. REVENUE FROM OPERATIONS		
Sale of products		
- manufactured	30,927.69	22,157.79
- traded goods	4,888.27	4,226.20
	35,815.96	**26,383.99**
Other operating revenues		
Job work income	652.38	521.33
Testing and other charges	140.83	231.43
Scrap sales	163.76	89.54
	36,772.93	**27,226.29**

Refer Note 46 in respect of disclosures under Ind AS 115 - Revenue from contracts with customers.

Particulars	As at 31 March 2022	As at 31 March 2021
30. OTHER INCOME		
Interest income on items at amortised cost:		
- term deposits	35.11	49.67
- loan to associate	8.85	10.37
- others	2.35	1.40
Gain on sale of current investments	-	0.77
Liabilities no longer required, written back	21.00	32.16
Subsidy income	29.58	43.35
Gain on disposal of property, plant and equipment (net)	10.22	12.83
Gain on foreign currency transactions and translations	31.20	47.36
Gain on reassessment or termination of right-of-use assets	10.55	-
Reversal of expected credit loss of trade receivables	11.39	-
Royalty income	3.71	1.22
Miscellaneous income	8.34	12.43
	172.30	**211.56**

Particulars	As at 31 March 2022	As at 31 March 2021
31. CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening stock		
Finished goods	974.85	380.21
Work-in-progress	342.66	493.06
Stock-in-trade	588.75	719.44
(A)	**1,906.26**	**1,592.71**
Less: Closing stock		
Finished goods	1,600.08	974.85
Work-in-progress	670.36	342.66
Stock-in-trade	722.97	588.75
(B)	**2,993.41**	**1,906.26**
Movement in right to recover products from customer **(C)**	(2.33)	8.89
Change in inventories of finished goods, stock-in-trade and work-in-progress (A-B+C)	**(1,089.48)**	**(304.66)**

Particulars	As at 31 March 2022	As at 31 March 2021
32. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	4,676.02	3,946.59
Contributions to provident and other funds (refer note 43)	168.55	151.31
Staff welfare expenses	132.02	111.02
	4,976.59	**4,208.92**

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Particulars	As at 31 March 2022	As at 31 March 2021
33. OTHER EXPENSES		
Consumption of stores and spare parts	327.74	306.98
Power and fuel	1,102.17	765.45
Rent (refer note 56)	26.48	37.63
Repairs and maintenance		
Plant and equipments	302.98	185.28
Buildings	70.75	34.74
Others	320.80	213.77
Insurance	37.33	22.48
Rates and taxes	31.91	40.10
Travelling and conveyance	342.09	235.80
Legal and professional expenses	186.14	172.39
Payment to auditors (refer note 42)	10.10	9.80
Bad debts	67.74	52.83
Provision for allowances for expected credit losses	132.27	87.11
Freight and cartage - outward	142.11	74.50
Business promotion	546.15	401.28
Loss on sale of property, plant and equipment	30.88	6.87
Selling and distribution expense	82.64	239.91
Loss on foreign currency transactions and translations	4.74	-
Corporate social responsibility expense (refer note 47)	21.62	39.01
Miscellaneous	480.56	270.68
	4,267.20	**3,196.61**
34. FINANCE COSTS		
Interest on:		
- term loans taken from banks	3.04	28.95
- short-term borrowings from banks	81.42	8.01
- security deposit from customers and suppliers	1.47	2.34
- income-tax	47.77	7.33
Interest on lease liability	29.68	17.25
Other borrowing costs	3.17	3.56
	166.55	**67.44**
35. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipment	839.78	600.08
Amortisation on right-of-use assets (refer note 56)	77.15	57.24
Amortisation of intangible assets	29.86	41.09
	946.79	**698.41**

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Particulars	Year ended 31 March 2022	Year ended 31 March 2021
36. EARNINGS PER EQUITY SHARE (EPS)		
(Loss)/ profit attributable to equity shareholders (₹)	(2,508.74)	1,234.35
Total number of equity shares outstanding at the end of the year*	71.53	71.53
Weighted average number of equity shares in calculating basic and diluted EPS*	71.53	71.53
Nominal value per share (₹)	2.00	2.00
Basic and Diluted EPS (Rs.)	**(35.07)**	**17.26**

** The number of shares outstanding have been adjusted retrospectively to give impact of the issuance of bonus shares and stock split in accordance with Ind AS 33 - Earnings per share.*

37. THE FOLLOWING ENTITIES ARE CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS:

Name of entity	Principal place of business of investee	Shareholding as at 31 March 2022	Shareholding as at 31 March 2021
(i) Subsidiaries			
Abbott Pharma Limited (till 23 March 2022) #	India	-	100.00%
Akumentis Healthcare Limited	India	91.50%	91.50%
Akums Lifesciences Limited (w.e.f. 12 Jan 2021)	India	100.00%	100.00%
Akums Healthcare Limited (w.e.f. 29 Dec 2020)	India	100.00%	100.00%
Amazing Research Laboratories Limited	India	100.00%	100.00%
AVHA Lifesciences Private Limited	India	100.00%	100.00%
Delcure Lifesciences Limited	India	100.00%	100.00%
Maxcure Nutravedics Limited	India	100.00%	100.00%
Malik Lifesciences Private Limited	India	100.00%	100.00%
May and Baker Pharmaceuticals Limited	India	100.00%	100.00%
Nicholas Healthcare Limited	India	100.00%	100.00%
Plenteous Pharmaceuticals Limited	India	100.00%	100.00%
Pure and Cure Healthcare Private Limited	India	100.00%	100.00%
Sarvagunaushdhi Private Limited	India	100.00%	100.00%
Unosource Pharma Limited	India	99.89%	99.89%
Akum Impex LLP	India	99.98%	99.98%
Upadhrish Reserchem LLP	India	99.93%	99.93%
Burroughs Welcome Pharmacia Pvt Limited (w.e.f. 30 Sep 2021)	India	100.00%	-
Step down subsidiary of the Company			
Medibox Digital Solutions Private Limited*	India	100.00%	83.91%
Dhanwantri Vedaresearch LLP	India	90.00%	90.00%
Cure Sure Pharma (Partnership firm)**	India	-	91.50%
Ziven Lifesciences Limited	India	100.00%	100.00%
Parabolic Research Labs Limited	India	100.00%	100.00%
(ii) Associate			
AUSL Pharma	India	40.00%	40.00%

 # the Holding Company during the current year has disposed off its investment in Abbott Pharma Limited vide board resolution dated 16 March 2022
** includes 40% (31 March 2021 : 23.91%) directly held by the Holding company. ** dissolved as on 31 March 2022*

38 ACQUISITIONS AND DISPOSALS

Acquisitions done during 2021-22

A Business combination

During the year, the Holding Company has acquired additional interest wherein control already existed as on the date of acquisition for a consideration of ₹ 110.02 millions. Following is a schedule of additional interest acquired.

