

# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
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## Independent Auditor's Report

To the Members of Akumentis Healthcare Limited

Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Akumentis Healthcare Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

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

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

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

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

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

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



## Independent Auditor's Report to the members of Akumentis Healthcare Limited on the financial statements for the year ended 31 March 2023 (cont'd)

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our





## Independent Auditor's Report to the members of Akumentis Healthcare Limited on the financial statements for the year ended 31 March 2023 (cont'd)

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Report on Other Legal and Regulatory Requirements

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company, as detailed in note 28 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;



# Walker Chandiook & Co LLP

## Independent Auditor's Report to the members of Akumentis Healthcare Limited on the financial statements for the year ended 31 March 2023 (cont'd)

- iv.
- a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 42(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 42(f) to the financial statements, no funds have been received by the Company from any persons or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2023.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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



**Tarun Gupta**  
Partner  
Membership No.: 507892



UDIN: 23507892BGXQVX3712

**Place:** New Delhi  
**Date:** 27 May 2023



**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Akumentis Healthcare Limited on the financial statements for the year ended 31 March 2023.**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) As disclosed in note 32 C.2 to the financial statements, the Company has been sanctioned a working capital limit in excess of Rs 50.00 million by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.





# Walker Chandiook & Co LLP

## **Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Akumentis Healthcare Limited on the financial statements for the year ended 31 March 2023 (cont'd).**

- (vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.





# Walker Chandiok & Co LLP

## Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Akumentis Healthcare Limited on the financial statements for the year ended 31 March 2023 (cont'd).

- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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



**Tarun Gupta**  
Partner  
Membership No.: 507892

UDIN: 23507892BGXQVX3712

**Place:** New Delhi  
**Date:** 27 May 2023





Annexure II to the Independent Auditor's Report of even date to the members of Akumentis Healthcare Limited on the financial statements for the year ended 31 March 2023

**Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of Akumentis Healthcare Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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





# Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Akumentis Healthcare Limited on the financial statements for the year ended 31 March 2023 (cont'd)

## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

## Opinion

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

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

**Tarun Gupta**  
Partner  
Membership No.: 507892



UDIN: 23507892BGXQVX3712

Place: New Delhi  
Date: 27 May 2023

## AKUMENTIS HEALTHCARE LIMITED

CIN-U72900DL2010PLC206414

## Balance sheet as at 31 March 2023

(All amounts in million unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2	14.51	14.38
(b) Right-of-use assets	37	11.46	26.66
(c) Intangible assets	2	1.62	0.80
(d) Financial assets			
(i) Others financial assets	3	11.33	9.77
(e) Non-current tax assets (net)	4	28.02	40.93
(f) Deferred tax asset (net)	14	105.02	103.02
(g) Other non-current assets	5	0.06	0.36
<b>Total non-current assets</b>		<b>172.02</b>	<b>195.92</b>
<b>(2) Current assets</b>			
(a) Inventories	6	309.57	308.21
(b) Financial assets			
(i) Trade receivables	7	241.94	302.97
(ii) Cash and cash equivalents	8	16.90	72.70
(iii) Bank balances other than (ii) above	9	959.74	430.30
(c) Other current assets	10	58.71	24.18
<b>Total current assets</b>		<b>1,586.86</b>	<b>1,138.36</b>
<b>Total assets</b>		<b>1,758.88</b>	<b>1,334.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	0.56	0.56
(b) Instruments entirely in the nature of equity	11	0.59	0.59
(c) Other equity	12	727.22	375.14
<b>Total equity</b>		<b>728.37</b>	<b>376.29</b>
<b>LIABILITIES</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liability	37	-	11.44
(b) Provisions	13	45.16	40.28
<b>Total non-current liabilities</b>		<b>45.16</b>	<b>51.72</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	15		
-Total outstanding dues to micro and small enterprises		24.80	7.53
-Total outstanding dues of creditors other than micro and small enterprises		407.91	371.24
(ii) Lease liability	37	11.44	14.04
(iii) Other financial liabilities	16	98.95	55.04
(b) Other current liabilities	17	47.35	53.39
(c) Provisions	18	394.90	405.03
<b>Total current liabilities</b>		<b>985.35</b>	<b>906.27</b>
<b>Total equity and liabilities</b>		<b>1,758.88</b>	<b>1,334.28</b>

Summary of significant accounting policies and other explanatory information 1-43

This is the balance sheet referred to in our report of even date

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration No.001076N/N500013

  
Tarun Gupta  
Partner  
Membership No.507892



Place : New Delhi  
Date : 27 May 2023

For and on behalf of Board of Directors of  
AKUMENTIS HEALTHCARE LIMITED

  
Arvind Kumar  
Director  
DIN:07193322

  
Neena Vivek  
Director  
DIN: 07118115

  
S C Chaik  
Director  
DIN: 07679410

  
Manmohan Singh  
Director  
DIN: 02994045

  
Allen Dass  
Director  
DIN: 06403178





AKUMENTIS HEALTHCARE LIMITED

CIN-U72900DL2010PLC206414

Statement of profit and loss for the year ended 31 March 2023

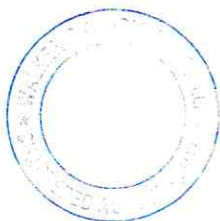
(All amounts in million unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
<b>INCOME</b>			
I. Revenue from operations	19	3,868.31	3,389.11
II. Other income	20	39.97	31.36
III. Total income (I+II)		<u>3,908.28</u>	<u>3,420.47</u>
<b>EXPENSES</b>			
Purchase of stock-in-trade		1,043.35	1,143.02
Change in inventories of stock-in-trade	21	(1.37)	(92.51)
Employee benefits expense	22	1,275.38	1,096.88
Other expenses	23	1,062.82	931.42
IV. Total expenses		<u>3,380.18</u>	<u>3,078.81</u>
V. Earnings before finance costs, depreciation and amortisation and tax (EBITDA) (III-IV)		528.10	341.66
Finance costs	24	5.43	3.33
Depreciation and amortisation	2	18.83	17.52
VI. Profit before tax and exceptional item		<u>503.84</u>	<u>320.81</u>
Exceptional items	25	-	31.04
VII. Profit before tax		<u>503.84</u>	<u>289.77</u>
VIII. Tax expense:	37		
Current tax			
Current year		139.41	121.32
Tax for earlier years		18.69	(38.15)
Deferred tax charge/ (credit)		(3.09)	10.79
IX. Profit after tax (VII-VIII)		<u>348.83</u>	<u>195.81</u>
X. Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurement gains/(losses) on defined benefit liability		4.34	(0.64)
Less: Tax effect on above		(1.09)	0.16
Other comprehensive income, net of tax		<u>3.25</u>	<u>(0.48)</u>
XI. Total comprehensive income (IX+X) (comprising income for the year and other comprehensive income for the year)		<u>352.08</u>	<u>195.33</u>
XII. Earnings per equity share (Face value ₹ 10 each)			
Basic	26	6,202.33	3,481.62
Diluted		5,611.83	3,150.15
Summary of significant accounting policies other explanatory info	1-43		

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

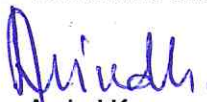
For Walker Chandlok & Co LLP  
Chartered Accountants  
Firm Registration No.001076N/N500013