Cash consideration paid to non-controlling shareholders	
Medibox Digital Solutions Private Limited	**0.62**
Akums Lifesciences Limited	**109.40**
	110.02
Carrying value of the additional interest as on acquisition date	
Medibox Digital Solutions Private Limited	**2.51**
Akums Lifesciences Limited*	**5.00**
Carrying value of additional interest	**7.51**
Difference recognised with in other equity (in accordance with Ind AS 110 - Consolidated Financial Statements)	**102.51**

** held through share application money by other stakeholder in Akums Lifesciences Limited*

ACQUISITIONS DONE DURING 2020-21

B Business combination

(i) On 12 January 2021, Akums Drugs and Pharmaceuticals Limited, the Holding Company acquired Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) pursuant to a Corporate Insolvency Resolution process implemented under the Insolvency and Bankruptcy Code, 2016. Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

	Fair value as on the acquisition date
Non-current assets	
Property, plant and equipment and intangible assets	**2,038.39**
Long-term Investments	**1.42**
Current assets	
Cash and cash equivalents	**5.11**
Other current assets	**67.02**
Total assets (a)	**2,111.94**
Current liabilities	
Other financial liabilities	**1,066.33**
Other current liabilities	**37.66**
Total liabilities (b)	**1,103.99**
Fair value of identifiable net assets (c=a-b)	**1,007.95**
Consideration paid for the stake acquired (d)	-
Capital reserve (c-d)	**1,007.95**

From the date of acquisition i.e. 12 Jan 2021 till the end of FY 20-21, Akums Lifesciences Limited had contributed ₹ 6.72 millions to revenue from operations and a loss of ₹ 37.52 millions to consolidated profit before tax on a pre-consolidation adjustments basis. Pursuant to such acquisition, the existing shares of Akums Lifesciences Limited had been extinguished along with other payables to the shareholders.

(ii) Acquisition of additional interest

During the financial year ended 31 March 2021, the Holding Company has acquired additional interest wherein control already existed as on the date of acquisition for a consideration of ₹ 605.00 millions. Following is a schedule of additional interest acquired.

Cash consideration paid to non-controlling shareholders

Akumentis	**575.00**
Medibox	**30.00**
	605.00

Carrying value of the additional interest as on acquisition date

Akumentis	**4.22**
Medibox	**(9.11)**
Carrying value of additional interest	**(4.89)**
Difference recognised with in other equity (in accordance with Ind AS 110 - Consolidated Financial Statements)	**609.89**

39. SUMMARISED FINANCIAL INFORMATION FOR ASSOCIATE

I AUSL Pharma

The Holding Company holds 40% (Previous year - 40%) interest in AUSL Pharma which is engaged in trading of pharmaceutical formulations. The Group's interest in AUSL Pharma is accounted for using the equity method in the consolidated financial statements. Following table shows the summarised financial information of the associate:

a) Summarised Balance sheet

Particulars	As at 31 March 2022	As at 31 March 2021
32. EMPLOYEE BENEFITS EXPENSE		
Current assets	240.58	331.01
Non-current assets	3.49	0.88
Current liabilities	(235.40)	(322.20)
Non-current liabilities	-	(0.01)
Equity	8.67	9.68
Group ownership	0.40	0.40
Equity proportion of the Group ownership*	2.43	3.87
Less: bargain purchase	-	-
Carrying amount of the investment	**2.43**	**3.87**

(net of withdrawal made during the year)

b) Summarised statement of profit and loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from sale of products	862.81	883.43
Profit for the year	5.07	8.68
Total Comprehensive Income	5.07	-
Income for the year	5.07	8.68
Group %	40.00%	40.00%
Group's share of profit/(loss) for the year from the date of acquisition	**2.03**	**3.47**
Add: opening carrying amount of investment amount	3.87	5.64
Add: capital contribution	-	-
Less: profit withdrawn during the year	(3.47)	(5.24)
Carrying amount of the investment	**2.43**	**3.87**

40. CONTINGENT LIABILITIES AND LITIGATIONS

(i) Demand raised by sales tax (refer note (a) below)	166.69	150.19
(ii) Income-tax matters (refer note (b) below)	757.47	23.01
(iii) Product pricing related matters (refer note (c) below)	44.26	44.26
(iv) Liabilities under export scheme (refer note (d) below)	150.19	4.28
(v) Others (refer note (e) and (g) below)	2.35	3.15

(a) Pursuant to the Industrial Promotion Policy, 2003, which amongst other benefits, provided a concessional central sales tax (CST) @1% to new industries set up in the state of Uttarakhand, the Holding Company commenced manufacturing at its factory units at Haridwar. Until 30 June 2013, the unit I of the Holding Company availed concessional CST of 1% in terms of the relevant notifications of the sales tax department. However, during FY 2012-13, the sales tax department, after making provisional assessment for period 1 April 2011 to 31 December 2012, issued a notice to the Holding Company disallowing the concessional CST of 1% due to non-fulfillment of certain conditions as stipulated in the said notification and raised a demand amounting to ₹ 88.78 millions for differential CST @1%.

The Holding Company contested the aforementioned assessment order before the Joint Commissioner (Appeals), Dehradun, Uttarakhand and the Commercial Tax Tribunal, Uttarakhand. As no relief was granted to the Company in the aforesaid proceedings, the Holding Company filed an appeal before the Hon'ble High Court, Uttarakhand on 19 August 2013, which admitted the appeal and granted a stay against the demands for the period from April 2010 to June 2013 raised by the sales-tax department, till the final order by the High Court.

Further, the sales tax department made final assessments from 1 April 2010 to 31 March 2014 raising a demand of ₹ 160.62 millions (excluding interest demanded at the rate of 15% per annum), which have been contested by the Holding Company and have been presently stayed by the Hon'ble High Court, Uttrakhand. The Holding Company has deposited ₹ 51.31 millions under protest against the said demands.

The Holding Company, as a matter of prudence, has provided an amount of ₹ 175.23 millions (including interest of Rs. 28.32 millions) for the period March 2010 to March 2013. The management has classified the balance demand of ₹ 13.70 millions and also interest of ₹ 152.99 millions (calculated at 15% per annum for the period 01 April 2013 to 31 March 2022) as a contingent liability.

Based on the assessments by the management, consideration of merits of the case and external legal advice, the Holding Company believes that there is a fair chance of winning the case. Accordingly, no further provisions, if any, are considered necessary to be recorded in these financial statements.

(b) (i) Assessment for certain previous years (AY 2017-18 and AY 2018-19) is open and department has raised demands of ₹ 17.70 millions (31 March 2021: ₹ 17.70 millions). The matter is pending at CIT level and based on the assessments by the management, consideration of merits of the case and external legal advice, the Holding Company believes that there is a fair chance of winning the case. Accordingly, no further provisions, if any, are considered necessary to be recorded in these consolidated financial statements.

(ii) During the year, for the A.Y. 2018-19 a demand of 0.20 millions was raised upon one of the Group company by way of intimation under section 143(1) of Income Tax Act on account of disallowance of expenditure u/s 36(1)(va) in respect of credit towards provident fund, against which an appeal has been filed by the Group compny before the Commissioner of Income Tax (Appeals), New Delhi. Based on the discussion with the advocate, the Group company believes that there is a fair chance of favorable decision in this case. Therefore, no provision is considered necessary against the same.

(iii) During the year, for the A.Y. 2018-19 a demand of ₹ 5.11 millions was raised upon one of the Group company by way of intimation under section 143(2) of Income Tax Act on account by reducing the amount of deduction claimed u/s 80IC for the income arise from the operations of Haridwar unit, against which an appeal has been filed by the Group company before the Commissioner of Income Tax (Appeals), New Delhi. Based on the discussion with the advocate, the Group company believes that there is a fair chance of favorable decision in this case. Therefore, no provision is considered necessary against the same.

(iv) During the current year, one of the Group company has received a demand of Rs. 734.44 million vide assessment order passed under section 144 of the Income tax act, 1961 for the AY 2017-18. The Group company has contested against the order and has filed a writ petition contesting the demand. The petition is pending at Hon'ble High Court of Chandigarh which has granted a stay subsequent to balance sheet date.

Considering the demand raised pertains to period prior to acquisition and all the statutory liabilities have been given effect in the NCLT order passed on 12 January 2021, the said demand is considered to be non-tenable and hence no provision has been accounted for in the books of accounts.

(c) One of the Group company is involved in a legal suit in respect of pricing on product with Drug Price Control Orders (u/s 3 of the Essential Commodities Act, 1955). The Group company believes that there is a fair chance of favourable decision in this matter and accordingly, no provision has been considered necessary at these stage.

(d) Upto the end of the year, one of the Group company had saved ₹ 4.28 millions as custom duty payable on import purchase of capital goods under the Export Promotion Capital Goods ("EPCG") scheme of the Government of India. The Group company has undertaken an export obligation of ₹ 25.69 millions against import of capital goods by paying concessional rate of custom duty under EPCG scheme. If the Group company is unable to meet this export obligation within six years from issue of authorization letters, i.e., on or before 11 February 2022, the Group company will be liable to deposit the duty saved amount along with interest for the period. The Group company have already fulfilled its export obligation under EPCG scheme. However, it is in the process of obtaining discharge certificate of its obligation under EPCG scheme.

(e) Legal suit filed against the one of the Group company for the defect in the material supplied. The amount of claim filed amounts to ₹ 2.02 millions (31 March 2021: ₹ 2.82 millions). However, based on discussions with the solicitors, the Management believes that the Group company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

(f) As per the approved Resolution Plan of one of the Group company (Akums Lifesciences Limited), contingent liabilities (which have / are capable of being crystallized) prior to January 12, 2021 (Effective Date) stand extinguished.

Furthermore, the Resolution Plan, among other matters, provides that except to the extent of the amount payable to the relevant Financial Creditors, Operational Creditors and other dues in accordance with the Resolution Plan, all liabilities of the Group company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Financial Creditors, Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Financial Creditors, Operational Creditors (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Group company also stands extinguished.

Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Group company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Financial Creditors, Operational Creditors (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Group company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Financial Creditors, Operational Creditors of the Group (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Group company (including but not limited to, in relation to any past breaches by the Group company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

(g) One of the vendor has filed a legal suit against the Holding Company in respect of unpaid amount for the material supplied to the Holding Company. The amount of claim filed amounts to ₹ 0.33 millions (31 March 2021: ₹ 0.33 millions). However, based on discussions with the solicitors, the management believes that the Holding Company has a likely chance of a favorable outcome and accordingly no provision, if any, has been considered necessary to be recorded in the books of accounts.

(h) Pursuant to judgement by the Hon'ble Supreme Court of India dated 28 February, 2019, it was held that basic wages, for the purpose of provident fund, should include certain allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. The Group based on discussion with internal counsel, believes that the ruling would be applicable prospectively and accordingly the management has not provided for liability arising, if any for the past periods. Further, the management believes that it is compliant, in all material aspects, with all the relevant statutory requirement for the current year. Accordingly, the Group believes that this matter will not have any material adverse impact on the financial position of the Group.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
41. CAPITAL AND OTHER COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	654.28	173.29
42. PAYMENT TO AUDITORS		
as auditors	9.54	9.32
for reimbursement of expenses	0.56	0.48
	10.10	**9.80**
43. EMPLOYEES BENEFITS		
A. Defined contribution plan		
The amount recognised as expense towards contribution to defined contribution plans for the year is as below:		
(a) Group's contribution to provident fund	149.84	136.97
(b) Group's contribution to Employees' State Insurance Scheme	18.71	14.34
	168.55	**151.31**
B. Defined benefit plan - Gratuity		
Non-current	172.92	143.44
Current	12.07	10.76
	184.99	**154.20**
(i) Changes in the present value of defined benefit obligation recognised in the consolidated balance sheet		
Present value of the obligation as at the beginning of the year	154.20	137.19
Interest cost	10.49	8.49
Service cost	38.23	34.72
Benefits paid	(19.62)	(27.75)
Actuarial loss	1.69	1.55
Present value of the obligation as at end of the year	**184.99**	**154.20**
(ii) Expense recognised in the consolidated statement of profit and loss consists of:		
Service cost	38.23	34.72
Interest cost	10.49	8.49
Net impact on consolidated profit before tax	**48.72**	**43.21**
Actuarial (loss) recognised during the year	1.69	1.55
Amount recognised in total comprehensive income	**50.41**	**44.76**
(iii) Breakup of actuarial gain/(loss):		
Actuarial gain/(loss) from change in demographic assumption	-	-
Actuarial gain/(loss) from change in financial assumption	(3.26)	-
Actuarial gain/(loss) from experience adjustment	4.95	1.55
Total actuarial gain/(loss)	**1.69**	**1.55**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(iv) 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 has not been given.		
(v) Actuarial assumptions		
Discount rate (per annum)	6.79%	7.18%
Future salary increase (per annum)	5.50%	5.50%
Withdrawal rate		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Average future service (in years)	23.40 years	24.74 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.

(vi) Sensitivity analysis for gratuity liability

Impact of change in discount rate		
Present value of obligation at the end of the year	184.99	154.20
- Impact due to increase of 0.5 %	(1.55)	(31.17)
- Impact due to decrease of 0.5 %	10.04	39.02
Impact of change in salary increase		
Present value of obligation at the end of the year	184.99	154.20
- Impact due to increase of 0.5 %	2.38	35.53
- Impact due to decrease of 0.5 %	(9.18)	(33.23)

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 consolidated balance sheet.

Maturity profile of defined benefit obligation		
Within next 12 months	22.53	10.76
Between 1-5 years	63.64	37.17
Beyond 5 years	150.43	106.27

(vii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 53.71 millions as at 31 March 2022 (31 March 2021 : ₹ 43.99 millions).

Particulars	Year ended 31 March 2022	Year ended 31 March 2021

(viii) Other long-term employee benefits
An amount of ₹ 25.72 millions [31 March 2021 : ₹ 32.73 millions] pertains to expense towards compensated absences.

44. ASSETS PLEDGED AS SECURITY (REFER NOTES 19 AND 23)

Current		
Inventories	6,698.70	3,411.99
Cash and cash equivalents	257.94	-
Other bank balances	79.42	127.61
Loans	55.00	80.00
Other financial assets	169.32	242.77
Other current assets	697.08	248.25
Trade receivables*	8,843.12	5,313.99
Total current assets pledged as security	**16,800.58**	**9,424.61**
Non-current		
Property, plant and equipment	8,642.43	5,565.15
Capital work-in-progress	5.17	-
Total non-current assets pledged as security	**8,647.60**	**5,565.15**
Total assets pledged as security	**25,448.18**	**14,989.76**

**Total trade receivables pledged at individual company level, amounts to ₹ 10,852.70 millions (Previous year: ₹ 6,180.22 millions) but due to inter company eliminations, total receivables amounts to ₹ 8,843.12 millions (Previous year: ₹ 5,313.99 millions) and hence complete amount is shown as pledged.*

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45. RELATED PARTY DISCLOSURES

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

I. Relationships

(a) Where control exists

Mr Sandeep Jain and Mr Sanjeev Jain exercise joint control over the Holding Company.