  
Tarun Gupta  
Partner  
Membership No.507892



Place : New Delhi  
Date : 27 May 2023

For and on behalf of Board of Directors of  
AKUMENTIS HEALTHCARE LIMITED

  
Arvind Kumar  
Director  
DIN:07193322

  
S C Chalke  
Director  
DIN: 07679410

  
Allen Dass  
Director  
DIN: 06403178

  
Neena Vivek  
Director  
DIN: 07118115

  
Manmohan Singh  
Director  
DIN: 02994045



AKUMENTIS HEALTHCARE LIMITED


CIN-U72900DL2010PLC206414

Statement of cash flow for the year ended 31 March 2023

(All amounts in million unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>A. Cash flow from operating activities</b>		
Profit before tax		
Adjustments for:	503.84	289.77
Depreciation and amortisation	18.83	17.52
Exceptional item (refer note 25)	-	31.04
Allowance for expected credit loss on trade receivables	6.80	0.09
Provision against advance to staff	-	1.76
Bad debts	2.87	49.85
Interest receivable from partnership firm written off	-	10.97
Loss from share of partnership firm	-	0.85
Finance costs	5.43	3.33
Royalty received	(6.52)	(12.27)
Interest income	(30.48)	(17.95)
<b>Operating Profit before working capital changes</b>	<b>500.77</b>	<b>374.96</b>
<b>Adjustments for movement in working capital changes</b>		
Inventories	(1.36)	(92.53)
Trade receivables	57.88	(224.61)
Other financial assets	(1.55)	1.21
Other assets	(34.22)	(0.13)
Trade payables	53.93	190.27
Other financial liabilities	44.35	(4.07)
Provisions	(0.91)	20.87
Other liabilities	(6.04)	7.59
<b>Cash flow generated from operations (gross)</b>	<b>612.86</b>	<b>273.56</b>
Less: Direct taxes (net)	(145.00)	(205.09)
<b>Net cash flow generated from operating activities</b>	<b>467.85</b>	<b>68.47</b>
	(A)	
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible	(4.64)	(10.88)
Proceeds from disposal of property plant and equipment	0.09	-
Investment in deposits having original maturity of more than three months	(529.44)	(52.21)
Loan to subsidiary	-	39.56
Interest received	31.51	24.03
<b>Net cash (used in)/ generated from investing activities</b>	<b>(502.48)</b>	<b>0.50</b>
	(B)	
<b>C. Cash flow from financing activities</b>		
Payment of lease liability	(15.74)	(15.39)
Interest paid	(5.43)	(2.36)
<b>Net cash flow (used in) financing activities</b>	<b>(21.17)</b>	<b>(17.75)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(55.79)</b>	<b>51.22</b>
	(C)	
	(A+B+C)	
Cash and cash equivalents as at the beginning of the year	72.70	21.48
<b>Cash and cash equivalents as at end of year</b>	<b>16.90</b>	<b>72.70</b>

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Aradhya  
  
 Bi  
 Divya

Prakash  
 Akshay





**AKUMENTIS HEALTHCARE LIMITED**

CIN-U72900DL2010PLC206414

Statement of cash flow for the year ended 31 March 2023

(All amounts in million unless otherwise stated)

Components of cash and cash equivalents are as below:

	As at 31 March 2023	As at 31 March 2022
Balance with scheduled banks in current accounts	16.50	72.28
Cash on hand	0.40	0.42
	<b>16.90</b>	<b>72.70</b>

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

Particulars	Lease liabilities	Total
<b>Balance as on 1 April 2021</b>	<b>9.64</b>	<b>9.64</b>
Cash flows		
Repayments	(15.39)	(15.39)
Non-cash changes		
New leases	30.26	30.26
Interest on lease liability	0.97	0.97
<b>Balance as on 31 March 2022</b>	<b>25.48</b>	<b>25.48</b>
Cash flows		
Repayments	15.74	15.74
<b>Balance as on 31 March 2023</b>	<b>9.74</b>	<b>9.74</b>

Summary of significant accounting policies and other explanatory information

1-43

This is the statement of cash flow referred to in our report of even date

For Walker Chandio &amp; Co LLP

Chartered Accountants

Firm Registration No.007394N

**Tarun Gupta**

Partner

Membership No.507892

For and on behalf of Board of Directors of  
**AKUMENTIS HEALTHCARE LIMITED****Arvind Kumar**

Director

Din:07193322

**S C Ghalke**

Director

DIN: 07679410

**Allen Dass**

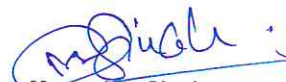
Director

DIN: 06403178

**Neena Vivek**

Director

DIN: 07118115

**Mammoohan Singh**

Director

DIN: 02994045



Place : New Delhi

Date : 27 May 2023



Statement of change in equity for the year ended 31 March 2023  
(All amounts in million unless otherwise stated)

a) Equity share capital

Particulars	No. of shares	Amount
As at 1 April 2021	56,242	0.56
Changes in equity share capital	-	-
As at 31 March 2022/ 1 April 2022	56,242	0.56
Changes in equity share capital	-	-
As at 31 March 2023	56,242	0.56

b) Instruments entirely equity in nature

Particulars	No. of shares	Amount
As at 1 April 2021	5,918	0.59
Changes in equity share capital	-	-
As at 31 March 2022/ 1 April 2022	5,918	0.59
Changes in equity share capital	-	-
As at 31 March 2023	5,918	0.59

c) Other equity

Particulars	Other equity		
	Securities premium	Retained earnings	Total
As at 1 April 2021	999.41	(819.60)	179.81
Profit for the year	-	195.81	195.81
Other comprehensive income for the year, net of tax			
- Remeasurement of defined benefit plans	-	(0.48)	(0.48)
As at 31 March 2022/ 1 April 2022	999.41	(624.27)	375.14
Profit for the year	-	348.83	348.83
Other comprehensive income for the year, net of tax			
- Remeasurement of defined benefit plans	-	3.25	3.25
As at 31 March 2023	999.41	(272.19)	727.22

Summary of significant accounting policies and other explanatory information

1-43

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

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

For and on behalf of Board of Directors of  
AKUMENTIS HEALTHCARE LIMITED

  
Tarun Gupta  
Partner  
Membership No.507892

  
Arvind Kumar  
Director  
DIN: 07193322

  
S C Chalke  
Director  
DIN: 07679410

  
Allen Dass  
Director  
DIN: 06403178

  
Neena Vivek  
Director  
DIN: 07118115

  
Manmohan Singh  
Director  
DIN: 02994045



Place : New Delhi  
Date: 27 May 2023



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

**1.00 Company overview and summary of significant accounting policies**

**1.10 Company overview**

The Company is engaged in trading of the pharmaceutical formulation. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Delhi, India. The Company is subsidiary of Akums Drugs and Pharmaceuticals Limited.

The financial statements for the year ended 31 March 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 27 May 2023.

**1.20 Basis of preparation**

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

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

**Overall considerations**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in the financial statements.

**Standards 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. MCA, vide its circular dated 31 March 2023 has issued Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015 as below:

- Ind AS 1: Requirement to disclose 'material accounting policies' instead of 'significant accounting policies' and related guidance included to determine whether the policy is material or not. The Company does not expect the amendments to have any impact on its financial statements.
- Ind AS 8: Definition of 'accounting estimates' now included in the standard enabling distinction between change in accounting estimates from change in accounting policies. The Company does not expect the amendments to have any impact on its financial statements.
- Ind AS 12 and Ind AS 101: Transactions that does not give rise to equal taxable and deductible temporary differences at the time of initial transaction have now been included in the exemptions for recognition of deferred tax liability and deferred tax assets in case of taxable temporary differences. The Company does not expect the amendments to have any impact on its financial statements.
- Ind AS 101: New guidance added for deferred tax related to leases and decommissioning, restoration and similar liabilities. The Company does not expect the amendments to have any impact on its financial statements. The Company does not expect the amendments to have any impact on its financial statements.

**1.30 Use of judgment, estimates and assumptions**

The preparation of financial statements 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.

*Arindh*  
*Birendra*  
*Divakar*  
*Shrey*





**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) **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.
- b) **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.
- c) **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.
- d) **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.
- e) **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**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 recognized 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 recognized in statement of profit and 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 Company:

Asset class	Useful Lives
Furniture and fittings	10 years
Vehicles	8 years
Office equipments	5 years
Computers	3/6 years
Electrical installations	10 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.



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### 1.5 Intangible assets

#### Recognition and initial measurement

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

#### Subsequent measurement (amortisation)

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

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

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

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

#### De-recognition

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

### 1.6 Financial instruments

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

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

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

**Subsequent measurement of financial assets and financial liabilities is described below.**

#### Non-derivative financial assets

##### Classification and subsequent measurement

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

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

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

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

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

**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:-**

**Subsequent measurement**

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

Amortised 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

**1.70 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

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.

*Arindha*  
  
*Dinesh*  
*Devi*  
*Madhukar*  
*Allen*  




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

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.

**1.80 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.

**1.90 Impairment of non-financial assets**

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

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

To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the company 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.

*Arindh.*



*Big*

*Arindh.*

*Arindh - Arindh*





**1.10 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.

**1.11 Operating expenses**

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

**1.12 Foreign currency transactions and translations**

**i. Initial recognition**

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

**ii. Measurement at the balance sheet date**

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

**iii. Treatment of exchange difference**

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

**1.13 Earnings per share**

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

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

**1.14 Taxes**

**Current Income Tax**

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

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

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

**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

**1.15 Employee benefits**

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

*Defined contribution plans*

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

*Defined benefit plans - unfunded*

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

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

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

*Other long-term employee benefits - 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.

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**1.16 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and bank deposit with banks where original maturity is three months or less.

**1.17 Valuation of Inventories**

Inventories are valued at lower of cost or net realizable value. Net Realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale. The cost comprises of purchase cost, freight Inwards and taxes for which the inputs credit are not allowed. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

The Company as a trade practice makes provision for obsolete stocks which are primarily in the nature of expired or near expiry products. Provision is made for such obsolete stock estimated on the basis of historical experience, market conditions and specific contractual terms.

**1.18 Revenue recognition**

Ind AS 115 five step model 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 measured at the fair value of the consideration received or receivable. Revenue is net of returns and allowances, trade discounts, cash discounts and volume rebates

The Company recognizes revenue when it transfers control of a product to a customer. The control of goods is transferred to the customer depending upon the incoterms or as agreed with customer or delivery basis. Control is considered to be transferred to the customer when the customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods.

**Refund Liability**

Refund liability is accounted for by recording a provision based on the Company's estimate of expected sales returns.

**Right to recover products from customer**

A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

**1.19 Other income**

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

**Interest**

Interest income is recognised as and when due on the time proportion basis by using effective interest method. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Royalty income has been recognized based on the performance obligation to which all of the sales-based royalty has been allocated has been satisfied.

**1.20 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.

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

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

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

**1.21 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 35.

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

**1.22 Earnings before interest, tax, depreciation and amortisation (EBITDA)**

The Company presents EBITDA in the statement of profit and loss; this is not specifically required by Ind AS 1. 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 shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

**Measurement of EBITDA**

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

**1.23 Investment in partnership firm (subsidiary company)**

Investment in partnership firm is measured cost less share of profit / loss.

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A circular blue ink stamp for Akumentis Healthcare Ltd. The text around the perimeter reads "AKUMENTIS HEALTHCARE LTD.". In the center, there is a star symbol. A blue ink signature is written across the stamp.

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

**2. Property, plant and equipment and intangible assets**

Particulars	Property, plant and equipment					Total	Intangible assets	
	Furniture and fittings	Vehicles	Office equipments	Computers	Electrical installations			Software
<b>Gross block</b>								
Balance as at 1 April 2021	18.91	3.85	1.71	6.33	1.04	31.84	7.81	
Additions during the year	0.12	7.95	0.51	2.15	-	10.73	0.15	
Disposals during the year	-	-	-	(0.02)	-	(0.02)	-	
<b>Balance as at 31 March 2022/ 1 April 2022</b>	<b>19.03</b>	<b>11.80</b>	<b>2.22</b>	<b>8.46</b>	<b>1.04</b>	<b>42.55</b>	<b>7.96</b>	
Additions during the year	-	1.07	0.23	1.89	0.20	3.39	1.25	
Disposals during the year	-	-	-	(0.09)	-	(0.09)	-	
<b>Balance as at 31 March 2023</b>	<b>19.03</b>	<b>12.88</b>	<b>2.45</b>	<b>10.26</b>	<b>1.23</b>	<b>45.85</b>	<b>9.21</b>	
<b>Accumulated depreciation and amortisation</b>								
Balance as at 1 April 2021	15.47	1.29	1.24	5.29	0.87	24.16	6.52	
Charge for the year	1.94	1.12	0.23	0.63	0.11	4.03	0.64	
On disposals during the year	-	-	-	(0.02)	-	(0.02)	-	
<b>Balance as at 31 March 2022/ 1 April 2022</b>	<b>17.41</b>	<b>2.41</b>	<b>1.47</b>	<b>5.90</b>	<b>0.98</b>	<b>28.17</b>	<b>7.16</b>	
Charge for the year	0.26	1.50	0.26	1.16	0.02	3.18	0.44	
On disposals during the year	-	-	-	-	-	-	-	
<b>Balance as at 31 March 2023</b>	<b>17.67</b>	<b>3.91</b>	<b>1.73</b>	<b>7.06</b>	<b>0.99</b>	<b>31.33</b>	<b>7.60</b>	
<b>Net block</b>								
As at 31 March 2022	1.62	9.39	0.75	2.56	0.06	14.38	0.80	
As at 31 March 2023	1.36	8.97	0.72	3.21	0.24	14.51	1.62	

**Notes:**

- (i) Refer note 36 for disclosures of contractual commitments for the acquisition of property, plant and equipment.
- (ii) Refer note 40 for information on property, plant and equipment pledged as security by the Company.
- (iii) The Company doesn't have any title deeds, other than property where the Company is the lessee and lease agreement executed in favour of the lessee.

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Particulars	As at 31 March 2023	As at 31 March 2022
<b>3. Other financial assets</b>		
<b>Unsecured, considered good</b>		
Security deposits	11.33	9.77
	<u>11.33</u>	<u>9.77</u>
Refer note 32 for disclosure of fair value in respect of financial assets measured at amortized cost and assessment of expected credit losses respectively.		
Refer note 41 for information on bank deposits pledged as security by the Company.		
<b>4. Non-current tax assets (net)</b>		
Advance tax (net of provisions)	28.02	40.93
	<u>28.02</u>	<u>40.93</u>
<b>5. Other non-current assets</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	0.06	0.36
	<u>0.06</u>	<u>0.36</u>
<b>6. Inventories</b> (refer note 1.17 in respect of inventories)		
Stock-in-trade		
on hand	249.11	246.09
in transit	17.32	20.60
Right to recover products from customer	43.14	41.52
	<u>309.57</u>	<u>308.21</u>
<b>7. Trade receivables</b>		
Considered good - unsecured	241.94	302.97
Credit impaired	7.35	7.33
Less : Allowance for expected credit losses	(7.35)	(7.33)
	<u>241.94</u>	<u>302.97</u>
Due from related party (refer note 31)	7.11	123.95
Refer note 32 for disclosure of fair value in respect of financial assets measured at amortized cost and assessment of expected credit losses respectively.		
Refer note 41 for information on bank deposits pledged as security by the Company.		
<b>8. Cash and cash equivalents</b>		
Balance with banks		
in current accounts	16.50	72.28
Cash on hand	0.40	0.42
	<u>16.90</u>	<u>72.70</u>
Refer note 35 for disclosure of fair value in respect of financial assets measured at amortized cost and assessment of expected credit losses respectively.		