(b) Associate

AUSL Pharma

(c) Key management personnel (KMP)

Name	Designation
Mr. Sandeep Jain	Whole Time Director
Mr. Sanjeev Jain	Whole Time Director
Mr. Basant Kumar Singh	Whole Time Director (from 16 March 2022)
Mr. Deepak Gurudas Haldankar	Whole Time Director (till 31 March 2022)
Mr. Nand Lal Kalra	Independent Director
Ms. Neena Vivek	Independent Director
Mr. Kewal Handa	Independent Director (from 16 March 2022)
Ms. Matangi Gowrishankar	Independent Director (from 16 March 2022)
Mr Dharamvir Malik	Company Secretary #
Mr. Sumeet Sood	Chief Financial Officer # (from 14 February 2022)
Mr. Vinod Raheja	Chief Financial Officer # (from 1 July 2020 till 4 January 2022)

as per the Companies Act, 2013

(d) Relatives of KMP*

Mr. Kanishk Jain
Mr. D.C. Jain
Ms. Archana Jain
Ms. Arushi Jain
Ms. Lata Jain

(v) Entities where significant influence is exercised by KMP and/or their relatives*

Akums Health and Education Society
Akums Foundation
Welcure Pharmaceuticals Private Limited

*with whom the transactions have occurred during the year

Particulars	As at 31 March 2022	As at 31 March 2021
II Summary of related party transactions-		
(a) Transactions during the year		
Rent paid		
Mr. D.C Jain	0.56	0.56
Mr. Sandeep Jain	24.41	23.87
Mr.Sanjeev Jain	23.19	22.93
Lata Jain	0.46	0.48
Archana Jain	0.67	0.67
Corporate social responsibility		
Akums Foundation	6.78	-
Akums Heath and Education Society	10.52	-
Professional charges paid		
Mr. D.C Jain	5.67	5.40
Remuneration paid*		
Mr. Kanishk Jain	6.00	5.99
Mr. Sanjeev Jain	33.50	33.18
Mr. Sandeep Jain	33.50	33.18
Mr. Basant Kumar Singh	0.20	-
Mr. Deepak Haldankar	9.65	2.06
Mr. Vinod Raheja	14.14	7.99
Mr. Sumeet Sood	1.66	-
Ms. Arushi Jain	3.50	6.00
Mr. Dharamvir Malik	2.08	2.07
Inter-corporate loan repaid		
AUSL Pharma	25.00	8.50
Interest received		
AUSL Pharma	8.85	10.37
Sales of goods and others		
Akums Heath and Education Society	3.83	0.24
Akums Foundation	0.89	0.01
AUSL Pharma	17.14	53.77
Purchase of goods and others		
AUSL Pharma	18.89	34.14
Expenses incurred on behalf of Company		
AUSL Pharma	0.10	-
Profit share from investment in Partnership firm/ LLP		
AUSL Pharma	2.03	3.47
Director sitting fees		
Mr. Kewal Handa	0.08	-
Mr. Nand Lal Kalra	0.19	0.14
Ms. Neena Vivek	0.18	0.12
Mr. Kanishk Jain	0.00	0.01
Ms. Arushi Jain	0.05	0.10
Mr. Dharamvir Malik	0.05	0.10

Particulars	As at 31 March 2022	As at 31 March 2021
Royalty expense		
Welcure Pharmaceuticals Private Limited	0.12	0.12
(b) Balance outstanding at year end		
Trade receivable		
Akums Health and education society	-	0.09
AUSL Pharma	12.91	-
Akums Foundation	-	0.01
Trade payable		
AUSL Pharma	0.01	8.91
Security deposit		
Sandeep Jain	5.00	5.00
Sanjeev Jain	5.00	5.00
Inter-corporate loan given		
AUSL Pharma	55.00	80.00

Note: Also refer to the note 23.1 which describes borrowings that are secured against the personal guarantee from certain directors.
** excludes the post employment benefits*

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Particulars	Year ended 31 March 2022	Year ended 31 March 2021
46. DISCLOSURE REQUIRED UNDER IND AS 115 - REVENUE FROM CUSTOMERS		
A. Disaggregation of revenue:		
Revenue arises mainly from the sale of manufactured and traded goods.		
Sale of products		
Revenue from sale of goods - manufactured	30,927.69	22,157.79
Revenue from sale of goods - traded goods	4,888.27	4,226.20
Other operating revenue		
Job work	652.38	521.33
Testing and other charges	140.83	231.43
Scrap sales	163.76	89.54
	36,772.93	**27,226.29**
B. Contract balances		
The following table provides information about receivables and contract liabilities from contract with customers:		
Contract liabilities		
Advance received from customers	1,450.50	173.89
Refund liabilities	383.49	364.08
Total contract liabilities	**1,833.99**	**537.97**
Receivables		
Right to recover products from customers	41.52	39.19

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

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

	As at 31 march 2022 CONTRACT LIABILITIES		As at 31 march 2021 CONTRACT LIABILITIES	
Particulars	Advances from customers	Provision for right of return	Advances from customers	Provision for right of return
Opening balance	173.89	364.08	630.11	420.41
Addition during the year	1,450.50	19.41	173.89	(56.33)
Revenue recognised during the year	173.89	-	630.11	-
Closing balance	**1,450.50**	**383.49**	**173.89**	**364.08**

The Group does not have any remaining performance obligation as contracts executed for sale of goods are for a short duration.
There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.
In respect of sales with a right to return, the Group recognises a provision for right of return which is measured based on the Group's estimate of expected sales returns.

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AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
47. CORPORATE SOCIAL RESPONSIBILITY		
Disclosure in respect of corporate social responsibility has been given in each standalone financial statements of the entities included in these consolidated financial statements.		
48. FINANCIAL INSTRUMENTS		
A. Financial instruments by category		
The carrying value of financial instruments by categories were as follows:		
Financial assets carried at amortised cost		
Trade receivables	8,843.12	5,313.99
Cash and cash equivalents	551.39	220.67
Other bank balances	477.08	458.01
Loans	55.00	80.00
Other financial assets	602.04	599.05
Total financial assets	**10,528.63**	**6,671.72**
Financial assets carried at fair value		
Investments	3.86	195.39
Total financial assets	**10,532.49**	**6,867.11**
Financial liabilities carried at amortised cost		
Borrowings	3,574.37	970.64
Trade payables	5,898.23	3,414.14
Lease liabilities	370.30	329.11
Other financial liabilities	834.83	943.92
Financial liabilities carried at fair value		
Liability arising out of put option	10,515.74	5,574.00
Investments		
Total financial liabilities	**21,193.47**	**11,231.81**

The carrying amount of trade receivables, trade payables, other financial assets/ liabilities and cash and cash equivalent are considered to be the same as their fair values, due to short-term in nature. The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

B. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the 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 assets measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss					
Investment in equity instruments*	31 March 2022	-	-	1.43	**1.43**
Investment in mutual funds/ equity instruments	31 March 2021	-	190.09	1.43	**191.52**

B.2 Financial liabilities measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit and loss					
Liability arising out of put option	31 March 2022	-	-	10,515.74	**10,515.74**
	31 March 2021	-	-	5,574.00	**5,574.00**

B.3 Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
(a) for current investment directly observable market inputs, other than level 1 inputs have been used.
(b) for liability arising on account of put option, adjusted discounted cash flow method (income approach) has been used.
(c) Investment in equity instruments are measure at fair valued through profit or loss.
As there is no significant difference between carrying value and fair value, hence, valued at cost.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair Value		Significant unobservable inputs
	31/03/2022	31/03/2021	
Liability arising out of put option	10,515.74	5,574.00	Growth rate & discount rate

B.4 Sensitivity analysis

Description	Year ended 31 March 2022	Year ended 31 March 2021
Impact on liability arising on account of put options fair value if change in growth rate		
- Impact due to increase of 0.5%	444.43	235.58
- Impact due to decrease of 0.5%	(505.35)	(267.87)
Impact on liability arising on account of put options fair value if change in discount rate		
- Impact due to increase of 0.5%	(612.45)	(324.64)
- Impact due to decrease of 0.5%	696.51	369.19

B.5 The following table presents the changes in put option fair value measured in level 3 for the periods ended 31 March 2022 and 31 March 2021

Particulars	Liability arising out of put option
As at 1 April 2020	**5,035.77**
Add: fair value changes during the year	538.23
As at 31 March 2021	**5,574.00**
Add: fair value changes during the year	4,941.74
As at 31 March 2022	**10,515.74**

B.6 The following table presents the changes in investment in equity instruments measured at level 3 for the periods ended on 31 March 2022 and 31 March 2021:

Particulars	Investment in equity instru-
As at 31 March 2021	**1.43**
Acquisition	-
As at 31 March 2022	**1.43**

Valuation inputs and relationships to fair value

Particulars	Valuation Technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Investment in others (unquoted)	Fair valued through profit or loss. As there is no significant difference between carrying value and fair value, hence, valued at cost.	It is a SPV contract for Effluent treatment plant.	The estimated value would increase/(decrease) in profit before tax on completion of significant part of SPV Contract.