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**AKUMENTIS HEALTHCARE LIMITED**

CIN-U72900DL2010PLC206414

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

(All amounts in million unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>9. Other bank balances</b>		
Bank deposits with original maturity of more than 3 months and remaining maturity of less than 12 months*	959.74	430.30
	<b>959.74</b>	<b>430.30</b>
*includes deposits of Rs. 0.59 millions (31 March 2022: Rs. 0.59 millions) pledged with statutory and other authorities Refer note 32 for disclosure of fair value in respect of financial assets measured at amortized cost and assessment of expected credit losses respectively.		
<b>10. Other current assets</b>		
<b>Unsecured, considered good</b>		
Advance to suppliers and others	45.15	14.62
Prepaid expenses	5.13	5.15
Balances with statutory authorities	-	1.06
Advances to staff	3.43	3.35
Others*	5.00	-
	<b>58.71</b>	<b>24.18</b>
<b>Unsecured, considered doubtful</b>		
Advances to staff	-	1.76
Less: Credit loss allowance	-	(1.76)
	<b>-</b>	<b>24.18</b>

Note:

\* Includes CSR asset amounting to Rs. 5 million (31 March 2022 : nil). Refer note 38 for details.

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**AKUMENTIS HEALTHCARE LIMITED**
**CIN-U72900DL2010PLC206414**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
*(All amounts in million unless otherwise stated)*

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>11. Equity share capital</b>		
<b>Authorized</b>		
70,000 (31 March 2022: 70,000) equity shares of ₹10 (31 March 2022: ₹ 10) each		
5,918 (31 March 2022: 5,918) cumulative compulsory convertible participating preference shares of ₹ 100 (31 March 2022: ₹ 100) each	0.70	0.70
<b>Issued, subscribed and fully paid up</b>	0.59	0.59
56,242 (31 March 2022: 56,242) equity shares of ₹ 10 (31 March 2022: ₹ 10) each fully paid up	0.56	0.56
<b>Instruments entirely equity in nature</b>		
5,918 (31 March 2022: 5,918) cumulative compulsory convertible participating preference shares (CCCPS) of ₹100 (31 March 2022: ₹ 100) each	0.59	0.59

11.1 There has been no change in the number of shares outstanding at the beginning and at the end of the reporting period.

**11.2 Terms/rights attached to instruments issued**
**a) Terms/ rights attached to equity shares**

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

In the event of winding up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the Company, after distribution of all preferential amounts, in the ratio of the amount of capital paid upon such equity shares. However, no such preferential amounts exist currently.

**b) Terms/ rights attached to CCCPS**

The Company has one class of preference shares i.e. Series A 0.0001% Cumulative Compulsory Convertible Preference Shares ("CCCPS") of ₹ 100/- each. Each share of Series A CCCPS shall carry voting rights equal to number of equity shares issuable upon conversion of CCCPS.

Each Series A CCCPS may be converted into Equity Shares at any time at the option of the holder. The Series A CCCPS shall automatically be converted into Equity Shares upon the earlier of (i) 1 (One) day prior to the expiry of 20 (twenty) years from the Closing Date (i.e. 14.09.2015); or (ii) in connection with an Initial Public Offerings, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law.

Each Series A CCCPS has right to receive dividend at 0.0001%. Dividend on Series A CCCPS is cumulative and shall accrue from year to year whether or not paid and has preference over dividend to equity shares. In Addition, Series A CCCPS would be entitle to participate pari-pasu in any cash or non cash dividend on other class of shares including equity shares.

In the event of liquidation or winding-up of the Company before conversion of preference shares, the preference shareholders are eligible to receive the outstanding amount including dividend in proportion to their shareholding and will have priority over all other shareholders.

The directors, vide board resolution dated 19 March 2022, have waived off special rights of CCCPS including but not limited to waiver of dividend rights, right to participate pari - passu in any cash or non-cash dividend; and waiver to receive the outstanding amount in the event of liquidation or winding-up of the Company before conversion of preference share. Accordingly as on 31 March 2022, such shares shall stand equivalent to equity shares as issued earlier by the Company.

**11.3 Details of shareholders holding more than 5% shares in the Company and shares held by Holding Company\***

Name of shareholders	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares</b>				
Akums Drugs and Pharmaceuticals Limited (Holding Company)#	50,951	90.59%	50,951	90.59%
Jotiram Govind Palkar	-	0.00%	3,729	6.63%
Sanjeev Jain#	2,642	4.70%	777	1.38%
Sandeep Jain#	2,641	4.70%	777	1.38%
Sanjeev Jain J/w Lata Jain	1	0.00%	1	0.00%
Lata Jain J/w Sanjeev Jain	1	0.00%	1	0.00%
Sandeep Jain J/w Archana Jain	1	0.00%	1	0.00%
Archana Jain J/w Sandeep Jain	1	0.00%	1	0.00%
Sanjeev Jain J/w Arushi Jain	1	0.00%	1	0.00%
Lata Jain J/w Umang Jain	1	0.00%	1	0.00%
Sandeep Jain J/w Kanishk Jain	1	0.00%	1	0.00%
Sandeep Jain J/w Manan Jain	1	0.00%	1	0.00%
<b>CCCPS of ₹ 100 each</b>				
Akums Drugs and Pharmaceuticals Limited (Holding Company)	5,918	100%	5,918	100%

\*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.

# promoters of the Company. The holding company has transferred nil (31 March 2022: 4) equity shares to promoters family in the current year.

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

11.5 There are no shares which are reserved for issue under stock options.

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Particulars	As at 31 March 2023	As at 31 March 2022
<b>12. Other equity</b>		
<b>Securities premium</b>		
Balance at the beginning/ end of the year	999.41	999.41
<b>Retained earnings</b>		
<b>Balance at the beginning of the year</b>	<b>(624.27)</b>	<b>(819.60)</b>
Profit for the year	348.83	195.81
Other comprehensive income, net of tax		
- Remeasurement of defined benefit plans	3.25	(0.48)
<b>Balance at the end of the year</b>	<u><u>(272.19)</u></u>	<u><u>(624.27)</u></u>
	<u><u>727.22</u></u>	<u><u>375.14</u></u>
<b>Nature and purpose of reserves</b>		
<b>1. Securities premium</b>		
Securities premium is used to record the premium on the issue of shares. These reserve will be utilized in accordance with the provisions the Companies Act, 2013		
<b>2. Retained earnings</b>		
The retained earnings represents the undistributed surplus of the Company earned from its business operations and includes other comprehensive income arising from actuarial gain/loss on defined benefit plan.		
<b>13. Provisions</b>		
Gratuity (refer note 29)	19.79	18.86
Compensated absences (refer note 29)	25.37	21.42
	<u><u>45.16</u></u>	<u><u>40.28</u></u>
<b>14. Deferred tax (assets) (net)</b>		
<b>Deferred tax liabilities comprises:</b>		
Right to recover products from customer	10.86	10.45
	<u><u>10.86</u></u>	<u><u>10.45</u></u>
<b>Deferred tax assets comprises:</b>		
Property, plant and equipment and intangible assets	1.19	1.31
Right of use asset	0.33	0.07
Refund liability	94.95	96.53
Provision for employee benefits	19.42	15.56
	<u><u>115.88</u></u>	<u><u>113.47</u></u>
<b>Deferred tax (assets) (net)</b>	<u><u>(105.02)</u></u>	<u><u>(103.02)</u></u>

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**AKUMENTIS HEALTHCARE LIMITED**

CIN-U72900DL2010PLC206414

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

Particulars	As at 31 March 2023	As at 31 March 2022
<b>15. Trade payables</b>		
Total outstanding dues of micro and small enterprises (refer note 36)	24.80	7.53
Total outstanding dues of creditors other than micro and small enterprises	407.91	371.24
	<u>432.71</u>	<u>378.77</u>
Due to related party (refer note 31)	44.47	17.59
Refer note 32 for disclosure of the fair value in respect of financial liability measured at amortised cost and analysis of maturity profile.		
Refer note 39(b) for disclosure in respect of ageing of the above payables.		
<b>16. Other financial liabilities</b>		
Employees payable	45.05	27.88
Security deposits	53.90	27.16
	<u>98.95</u>	<u>55.04</u>
Refer note 32 for disclosure of the fair value in respect of financial liability measured at amortised cost and analysis of maturity profile.		
<b>17. Other current liabilities</b>		
Advance from customers	32.07	29.88
Other payables		
Statutory dues	15.28	23.51
	<u>47.35</u>	<u>53.39</u>
<b>18. Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 29)	6.59	7.25
Compensated absences (refer note 29)	11.09	14.29
<b>Other provisions</b>		
Refund liability (refer note below)	377.22	383.49
	<u>394.90</u>	<u>405.03</u>
<b>Note:</b>		
Refund liability is accounted for by recording a provision based on the Company's estimate of expected sales return.		
<b>Movement in the provision for refund liability is as below:</b>		
Balance at the beginning of the year	383.49	364.08
Add: Provision made/ (written back) during the year (net)	(6.26)	19.41
Balance at the end of the year	<u>377.22</u>	<u>383.49</u>

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*Director*



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**AKUMENTIS HEALTHCARE LIMITED**  
**CIN-U72900DL2010PLC206414**

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>19. Revenue from operations</b>		
Sale of goods	3,868.31	3,389.11
	<b>3,868.31</b>	<b>3,389.11</b>
Refer note 30 in terms of disclosures required under Ind AS 115		
<b>20. Other income</b>		
Interest income		
from banks on deposits	31.51	17.95
Right-of-use assets	0.81	0.97
on income-tax refund	1.03	-
Gain on foreign exchange transactions and translations	0.02	-
Royalty received	6.52	12.27
Miscellaneous	0.07	0.17
	<b>39.97</b>	<b>31.36</b>
<b>21. Change in inventory of stock-in-trade</b>		
Opening stock		
Stock-in-trade	266.69	176.50
	<b>(A)</b>	<b>266.69</b>
Less: Closing stock		
Stock-in-trade	266.43	266.69
	<b>(B)</b>	<b>266.69</b>
	<b>0.26</b>	<b>(90.19)</b>
Movement in right to recover products from customer	<b>(C)</b>	<b>(2.32)</b>
<b>Change in the inventory of stock-in-trade</b>	<b>(A-B+C)</b>	<b>(92.51)</b>
<b>22. Employee benefits expense</b>		
Salaries, wages and bonus	1,084.33	935.86
Contributions to provident and other funds (refer note 29A)	51.94	46.84
Staff welfare expenses	139.11	114.18
	<b>1,275.38</b>	<b>1,096.88</b>

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*A*

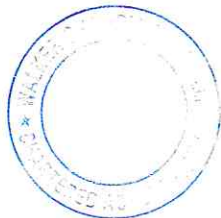
*Amol*

*Arindh*

*Allen*

*Virendra*

*M. Singh*





AKUMENTIS HEALTHCARE LIMITED

CIN-U72900DL2010PLC206414

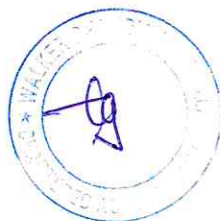
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in million unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>23. Other expenses</b>		
Electricity expense	2.46	1.92
Rent (refer note 37)	3.35	1.34
Repairs and maintenance other	4.17	5.22
Legal and professional expenses	167.40	135.31
Freight and cartage outward	22.31	25.18
Provision against advance to staff	-	1.76
Payment to auditors (refer note 27)	1.82	1.70
Travelling	323.88	249.40
Business promotion	348.81	293.87
Commission expense	68.38	57.76
Selling and distribution	42.56	34.99
Duties and taxes	31.25	31.91
CSR expenses (refer note 38)	5.30	2.97
Bad debts	2.87	49.85
Interest receivable from partnership firm written off	-	10.97
Loss from share of partnership firm	-	0.85
Allowance for expected credit loss on trade receivables	6.80	0.09
Miscellaneous expenses	31.45	26.33
	<b>1,062.82</b>	<b>931.42</b>
<b>24. Finance costs</b>		
Interest on lease liability	1.70	0.97
Other borrowing costs	3.73	2.36
	<b>5.43</b>	<b>3.33</b>
<b>25. Exceptional items</b>		
Dues from partnership firm written off	-	17.05
Loan to partnership firm written off	-	13.99
	<b>-</b>	<b>31.04</b>

Note: The partnership firm has closed down its operations and a dissolution deed has been executed between the partners as on 31 March 2022. Owing to the dissolution of partnership deed the balance dues from partnership firm have been written off.

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Particulars	Year ended 31 March 2023	Year ended 31 March 2022
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## 26. Earning per share

Earnings per share (EPS) as per Ind AS-33 is calculated as under:

Net profit for calculation of basic and diluted EPS (₹) (A)	348.83	195.81
Total number of equity shares outstanding at the end of the year	56,242	56,242
Average number of equity shares in calculating basic EPS (B)	56,242	56,242
Add: No. of equity share to be issued upon conversion of CCCPS	5,918	5,918
Weighted average number of equity shares in calculating diluted	62,160	62,160
Basic EPS (₹) (A/B)	6,202.33	3,481.62
Diluted EPS (₹) (A/C)	5,611.83	3,150.15

## 27. Payment to auditors

### Payment to auditor

(a) as auditor

(b) for reimbursement of expenses

	As at 31 March 2023	As at 31 March 2022
(a) as auditor	1.82	1.60
(b) for reimbursement of expenses	0.13	0.10
	1.95	1.70

## 28. Contingent liabilities

Product pricing matter DPCO (refer note a)

	As at 31 March 2023	As at 31 March 2022
Product pricing matter DPCO (refer note a)	44.26	44.26

a) The 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 management basis discussion with legal counsel, believes that there is a fair chance of favourable decision in this matter and

b) 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 the date period 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 requirement 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.