FINANCIAL RISK MANAGEMENT

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

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

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

Financial risk factors

The Group'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 Group is foreign exchange risk. The Group'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.

(a) Market risk

(I) FOREIGN CURRENCY RISK

The entities of the Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group does not use forward contracts and swaps for managing risks associated with foreign currency nor used for speculative purposes.

Foreign currency risk exposure:

Particulars	As at 31 March 2022		As at 31 March 2021	
	USD (absolute)	₹ millions	USD (absolute	₹ millions
Trade receivables	12,09,634	91.54	31,71,976	234.75
Trade and other payables	49,97,695	375.34	-	-

Sensitivity

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
INR/USD- increase by 5%* USD Currency (31 March 2021: 5%)	(14.19)	14.19	11.74	(11.74)

(II) INTEREST RATE RISK

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At year end, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits contractually carry fixed interest rates.

The entity's investments in fixed deposits contractually carry fixed interest rates.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	3,374.37	860.50
Fixed rate borrowing	200.00	110.14
Total borrowings	**3,574.37**	**970.64**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Interest Sensitivity*		
Interest rates – increase by 100 basis points	35.74	9.71
Interest rates – decrease by 100 basis points	(35.74)	(9.71)

* Holding all other variables constant

(b) Credit risk

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

(i) Credit risk management

The Group 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 Group 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
Based on business environment in which the Group 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 entities of the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in the consolidated 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, other bank balances, financial assets measured at amortised cost	12 month expected credit loss
Moderate credit risk	Trade receivables	Trade receivables - Life time expected credit loss

Financial assets that expose the entity to credit risk – 31 March 2022

Particulars	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	551.39	-	551.39
Other bank balances	477.08	-	477.08
Loans	55.00	-	55.00
Other financial assets	602.04	-	602.04
Moderate credit risk			
Trade receivables	8,967.98	(124.86)	8,843.12
Total	**10,653.49**	**(124.86)**	**10,528.63**

31 March 2021

Particulars	Estimated gross amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	220.67	-	220.67
Other bank balances	458.01	-	458.01
Loans	80.00	-	80.00
Other financial assets	599.05	-	599.05
Moderate credit risk			
Trade receivables	5,452.97	(138.98)	5,313.99
Total	**6,810.70**	**(138.98)**	**6,671.72**

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

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	7,934.14	0.00%	(0.36)	7,933.78
6 months - 1 years	455.54	0.06%	(0.29)	455.25
More than 1 years	578.30	21.48%	(124.21)	454.09
Total	**8,967.98**		**(124.86)**	**8,843.12**
As at 31 March 2021				
Less than 6 months	4,739.76	0.01%	(0.36)	4,739.40
6 months - 1 years	381.43	0.08%	(0.29)	381.14
More than 1 years	331.78	41.69%	(138.33)	193.45
Total	**5,452.97**		**(138.98)**	**5,313.99**

Reconciliation of loss provision – Trade receivables

Particulars	Total
Loss allowance on 1 April 2020	**(57.83)**
Changes in provision	(81.15)
Loss Allowance on 31 March 2021	**(138.98)**
Changes in provision (net)	(132.27)
Provision adjusted	146.39
Loss allowance on 31 March 2022	**(124.86)**

(c) Price risk

(i) Exposure

The Group is in the business of pharmaceuticals wherein any increase in the prices is passed on to the customer and hence the Group is not exposed to price risk.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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.

i. Financing arrangements

The Group has access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31 March 2022	As at 31 March 2021
Working capital facility	2,335.75	3,634.50
Term loan facility	600.00	-

ii. Maturities of financial liabilities

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

31 March 2022

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	3,441.04	133.33	-	3,574.37
Trade payable	5,898.23	-	-	5,898.23
Lease liabilities	66.22	304.08	-	370.30
Other financial liabilities	705.69	10,644.88	-	11,350.57
Total	**10,111.18**	**11,082.29**	**-**	**21,193.47**

31 March 2021

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	959.03	11.61	-	970.64
Trade payable	3,414.14	-	-	3,414.14
Lease liabilities	50.44	278.67	-	329.11
Other financial liabilities	427.49	6,090.43	-	6,517.92
Total	**4,851.10**	**6,380.71**	**-**	**11,231.81**

49. TAXES

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
- Current year	690.45	552.99
- Tax for earlier years	(53.26)	-
Total	**637.19**	**552.99**
Deferred tax credit	**(60.42)**	**(64.73)**
Tax effect on other comprehensive income(OCI)	(0.81)	(1.22)
Tax expense	**575.96**	**487.04**

(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:

(Loss) / profit before income taxes	(1,931.97)	1,722.61
Income tax using the Company's domestic tax rate *	25.17%	34.94%
Expected tax expense [A]	**(486.24)**	**601.95**
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Additional tax benefit claimed on expenditure incurred on research and development	**-**	**(6.21)**
Effect of non-deductible expenses/ impact of tax rates	1,371.76	(178.26)
Change in tax rates	94.41	-
Effect of tax credit considered in determining taxable profits	(532.37)	-
Deferred tax asset not recognised on carry forward business loss of Group companies	182.46	68.42

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Tax for earlier years	(53.26)	2.36
Others (including impact on other comprehensive income)	(0.81)	(1.22)
Total adjustments [B]	**1,062.20**	**(114.91)**
Actual tax expense [C=A+B]	**575.96**	**487.04**

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

Base tax rate	22.00%	30.00%
Surcharge (% of tax)	10.00%	12.00%
Cess (% of tax)	4.00%	4.00%
Applicable rate of tax	25.17%	34.94%

Note: The Taxation Laws (Amendment) Act, 2019 ("Tax Ordinance") provides the Group with an option to move to a lower tax rate of 25.17% accompanied with immediate expiry of certain other concessional tax rate benefits enjoyed by the Group entities presently. The entities of the Group has reviewed the implications of the Tax Ordinance on their respective tax liabilities for the year and have decided the tax regime most beneficial for them.

(b) Changes in deferred tax assets and liabilities for the year ended 31 March 2022:

Particulars	As at 31 March 2021	Recognised in OCI	Recognised in profit and loss	As at 31 March 2021
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	654.27	-	(102.00)	552.27
Right to recover product	9.86	-	0.59	10.45
	664.13	**-**	**(101.41)**	**562.72**
Deferred tax assets consists of:				
Property, plant and equipment and intangible assets	1.01	-	0.37	1.38
Allowances under Income tax Act,1961	88.65	(0.81)	(13.02)	76.44
Provision for credit losses on financial assets	35.98	-	(24.92)	11.06
Lease liability	5.52	-	0.47	5.99
Provision for sales tax	61.23	-	(17.13)	44.10
Provision for right to return	90.65	-	10.37	101.02
Provision for dimunition in value of investment	25.17	-	(25.17)	-
Carried forward busienss losses	46.18	-	21.22	67.40
Unused Credits (Mat Credit Entitlement)	44.06	-	6.82	50.88
Net deferred tax asset / (liability)	**398.45**	**(0.81)**	**(40.99)**	**358.27**
Total	**265.68**	**(0.81)**	**(60.42)**	**204.45**

Changes in deferred tax assets and liabilities for the year ended 31 March 2021:

Particulars	As at 31 March 2020	Recognised in OCI	Recognised in profit and loss	As at 31 March 2021
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	734.23	-	(79.96)	654.27
Right to recover product	12.10	-	(2.24)	9.86
	746.33	-	(82.20)	664.13
Deferred tax assets consists of:				
Property, plant and equipment and intangible assets			1.01	1.01
Allowances under Income tax Act,1961	86.80	(1.22)	0.63	88.65
Provision for credit losses on financial assets	11.24	-	24.74	35.98
Lease liability	1.00	-	4.52	5.52
Provision for sales tax	73.67	-	(12.44)	61.23
Provision for right to return	105.82	-	(15.17)	90.65
Provision for dimunition in value of investment	-	-	25.17	25.17
Carried forward busienss losses	11.92	-	34.26	46.18
Unused Credits (Mat Credit Entitlement)	124.25	-	(80.19)	44.06
Net deferred tax asset / (liability)	**414.70**	**(1.22)**	**(17.47)**	**398.45**
Net impact	**331.63**	**(1.22)**	**(64.73)**	**265.68**

(c) Details of unused tax credits (MAT credit entitlement)

Particulars	As at ₹	Expiry date	As at ₹	Expiry date
A.Y. 2010-11	0.09	2025-26	-	2025-26
A.Y. 2011-12	0.05	2026-27	0.05	2026-27
A.Y. 2012-13	0.10	2027-28	0.10	2027-28
A.Y. 2014-15	0.35	2029-30	0.35	2029-30
A.Y. 2015-16	0.75	2030-31	0.75	2030-31
A.Y. 2016-17	18.12	2031-32	18.28	2031-32
A.Y. 2017-18	3.51	2032-33	3.51	2032-33
A.Y. 2018-19	5.10	2033-34	6.68	2033-34
A.Y. 2019-20	9.53	2034-35	9.53	2034-35
A.Y. 2020-21	0.69	2035-36	0.69	2035-36
A.Y. 2021-22	4.12	2037-38	4.12	2036-37
A.Y. 2022-23	8.48			
	50.89		**44.06**	

(d) Details in respect of carried forward business losses

The amount and expiry of date of unused tax credits are:

Particulars	As at 31 March 2022			As at 31 March 2021		
	Business losses	Expiry date	Unabsorbed depreciation (with no expiry)	Business losses	Expiry date	Unabsorbed depreciation (with no expiry)
2009-10	-	2017-18	-	-	2017-18	-
2010-11	-	2018-19	1.20	-	2018-19	1.20
2011-12	-	2019-20	-	-	2019-20	-
2012-13	-	2020-21	122.03	-	2020-21	122.03
2013-14	-	2021-22	348.32	-	2021-22	348.36
2014-15	-	2022-23	345.13	1,565.57	2022-23	345.21
2015-16	1,214.50	2023-24	371.73	1,214.50	2023-24	371.81
2016-17	3,105.40	2024-25	396.45	3,270.13	2024-25	396.45
2017-18	838.89	2025-26	362.55	847.10	2025-26	362.74
2018-19	344.09	2026-27	319.41	346.85	2026-27	319.41
2019-20	784.71	2027-28	276.05	804.81	2027-28	276.51
2020-21	579.31	2028-29	227.94	593.20	2028-29	244.38
2021-22	138.38	2029-30	11.30	153.33	2029-30	92.05
2022-23	487.39	2030-31	237.32	-		
	7,492.67		**3,019.43**	**8,795.49**		**2,880.15**

50 Research and development expenditure

The Group has its research and development centres located in Haridwar and Mumbai which concentrates on the development of new pharmaceutical formulations. Research and development costs incurred amounted to ₹ 223.64 millions (31 March 2021: ₹ 208.30 millions) (including depreciation of ₹ 23.07 millions (31 March 2021: ₹ 25.06 millions) and interest expense of ₹ 1.34 millions (31 March 2021: ₹ 1.40 millions) recognised in the consolidated financial statements.

51 Segment reporting

The Group is primarily engaged in pharmaceutical products. Hence as per the chief operating decision maker, the sale of p harmaceutical products has been considered as a single operating segment per Ind AS 108 'Operating Segments' and accordingly disclosures have been limited to single operating segment. The revenues of the Group are predominantly in one reportable geographic segment, i.e., India. There is no customer generating revenue of more than 10% of the Group's revenue in current year as well as in the previous year.

52 Capital management

For the purpose of the Group'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 Group'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 Group 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 Group 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 Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current borrowing	200.00	110.14
Current borrowing	3,374.37	860.50
Less:		
Cash and cash equivalents	551.39	220.67
Other bank balances	477.08	458.01
Investments	-	190.09
Net debt (A)	**2,545.90**	**101.87**
Total equity* (B	6,251.70	8,871.35
Capital and net debt (C = A+B)	8,797.60	8,973.22
Gearing ratio (A/C)	28.94%	1.14%

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

In order to achieve this overall objective, the Group'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 material breaches in the financial covenants of any interest bearing loans and borrowings as at year end. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

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

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due*	**341.25**	**330.56**
- 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.	-	-

** includes ₹ 9.38 millions (31 March 2021: ₹ 0.04 millions) for payable against property, plant and equipment*

54 Goodwill on consolidation as on the consolidated balance sheet date comprises of the following:

Goodwill		
Malik Lifesciences Private Limited	11.18	11.18
Pure & Cure Healthcare Private Limited	9.45	9.45
Medibox Digital Solutions Private Limited	-	129.77
Total (A)	**20.63**	**150.40**

Particulars	As at 31 March 2022	As at 31 March 2022
Capital reserve		
Akumentis Healthcare Ltd	8.07	8.07
Amazing Research Laboratories Limited	6.11	6.11
Maxcure Nutravedics Limited	0.06	0.06
May and Baker Pharmaceuticals Limited	5.07	5.07
Upadhrish Reserchem LLP	2.72	2.72
Akums Lifesciences Limited	1,007.95	1,007.95
Total (B)	**1,029.98**	**1,029.98**

Changes in carrying values of goodwill during the year

	Amount
Gross carrying amount	
Balance as at 1 April 2020	**250.40**
Add: Acquired during the year (refer note 38B(ii))	-
Balance as at 31 March 2021/ 1 April 2021	**250.40**
Add: Acquired during the year	-
Balance as at 31 March 2022	**250.40**
Amortisation and impairment	
Balance as at 1 April 2020	-
Less: Impairment during the year	100.00
Balance as at 31 March 2021/ 1 April 2021	**100.00**
Less: Impairment during the year (refer note below)	129.77
Balance as at 31 March 2022	**229.77**
Carrying amount as at 31 March 2021	**150.40**
Carrying amount as at 31 March 2022	**20.63**

Note:
The Group has conducted an impairment assessment to test the recoverability of the carrying value of its goodwill and taken into account the factors such as obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows and on assessment, impairment indicator was noted with respect to one of its Indian subsidiaries, representing a single cash generating unit, engaged in the business of providing online services for pharmaceutical players. The recoverable amount of the CGU related to such goodwill have been derived from value in use calculations. During the year ended 31 March 2021, the calculation used cash flow forecasts based on the financial budgets and future projections.
Key assumptions for the value in use calculation were forecasted revenue growth and a discount rate of 15.60% p.a and a termnial growth rate of 4% was forecasted. The pre-tax discount rate was derived from the Group's weighted average cost of capital. The above exercise resulted in an impairment of ₹ 100.00 millions during the year ended 31 March 2021.