## 29. Employees benefits obligation

### A. Defined contribution plan

The amount recognized as expense towards contribution to defined contribution plans for the year is as below:

Company's contribution to provident fund

Company's contribution to employees' state insurance scheme

Total

	Year ended 31 March 2023	Year ended 31 March 2022
Company's contribution to provident fund	46.84	41.47
Company's contribution to employees' state insurance scheme	5.10	5.37
Total	51.94	46.84

### B. Defined benefit plan - gratuity

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

Non-current

Current

	As at 31 March 2023	As at 31 March 2022
Non-current	19.79	18.86
Current	6.59	7.25
	26.38	26.11

*Arindh. Oberoi*



*Mr. D. K. ...*



(ii) Movement in the present value of defined benefit obligation recognized in the balance sheet

	Year ended 31 March 2023	Year ended 31 March 2022
Present value of defined benefit obligation as at the beginning of the year		
Current service costs	26.11	25.89
Interest costs	5.93	6.11
Benefits paid	1.36	1.20
Actuarial (gain)/ loss on obligation	(2.67)	(7.73)
Present value of defined benefit obligation as at the end of the year	26.38	26.11

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

	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost		
Interest costs	5.93	6.11
Net impact on profit before tax	1.36	1.20
Actuarial loss/(gain) recognised during the year	7.29	7.31
Amount recognized in total comprehensive income	(4.34)	0.64
	2.94	7.95

(iv) Breakup of actuarial gain/(loss)

	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	(1.22)	(0.45)
Actuarial (gain)/loss from experience adjustment	(3.13)	1.09
Total actuarial (gain)/loss	(4.34)	0.64

(v) Actuarial assumptions

	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.04%	5.20%
Rate of increase in compensation levels	6.00%	6.00%
Attrition rate	35%	35%
Retirement age	58	58
Mortality rate	IALM(2012-14)	IALM(2012-14)

Notes:

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

(vi) Sensitivity analysis for gratuity liability

	Year ended 31 March 2023	Year ended 31 March 2022
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the period	26.38	26.11
Impact due to increase of 0.5% (March 23) ,1% (March 22)	(0.32)	(0.79)
Impact due to decrease of 0.5% (March 23) ,1% (March 22)	0.33	0.84
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the period	26.38	26.11
Impact due to increase of 0.5% (March 23) ,1% (March 22)	0.33	0.82
Impact due to decrease of 0.5% (March 23) ,1% (March 22)	(0.32)	(0.79)

Note:

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 defend 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.

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*Dinesh*  


*Madhulika Allen*

(vii) Maturity profile of defined benefit obligation (undiscounted)

Within next 12 months  
Between 1-5 years  
Beyond 5 years

	As at 31 March 2023	As at 31 March 2022
	6.59	6.09
	14.75	15.01
	5.04	5.01
	<b>26.38</b>	<b>26.11</b>

(viii) Other long-term employee benefits

An amount of ₹ 5.85 million [31 March 2022 : ₹ 10.93 million] pertains to expense towards compensated absences.

30. Revenue from contracts with customers

(i) Disaggregation of revenue

Sale of products

Revenue from sale of pharmaceutical products

	Year ended 31 March 2023	Year ended 31 March 2022
	3,868.31	3,389.11

(ii) Assets and liabilities related to contracts with customers

Contract liabilities related to sale of goods

Advance from customers

Refund liability

Contract assets related to sale of goods

Right to recover products from customer

	Year ended 31 March 2023		Year ended 31 March 2022	
	Non-current	Current	Non-current	Current
Advance from customers	-	32.07	-	29.88
Refund liability	-	377.22	-	383.49
Right to recover products from customer	-	43.14	-	41.52

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.

(iii) Significant changes in the contract assets/ liabilities balances during the year are as follows:

The change in trade receivables is on account of amount charged from sale of goods and the amount outstanding at year end.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Contract liabilities		Contract liabilities	
	Refund liability	Advances from customers	Refund liability	Advances from customers
Opening balance	383.49	29.88	364.08	27.37
Less: Provision made/ (written back) during the year	(6.26)	2.19	19.41	2.51
Closing balance	<b>377.22</b>	<b>32.07</b>	<b>383.49</b>	<b>29.88</b>

Details of Right to recover products from customer

The Company recognizes an asset i.e., Right to recover products from customer (included in other current assets) for the products expected to be returned. The Company 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 Company 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.

Details of right to recover products from customer

Opening balance

Less: Net movement during the year

Closing balance

	Contract assets Right to recover products from customer	
	As at 31 March 2023	As at 31 March 2022
	41.52	39.19
	1.63	2.33
	<b>43.15</b>	<b>41.52</b>

*Arindam Ghosh*  


  
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**31. 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 relationship as identified and certified by the management are as follows: List of related party followed by nature and volume of transactions is given below:

**I. Relationships**

**a) Holding company**

Akums Drugs and Pharmaceuticals Limited

**(b) Entity where control exists**

Cure Sure Pharma (Subsidiary) (till 31 March 2022)

**c) Key management personnel (KMP) of the Company or its Holding company**

Name	Designation
Mr. Manmohan Singh	Director
Mr. Allen Dass	Director
Mr. Kanishk Jain	Director
Mr. Arvind Kumar	Director
Mr. Sanjay Chalke	Director
Mr. Pradeep Patni	CEO
Mr. Sandeep Jain	KMP of holding company
Mr. Sanjeev Jain	KMP of holding company
Mr. D.C. Jain	Relative of KMP of holding company
Mrs. Lata Jain	Relative of KMP of holding company

**d) Fellow subsidiaries\***

- Maxcure Nutravedics Limited
- Malik Lifesciences Private Limited
- Pure and Cure Healthcare Private Limited
- Delcure Lifesciences Limited
- Medibox Digital Services Pvt.Ltd
- Upadhrish Researchem LLP
- AVHA Lifescience Pvt.Ltd
- Nicholas Healthcare Pvt .Ltd
- Plenteous Pharmaceuticals Limited

\* with whom the Company had transactions during the current year or previous year.

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*Arindh*



*[Signature]*

*M. D. Chakraborty*







**AKUMENTIS HEALTHCARE LIMITED**

CIN-U72900DL2010PLC206414

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

(All amounts in million unless otherwise stated)

Particulars	As at	
	31 March 2023	31 March 2022
<b>(b) Balance outstanding at the year end</b>		
<b>Trade receivables</b>		
Plenteous Pharmaceuticals Limited		123.93
Others	7.05	0.02
	0.06	
<b>Trade payables</b>		
Akums Drugs and Pharmaceuticals Limited		6.89
Maxcure Nutravedics Limited	16.25	-
Malik Lifesciences Private Limited	2.76	-
Pure & Cure Healthcare Private Limited	3.91	10.45
Upadhrish Researchem LLP	21.47	0.26
	0.08	
<b>Security deposit#</b>		
Sandeep Jain		5.00
Sanjeev Jain	5.00	5.00

\*excludes post employment benefits as it is computed for the Company on a whole.

# represent undiscounted amount

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**32 Financial Instruments****A Financial assets and liabilities**

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

Particulars	Note	As at 31 March 2023	As at 31 March 2022
<b>Financial assets measured at amortized cost:</b>			
Other financial assets	3 & 11	11.33	9.77
Trade receivables	7	241.94	302.97
Cash and cash equivalents	8	16.90	72.70
Other bank balances	9	959.74	430.30
<b>Total</b>		<b>1,229.91</b>	<b>815.74</b>
<b>Financial liabilities measured at amortized cost:</b>			
Lease liability	37	11.44	25.48
Other financial liabilities	16	98.95	55.04
Trade payables	15	432.70	378.77
<b>Total</b>		<b>543.09</b>	<b>459.29</b>

**B Fair values hierarchy**

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

**Level 1:** Quoted prices 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). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements**

Fair value of financial assets and liabilities measured at amortized cost

As at 31 March 2023	Level	Carrying value	Fair value	Reference
<b>Financial assets</b>				
Other financial assets	3	11.33	11.33	refer note 'a'
Trade receivables	3	241.94	241.94	refer note 'a'
Cash and cash equivalents	3	16.90	16.90	refer note 'a'
Other bank balances	3	959.74	959.74	refer note 'a'
<b>Financial liabilities</b>				
Lease liability	3	11.44	11.44	refer note 'a'
Other financial liabilities	3	98.95	98.95	refer note 'a'
Trade payables	3	432.70	432.70	refer note 'a'
<b>As at 31 March 2022</b>				
	Level	Carrying value	Fair value	Reference
<b>Financial assets</b>				
Other financial assets	3	9.77	9.77	refer note 'a'
Trade receivables	3	302.97	302.97	refer note 'a'
Cash and cash equivalents	3	72.70	72.70	refer note 'a'
Other bank balances	3	430.30	430.30	refer note 'a'
<b>Financial liabilities</b>				
Lease liability	3	25.48	25.48	refer note 'a'
Other financial liabilities	3	55.04	55.04	refer note 'a'
Trade payables	3	378.77	378.77	refer note 'a'

- (a) The carrying amount loans, trade receivables, other bank balances, cash and cash equivalents, trade payables and other financial liabilities which are short term in nature are considered to same as their fair values

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*Dinesh*



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*Arindh*



**C Financial Risk Management**

**Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Loans, Cash and cash equivalents, trade receivables and other financial assets measured at amortized cost	Ageing analysis, Credit ratings	Bank deposits, diversification of asset base, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognized financial liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward foreign exchange contracts
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

**C.1 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 cash and cash equivalents, trade receivables, loans 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 management.

**(a) 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.

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

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

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

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

Basis of categorization	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Loans, Cash and cash equivalents, financial assets measured at amortized 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 –**

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Low credit risk</b>		
Cash and cash equivalents		
Other bank balances	16.90	72.70
Other financial assets	959.74	430.30
	11.33	9.77
<b>Moderate credit risk</b>		
Trade receivables	241.94	302.97
<b>Total</b>	<b>1,229.91</b>	<b>815.74</b>

**Cash and cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

**Trade receivables**

Trade receivables are generally unsecured and non-interest bearing. There is no significant concentration of credit risk. The Company's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. The utilization of credit limit is regularly monitored and a significant element of credit risk is covered by credit insurance. The Company's credit risk is mainly confined to the risk of customers defaulting against credit sales made. Outstanding trade receivables are regularly monitored by credit monitoring Company. In respect of trade receivables, the Company recognises a provision for lifetime expected credit losses after evaluating the individual probabilities of default of its customers which are duly based on the inputs received from the marketing teams of the Company.








## (b) Expected credit losses for financial assets

## (i) Financial assets (other than trade receivables)

Company provides for expected credit losses on loans other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents and other bank balances and bank deposits is evaluated as very low.

- For loans and other financial assets - Credit risk is evaluated based on Company knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Company policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

31 March 2023	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	16.90	-	-	16.90
Other bank balances	959.74	-	-	959.74
Other financial assets	11.33	-	-	11.33

31 March 2022	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	72.70	-	-	72.70
Other bank balances	430.30	-	-	430.30
Other financial assets	9.77	-	-	9.77

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

As at 31 March 2023 and 31 March 2022, the Company considered the individual probabilities of default of its financial assets (other than trade receivables) and determined that in respect of counterparties with low credit risk, no default events are considered to be possible within the 12 months after the reporting date. In respect of trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses using a simplified approach.

As at 31 March 2023	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	164.24	0.44%	-	164.24
Less than 6 months	83.13	0.44%	(5.43)	77.70
6 months - 1 years	0.79	100.00%	(0.79)	-
More than 1 years	1.14	100.00%	(1.14)	-
<b>Total</b>	<b>249.29</b>		<b>(7.35)</b>	<b>241.94</b>

As at 31 March 2022	Gross carrying amount	% of expected credit	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	258.29	0.00%	-	258.29
Less than 6 months	45.33	1.41%	(0.64)	44.69
6 months - 1 years	0.19	100.00%	(0.19)	-
More than 1 years	6.50	100.00%	(6.50)	-
<b>Total</b>	<b>310.30</b>		<b>(7.33)</b>	<b>302.97</b>

## Reconciliation of loss allowance provision from beginning to end of reporting period:

Loss allowance on 31 March 2021	(7.24)
Charge in statement of profit and loss	(0.09)
Loss allowance on 31 March 2022	(7.33)
Provision utilised	6.78
Charge in statement of profit and loss	(6.80)
Loss allowance on 31 March 2023	(7.35)

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**C.2 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company 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 Company liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company 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:

Particulars	As at 31 March 2023	As at 31 March 2022
Working capital facility	250.00	250.00

**Maturities of financial liabilities**

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant:

31 March 2023	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>					
Lease liabilities	11.44	-	-	-	11.44
Trade payables	432.70	-	-	-	432.70
Other financial liabilities	98.95	-	-	-	98.95
<b>Total</b>	<b>543.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>543.09</b>

31 March 2022	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>					
Lease liabilities	14.04	11.44	-	-	25.48
Trade payables	378.77	-	-	-	378.77
Other financial liabilities	55.04	-	-	-	55.04
<b>Total</b>	<b>447.85</b>	<b>11.44</b>	<b>-</b>	<b>-</b>	<b>459.29</b>

**C.3 Market risk**

**(a) Foreign Currency Risk**

The Company is usually exposed to foreign exchange risk in the normal course of its business. Multiple currency exposures arise from commercial transactions like sales, purchases, recognized financial assets and liabilities (monetary terms). However, the Company presently transacts within India due to which there is no foreign currency risk applicable to the entity.

**(b) Interest rate risk**

The Company is not exposed to any interest rate risk.

**(c) Price risk**

**(i) Exposure**

The Company is in the business of trading of pharmaceuticals wherein any increase in the prices is passed on to the customer and hence the Company is not exposed to price risk.

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**AKUMENTIS HEALTHCARE LIMITED**

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

(All amounts in million unless otherwise stated)

**33. Capital Management**

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company do not have any borrowings as on 31 March 2023 and at the end of the preceeding year. Hence, gearing ratio has not been computed for both the years.

**34. Tax expense**

**Tax expense in the statement of profit and loss comprises:**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Tax expense</b>		
<b>Recognized in statement of profit and loss</b>		
Current tax	139.41	121.32
Tax for earlier years	18.69	(38.15)
Deferred tax	(3.09)	10.79
<b>Recognized in other comprehensive income (OCI)</b>		
Deferred tax	1.09	(0.16)
<b>Total tax expense</b>	<b>156.10</b>	<b>93.80</b>

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Profit before tax</b>	<b>503.84</b>	<b>289.77</b>
Income tax using the Company's domestic tax rate (refer note below)	25.17%	25.17%
<b>Expected tax expense [A]</b>	<b>126.82</b>	<b>72.94</b>
<b>Tax effect of adjustment to reconcile expected income tax expense to reported</b>		
Non deductible expenses	22.46	61.42
Tax for earlier years	18.69	(38.15)
Others	(12.96)	(2.26)
<b>Total adjustments [B]</b>	<b>28.19</b>	<b>21.02</b>
Add: Deferred tax recognized in other comprehensive income [C]	1.09	(0.16)
<b>Actual tax expense [D=A+B+C]</b>	<b>156.10</b>	<b>93.80</b>

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

Base tax rate	22.00%	22.00%
Surcharge (% of tax)	10%	10%
Cess (% of tax)	4.00%	4.00%
Applicable rate of tax	25.17%	25.17%

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

Particulars	As at 31 March 2022	Recognized in other comprehensiv e income (OCI)	Recognized in profit and loss	As at 31 March 2023
<b>Deferred tax liability consists of:</b>				
Right to recover products from customer	(10.45)	-	(0.41)	(10.86)
<b>Deferred tax assets consists of:</b>				
Right-of-use assets	0.07	-	0.26	0.33
Property, plant and equipment and intangible	1.31	-	(0.12)	1.19
Refund liability	96.53	(1.09)	(0.47)	94.96
Provision for employee benefits	15.56	-	3.84	19.40
	<b>103.02</b>	<b>(1.09)</b>	<b>3.09</b>	<b>105.02</b>