In the current year, the management has reassessed the projections and considering the business plans of the Group Company, the management has further written off goodwill of ₹ 129.77 millions in the books of accounts, and the same has been disclosed within exceptional items in the consolidated statement of profit and loss.

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55. DETAILS RELATING TO NET ASSETS AND PROFIT/(LOSS) IS AS FOLLOWS:
For the year ended 31 March 2022

Name of the entity	NET ASSETS I.E. TOTAL ASSETS MINUS TOTAL LIABILITIES		SHARE IN PROFIT/ (LOSS)		SHARE IN OTHER COMPREHENSIVE INCOME (OCI)		SHARE IN TOTAL COMPREHENSIVE INCOME	
	Rs.	As % of consolidated net assets	Rs.	As % of consolidated profit/ (loss)	Rs.	As % of consolidated OCI	Rs.	As % of total consolidated income
Parent								
Akums Drugs and Pharmaceuticals Limited	1,855.38	29.68%	(3,817.75)	152.18%	2.66	-302.27%	(3,815.09)	152.02%
Subsidiaries (Indian)								
Sarvagunaushdhi Private Limited	(362.08)	-5.79%	(45.42)	1.81%	0.84	-95.45%	(44.58)	1.78%
Unosource Pharma Limited	(498.65)	-7.98%	116.31	-4.64%	(0.18)	20.45%	116.13	-4.63%
Amazing Research Laboratories Limited	14.27	0.23%	16.97	-0.68%	0.09	-10.23%	17.06	-0.68%
Plenteous Pharmaceuticals Limited	138.07	2.21%	40.34	-1.61%	(0.53)	60.23%	39.81	-1.59%
Delcure Lifesciences Limited	0.44	0.01%	86.72	-3.46%	-	0.00%	86.72	-3.46%
Maxcure Nutravedics Limited	896.09	14.33%	(78.10)	3.11%	(0.61)	69.32%	(78.71)	3.14%
Pure and Cure Healthcare Private Limited	4,989.65	79.81%	1,264.59	-50.41%	(1.76)	200.00%	1,262.83	-50.32%
Malik Lifesciences Private limited	288.57	4.62%	133.05	-5.30%	(1.50)	170.45%	131.55	-5.24%
May and Baker Pharmaceuticals Limited	83.85	1.34%	11.34	-0.45%	(0.07)	7.95%	11.27	-0.45%
Avha Lifesciences Private Limited	(40.27)	-0.64%	(0.53)	0.02%	0.41	-46.59%	(0.12)	0.00%
Upadhrish Reserchem LLP	70.87	1.13%	69.37	-2.77%	-	0.00%	69.37	-2.76%
Nicholas Healthcare Limited	(208.10)	-3.33%	(195.38)	7.79%	(0.46)	52.27%	(195.84)	7.80%
Akumentis Healthcare Limited	344.32	5.51%	179.21	-7.14%	(0.52)	59.09%	178.69	-7.12%
Cure Sure Pharma	0.21	0.00%	(45.54)	1.82%	-	-	(45.54)	1.81%
Medibox Digital Solutions Private Limited	28.09	0.45%	11.58	-0.46%	0.88	-100.00%	12.46	-0.50%
Akum Impex LLP	0.10	0.00%	-	0.00%	-	-	-	0.00%
Abbott Pharma Ltd*	-	-	(0.01)	0.00%	-	-	(0.01)	0.00%
Akums Lifesciences Limited	194.86	3.12%	(526.25)	20.98%	-	-	(526.25)	20.97%
Akums Healthcare Limited	(53.94)	-0.86%	(52.63)	2.10%	-	-	(52.63)	2.10%
Dhanwantri Vedaresearch LLP	0.10	0.00%	-	0.00%	-	-	-	0.00%
Burroughs Welcome Pharmacia Limited#	(6.02)	-0.10%	(6.03)	0.24%	-	-	(6.03)	0.24%
Parabolic Research Labs Limited	-	0.00%	(21.84)	0.87%	-	-	(21.84)	0.87%
Ziven Lifecsciences Limited	-	0.00%	0.53	-0.02%	-	-	0.53	-0.02%
Associate (as per equity method)								
AUSL Pharma			2.03	-0.08%	-	-	2.03	-0.08%
Non-controlling interest in all subsidiaries	31.95	0.51%	16.58	-0.66%	(0.04)	4.55%	16.62	-0.66%
Intra Group eliminations	(1,516.05)	-24.25%	332.12	-13.24%	(0.09)	10.23%	331.95	-13.23%
Total	**6,251.71**	**100.00%**	**(2,508.74)**	**100.00%**	**(0.88)**	**100.00%**	**(2,509.62)**	**100.00%**

* till the date it ceased to be the subsidiary # new acquisition during the year

AKUMS DRUGS AND PHARMACEUTICALS LIMITED
CIN - U24239DL2004PLC125888
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

55. DETAILS RELATING TO NET ASSETS AND PROFIT/(LOSS) IS AS FOLLOWS:
FOR THE YEAR ENDED 31 MARCH 2021

	NET ASSETS I.E. TOTAL ASSETS MINUS TOTAL LIABILITIES		SHARE IN PROFIT/ (LOSS)		SHARE IN OTHER COMPREHENSIVE INCOME (OCI)		SHARE IN TOTAL COMPREHENSIVE INCOME	
Name of the entity	Rs.	As % of consolidated net assets	Rs.	As % of consolidated profit/ (loss)	Rs.	As % of consolidated OCI	Rs.	As % of total consolidated income
Holding Company								
Akums Drugs and Pharmaceuticals Ltd.	5,670.46	63.92%	(1,454.28)	-117.82%	1.55	-122.05%	(1,452.73)	-117.81%
Subsidiaries (Indian)								
Nicholas Healthcare Limited	(12.25)	-0.14%	(13.17)	-1.07%	-	-	(13.17)	-1.07%
Sarvagunaushdhi Private Limited	(317.50)	-3.58%	(64.52)	-5.23%	0.23	-18.11%	(64.29)	-5.21%
Unosource Pharma Limited	(614.77)	-6.93%	56.13	4.55%	1.04	-81.89%	57.17	4.64%
Amazing Research Laboratories Limited	(2.79)	-0.03%	18.09	1.47%	0.25	-19.69%	18.34	1.49%
Plenteous Pharmaceuticals Limited	98.26	1.11%	46.03	3.73%	0.30	-23.62%	46.33	3.76%
Delcure Lifesciences Limited	(1,609.76)	-18.15%	684.39	55.45%	-	-	684.39	55.50%
Maxcure Nutravedics Limited	974.81	10.99%	60.38	4.89%	0.31	-24.41%	60.69	4.92%
Pure and Cure Healthcare Private Limited	3,726.82	42.01%	898.29	72.77%	0.92	-72.44%	899.21	72.92%
Malik Lifesciences Private limited	157.02	1.77%	(67.26)	-5.45%	1.31	-103.15%	(65.95)	-5.35%
May and Baker Pharmaceuticals Limited	72.58	0.82%	14.11	1.14%	0.13	-10.24%	14.24	1.15%
Avha Lifesciences Private Limited	(40.15)	-0.45%	(9.83)	-0.80%	0.45	-35.43%	(9.38)	-0.76%
Upadhrish Reserchem LLP	52.96	0.60%	51.46	4.17%	-	-	51.46	4.17%
Akumentis Healthcare Limited	158.08	1.78%	201.88	16.36%	(7.31)	575.59%	194.57	15.78%
Cure Sure Pharma	20.79	0.23%	2.16	0.17%	-	-	2.16	0.18%
Medibox Digital Solutions Private Limited	15.63	0.18%	(65.15)	-5.28%	0.19	-14.96%	(64.96)	-5.27%
Akum Impex LLP	0.10	0.00%	-	0.00%	-	-	-	-
Abbott Pharma Ltd	0.68	0.01%	0.02	0.00%	-	-	0.02	0.00%
Akums Lifesciences Limited	1,003.75	11.31%	(54.02)	-4.38%	-	-	(54.02)	-4.38%
Akums Healthcare Limited	(1.30)	-0.01%	(2.30)	-0.19%	-	-	(2.30)	-0.19%
Dhanwantri Vedaresearch LLP	0.10	0.00%	-	0.00%	-	-	-	-
Parabolic Research Labs Limited	21.84	0.25%	-	0.00%	-	-	-	-
Ziven Lifecsciences Limited	(59.51)	-0.67%	0.02	0.00%	-	-	0.02	0.00%
Associate (as per equity method)								
AUSL Pharma	-	-	3.47	0.28%	-	-	3.47	0.28%
Non-controlling interest in all subsidiaries	22.88	0.26%	7.30	0.59%	(0.64)	50.39%	6.66	0.54%
Intra Group eliminations	(467.38)	-5.27%	921.15	74.63%	-	-	921.15	74.70%
Total	**8,871.35**	**100.00%**	**1,234.35**	**100.00%**	**(1.27)**	**100.00%**	**1,233.08**	**100.00%**