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c) Changes in deferred tax assets and liabilities for the year ended 31 March 2022 :-

Particulars	As at 31 March 2021	Recognized in other comprehensiv e income (OCI)	Recognized in profit and loss	As at 31 March 2022
<b>Deferred tax liability consists of:</b>				
Right to recover products from customer	(9.86)	-	(0.59)	(10.45)
<b>Deferred tax assets consists of:</b>				
Right-of-use assets	-	-	0.07	0.07
Property, plant and equipment and intangible	1.08	-	0.23	1.31
Refund liability	90.65	-	5.88	96.53
Provision for employee benefits	17.70	0.16	(2.30)	15.56
Provision against doubtful debts and obsolete	14.08	-	(14.08)	-
	<b>113.65</b>	<b>0.16</b>	<b>(10.79)</b>	<b>103.02</b>

35 Segment reporting

The Company is primarily engaged in the trading of "pharmaceutical products". Hence as per, chief operating decision maker, the sale of pharmaceuticals 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 Company are entirely domestic, hence revenues from customers are only in one geographical area i.e. with in India. In current year, none (previous year - none) of the customer accounted for more than 10% of the Company's revenue.

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

Particulars	As at 31 March 2023	As at 31 March 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of		
- Principal amount due		
- Interest amount due	24.80	7.53
(ii) 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	-	-
(iii) 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	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) 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.	-	-

37. Lease

- The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right of Use assets at its carrying amount, but discounted at the lessee's incremental borrowing rate at the date of initial application.
- The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 10.75% p.a.
- The change in contract was just related to the extension of the period of lease and all the underlying terms and conditions of the
- The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet :

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

As on 31 March 2023

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	1	0.75	0.75

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	1	1.75	1.75

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

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

Particulars	Category of Right-of-use assets	
	Building	Total
Balance as at 1 April 2021	9.27	9.27
Add: Additions during the year	30.26	30.26
Less: Amortisation charged on the right-of-use assets	12.87	12.87
Balance as at 31 March 2022/ 1 April 2022	26.66	26.66
Less: Amortisation charged on the right-of-use assets	15.20	15.20
Less: adjustments	-	-
Balance as at 31 March 2023	11.46	11.46

f) Lease payment not recognized as lease liability

Expenses relating to short term leases(included in other expenses)

	Year ended 31 March 2023	Year ended 31 March 2022
	3.35	1.34
	3.35	1.34

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

Minimum lease payments due	As at 31 March 2023		
	Lease payment	Finance charges	Net present value
Within one year	11.80	0.36	11.44
	11.80	0.36	11.44

Minimum lease payments due	As at 31 March 2022		
	Lease payment	Finance charges	Net present value
Within one year	15.74	1.70	14.04
1 - 2 years	11.80	0.36	11.44
	27.54	2.06	25.48

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**AKUMENTIS HEALTHCARE LIMITED**

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

**38. Corporate social responsibility**

As per section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial year 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 2023	Year ended 31 March 2022
Unspent/ (Overspent) balance as at beginning of the year	-	-
Gross amount required to be spent during the year	5.30	2.97
Amount spent during the year		
(i) Construction/ acquisition of the asset		-
(ii) on purposes other than (i) above		-
Overspent balance as at year end [(excess)/ shortfall]	(10.30)	(2.97)
	(5.00)	-

The excess amount spent on CSR during FY 2022-23 has been recognised as an asset in the books of account as per Companies Act 2013. (Refer note 10)

**39. 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 2023**

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered	241.94	-	-	-	-	241.94
Disputed trade receivables- considered good	5.43	0.79	0.22	0.34	0.57	7.35
Disputed trade receivables- credit impaired	(5.43)	(0.79)	(0.22)	(0.34)	(0.57)	(7.35)
	241.94	-	-	-	-	241.94

**31 March 2022**

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered	302.97	-	-	-	-	302.97
Disputed trade receivables- considered good	0.64	0.19	0.68	0.58	5.23	7.33
Disputed trade receivables- credit impaired	(0.64)	(0.19)	(0.68)	(0.58)	(5.23)	(7.33)
	302.97	-	-	-	-	302.97

Note: There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

**b) Trade payables ageing**

The table below analyse the outstanding trade payables:

**31 March 2023**

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	24.80	-	-	-	24.80
Others (undisputed)	99.57	0.09	0.03	2.74	102.43
Unbilled dues	305.47				305.47
	124.37	0.09	0.03	2.74	432.71

**31 March 2022**

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	7.53	-	-	-	7.53
Others (undisputed)	112.67	0.26	0.16	2.63	115.71
Unbilled dues	255.54				255.54
	120.20	0.26	0.16	2.63	378.77

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

(All amounts in million unless otherwise stated)

**40. Ratio Disclosures**

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	% Variance
Current ratio	Current assets	Current liab	1.61	1.26	35.4%
Debt - equity ratio	Total debt	Shareholders equity	-	-	0.0%
Debt service coverage ratio	Earnings available for debt service	Debt service	141.41	144.65	-323.8%
Return on equity ratio	Net profits after taxes –	Average shareholder's eq	15.79%	17.57%	-1.8%
Inventory turnover ratio	Cost of goods sold	Average inventory	0.84	1.00	-15.9%
Trade receivables turnover ratio	Net credit sales	Average accounts receiva	3.55	3.89	-33.7%
Trade payables turnover ratio	Net credit purchases	Average trade payables	1.30	1.84	-53.9%
Net capital turnover ratio	Net sales	Working capital	6.43	14.66	-823.2%
Net profit ratio	Net profit	Net sales	9.02%	5.78%	3.2%
Return on capital employed	Earning before interest and	Capital employed	69.92%	86.14%	-16.2%
Return on investment	Profit after tax	Investment	47.89%	52.04%	-4.1%

**Reasons for variance**

1. The Company has improved its working capital management, thereby impacting the ratios. The Company does not have any borrowings and has surplus funds as on 31 March 2023 and 31 March 2022.

**41. Assets pledged as security**

	As at 31 March 2023	As at 31 March 2022
<b>Current</b>		
Inventories	309.57	308.21
Other bank balances	959.74	429.71
Trade receivables	241.94	302.97
<b>Total current assets pledged as security</b>	<b>1,511.25</b>	<b>1,040.89</b>
<b>Non-current</b>		
Property, plant and equipment	14.51	14.38
<b>Total non-current assets pledged as security</b>	<b>14.51</b>	<b>14.38</b>
<b>Total assets pledged as security</b>	<b>1,525.76</b>	<b>1,055.27</b>

**42. Other Statutory information**

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 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:
  - 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
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 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:
  - 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,
- 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
- The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority. Further, the company has not used the borrowings facilities sanctioned by bank in the current year as well as previous year.

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**AKUMENTIS HEALTHCARE LIMITED**

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

(All amounts in million unless otherwise stated)

43. 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.

As per our report of even date attached

'For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.001076N/N500013

*Tarun*

**Tarun Gupta**

Partner

Membership No.507892



Place: New Delhi

Date: *27 May 2023*

For and on behalf of Board of Directors of

**AKUMENTIS HEALTHCARE LIMITED**

*Arvind Kumar S P Chakre*

**Arvind Kumar S P Chakre**

Director Director

DIN: 07193322 DIN: 07679410

*Allen Dass*

**Allen Dass**

Director

DIN: 06403178

*Neena Vivek*

**Neena Vivek**

Director

DIN: 07118115

*Manmohan Singh*

**Manmohan Singh**

Director

DIN: 02994045