56. LEASE

(a) The Group has adopted Ind AS 116 'Leases' from 1 April 2019
(b) The weighted average lessee's incremental borrowing rate applied by Group Compnaies to the lease liabilities ranges from 9%-13% p.a.
(c) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on Consolidated balance sheet:

31 March 2022

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Leasehold land	10	74-93 years	85 years
Building	16	2-10 years	6 years

31 March 2021

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Leasehold land	10	75-94 years	86 years
Building	15	2-9 years	5 years

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

(d) **Amount recognised in consolidated balance sheet and consolidated statement of profit and loss:**

Particulars	CATEGORY OF RIGHT-OF-USE ASSETS		
	Land	Buildings	Total
Balance as at 1 April 2020	**329.63**	**172.25**	**501.9**
Add: Additions during the year	84.06	180.17	264.23
Add: modification under IND AS 116	-	12.21	12.21
Less: deletion during the year	-	(19.13)	(19.13)
Less: amortisation charged on the right-of-use assets	(4.15)	(53.09)	(57.24)
Balance as at 31 March 2021/ 1 April 2021	**409.54**	**292.41**	**701.95**
Add: Additions during the year	54.44	141.90	196.34
Less: deletion during the year	-	(10.55)	(10.55)
Less: amortisation charged on the right-of-use assets	(5.16)	(71.99)	(77.15)
Balance as at 31 March 2022	**458.82**	**351.77**	**810.59**

(e) **Lease payment not recognised as lease liability**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expenses relating to short term leases (included in other expenses)	26.48	37.63
Total	**26.48**	**37.63**

(f) The total cash outflow for leases for the year ended 31 March 2022 was ₹ 163.73 millions (31 March 2021: ₹ 129.26 millions)

(g) **Future minimum lease payments as on 31 March 2022 are as follows:**

As on 31 March 2022

Minimum lease payments due	Lease payment	Finance charges	Net present value
Within 1 year	96.49	30.27	66.22
1-5 years	270.96	67.04	203.92
More than 5 years	117.74	17.58	100.16
Total	**485.19**	**114.89**	**370.30**

Future minimum lease payments as on 31 March 2021 are as follows:

As on 31 March 2021

Minimum lease payments due	Lease payment	Finance charges	Net present value
Within 1 year	78.99	28.55	50.44
1-5 years	197.58	58.90	138.67
More than 5 years	170.06	30.06	140.00
Total	**446.63**	**117.51**	**329.11**

57. Ageing of trade receivables and trade payables as per Schedule III

A Trade receivables ageing

The table below analyse the outstanding trade receivables:

31 March 2022

Particulars	Outstanding for the following periods from due date of payment				
	Less than 6 months	6 months to 1 year	1-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	7,934.14	455.54	412.33	165.97	8,967.98
Disputed trade receivables- credit impaired	-	-	-	(124.86)	(124.86)
	7,934.14	**455.54**	**412.33**	**41.11**	**8,843.12**

31 March 2021

Particulars	Outstanding for the following periods from due date of payment				
	Less than 6 months	6 months to 1 year	1-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	4,739.76	381.43	204.43	127.35	5,452.97
Disputed trade receivables- credit impaired	-	-	-	(138.98)	(138.98)
	4,739.76	**381.43**	**204.43**	**(11.63)**	**5,313.99**

Note: There are no unbilled receivables, hence same is not disclosed in the ageing schdeule.

B Trade payables ageing

The table below analyse the outstanding trade payables:

31 March 2022

Particulars	Outstanding for the following periods from due date of payment				
	Not yet due	Less than one year	1-3 years	More than 3 years	Total
MSME	282.94	48.93	-	-	331.87
Others	4,406.66	737.26	19.92	0.42	5,164.26
Unbilled dues	402.09	-	-	-	402.09
	5,091.69	**786.19**	**19.92**	**0.42**	**5,898.22**

31 March 2021

Particulars	Outstanding for the following periods from due date of payment				
	Not yet due	Less than one year	1-3 years	More than 3 years	Total
MSME	309.98	20.58	-	-	330.56
Others	2,227.84	598.71	11.42	6.30	2,844.27
Unbilled dues	239.31	-	-	-	239.31
	2,777.13	**619.29**	**11.42**	**6.30**	**3,414.14**

58. Assets held for sale

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Land and building (refer note below)	275.53	-
Total	**275.53**	**-**

Note:

The management vide board resolution dated 14th March 2022 approved to sell off the Land and Building located at Plot No. 1A, Sector-10, Integrated Industrial Estate, SIDCUL, Village Selampur Mehdood, Ranipur, Haridwar, Uttarakhand -249403. The buyer has been identified and the sale is in progress which is expected to be closed in FY 2022-23.

Accordingly, in terms of Ind AS 105 - 'Non-current assets held for sale and discontinuing operations', the Land and Building situated at Ranipur, Haridwar are presented as 'Assets held for sale' separately from other assets in the balance sheet. The carrying value of asset held for sale as on the date of agreement does not exceed the fair value less cost to sell and hence there is no impairment loss recognised in the statement of profit and loss account.

59. Other statutory information

(a) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for Holding any Benami property.

(b) The Group do not have any transactions with companies struck off.

(c) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(d) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(f) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(g) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(h) The Group is not declared wilful defaulter by any bank or financial institution or government or any government authority.

60. Pursuant to changes notified in Schedule-III, during the year ended 31 March 2022, the Group has reclassified/

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/ N500013

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 17 June 2022

For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited

Sanjeev Jain
Director
DIN: 00323433

Sandeep Jain
Director
DIN: 00323476

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sumeet Sood
Chief Financial Officer

NOTES

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