

Walker ChandioK & Co LLP

Walker ChandioK & Co LLP
L 41, Connaught Circus,
Outer Circle,
New Delhi - 110 001
India
T +91 11 4500 2219
F +91 11 4278 7071

Independent Auditor's Report

To the Members of Akums Drugs and Pharmaceuticals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Akums Drugs and Pharmaceuticals 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 standalone 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 Standalone 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 standalone financial statements and our auditor's report thereon.

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

Chartered Accountants

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



Walker ChandioK & 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

Walker Chandiook & Co LLP

Independent Auditor's Report to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

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

Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements

5. The accompanying standalone 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 standalone 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 Standalone 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



Walker Chandiook & Co LLP

Independent Auditor's Report to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; 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.

Other Matter

11. The standalone financial statements include the Company's share of profit from a Limited Liability Partnership Firms ('LLP 1') in which the Company has invested, whose financial statements for the year ended 31 March 2023 have not been audited by us. These financial statements have been audited by another auditor who have expressed an unmodified opinion on the financial statements of the aforesaid LLP, vide their audit report dated 15 May 2023, which has been furnished to us by the management. Further, the standalone financial statements also includes the Company's share of loss from another LLP ('LLP 2'), amounting to INR 0.00 million in which the Company was invested till 30 September 2022, whose financial statements have not been audited by us. The financial statements of such LLP have also been audited by another auditor who have expressed an unmodified opinion on the financial statements, vide their audit report dated 08 April 2023, which has been furnished to us by the management. Our opinion on the accompanying standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid LLPs, is based solely on the reports of the other auditors.

Further, the standalone financial statement also includes the Company's share of loss from a partnership firm, amounting to INR 2.01 million in which the Company was invested till 31 December 2022, whose financial statements have not been audited by us. The financial statements of the partnership firm is based solely on such unaudited financial statements certified by the management. According to the information and explanations given to us by the management, these financial statements are not material to the Company.

Our opinion on the standalone financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

12. 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.
13. 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.
14. 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 standalone financial statements;



Walker Chandiook & Co LLP

Independent Auditor's Report to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

- 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 standalone financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone 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 35 to the standalone 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;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 56(e) to the standalone 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 56(f) to the standalone 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.



Walker Chandiook & Co LLP

Independent Auditor's Report to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2023 (cont'd)

- 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

Tarun Gupta
Partner
Membership No.: 507892



UDIN: 23507892BGXQWQ5061

Place: New Delhi
Date: 30 June 2023

Walker Chandiook & Co LLP

Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Akums Drugs and Pharmaceuticals Limited on the standalone 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, right of use assets and investment property.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, right of use assets and investment property 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 title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2a to the standalone financial statements are held in the name of 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 21 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) (a) The Company has made investments in and provide loan and guarantees to Subsidiaries during the year as per details given below:

(₹ in million)

Particulars	Guarantees	Loans
Aggregate amount provided/granted during the year:	1,849.57	20,471.34
- Subsidiaries		
Balance outstanding as at balance sheet date in respect of above cases:	1,849.57	8,575.60
- Subsidiaries		

- (b) In our opinion, and according to the information and explanations given to us, the investments made, guaranteed provided and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.



Walker Chandiook & Co LLP

Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2023 (Cont'd)

- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- (d) There is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.
- (f) The Company has not granted any loan, which is repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable.
- (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 Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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, 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, 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 in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹) in million	Amount paid under Protest (₹) in million	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax	Income Tax	11.51	1.11	FY 2016-17	CIT (A)	-
		6.25	0.90	FY 2017-18	CIT (A)	-
		11.09	-	FY 2019-20	CIT (A)	-



Walker Chandiook & Co LLP

Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2023 (Cont'd)

- (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)(a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associate firm.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries companies or associate firm.
- (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



Walker Chandiook & Co LLP

Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2023 (Cont'd)

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.
- (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, although the Company fulfilled the criteria as specified under section 135(1) of the Act read with Companies Corporate Social responsibility Policy) Rules, 2014, however in the absence of average net profits in the immediately preceding three financial years, there is no requirement for the Company to spent any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.



Walker Chandiook & Co LLP

Annexure I referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2023 (Cont'd)

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



Tarun Gupta
Partner
Membership No.: 507892

UDIN : 23507892BGXQWQ5061

Place: New Delhi
Date: 30 June 2023



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to the standalone 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 standalone financial statements of Akums Drugs and Pharmaceuticals 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.

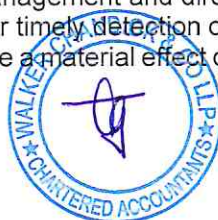
Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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.

Chartered Accountants



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Akums Drugs and Pharmaceuticals Limited on the standalone 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: 23507892BGXQWQ5061

Place: New Delhi
Date: 30 June 2023



Particulars	Notes	As at	
		31 March 2023	31 March 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2a	2,032.84	2,028.54
(b) Right-of-use assets	54	477.50	284.33
(c) Capital work-in-progress	2b	161.29	5.17
(d) Investment property	3	192.57	196.98
(e) Intangible assets	4a	21.12	22.09
(f) Intangible assets under development	4b	1.22	-
(g) Financial assets			
(i) Investments	5	1,391.60	1,413.89
(ii) Loans	6	9,148.94	8,214.81
(iii) Others financial assets	7	118.76	105.08
(h) Non-current tax assets (net)	8	53.33	257.14
(i) Deferred tax assets (net)	20	31.34	-
(j) Other non-current assets	9	100.74	59.87
Total non-current assets		13,731.25	12,587.90
(2) Current assets			
(a) Inventories	10	1,971.20	1,793.09
(b) Financial assets			
(i) Trade receivables	11	2,561.33	3,039.27
(ii) Cash and cash equivalents	12a	72.33	254.88
(iii) Bank balances other than (ii) above	12b	16.12	2.50
(iv) Others financial assets	13	91.94	169.32
(c) Current tax assets (net)	14a	114.05	-
(d) Other current assets	14b	383.85	292.53
Total current assets		5,210.82	5,551.59
Total Assets		18,942.07	18,139.49
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	286.13	143.07
(b) Other equity	16	2,828.91	1,712.31
Total equity		3,115.04	1,855.38
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	218.75	-
(ii) Lease liability	54	407.75	166.91
(iii) Other financial liabilities	18	10,152.89	10,549.45
(b) Provisions	19	82.07	81.27
(c) Deferred tax liabilities (net)	20	-	127.94
Total non-current liabilities		10,861.46	10,925.57
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	1,237.10	1,222.16
(ii) Lease liability	54	17.43	13.79
(iii) Trade payables	22		
Total outstanding dues to micro and small enterprises; and		143.89	96.25
Total outstanding dues of creditors other than micro and small enterprises		1,635.83	2,424.90
(iv) Other financial liabilities	23	970.09	94.41
(b) Other current liabilities	24	903.76	1,328.63
(c) Provisions	25	57.47	178.40
Total current liabilities		4,965.57	5,358.54
Total equity and liabilities		18,942.07	18,139.49

Summary of significant accounting policies and other explanatory information

1-56

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

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


Tarun Gupta
Partner
Membership No: 507892


Place : New Delhi
Date : 30 June 2023




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


Sanjeev Jain
Director
DIN: 00323433


Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596


Sandeep Jain
Director
DIN: 00323476


Sumeet Sood
Chief Financial Officer

Akums Drugs and Pharmaceuticals Limited

CIN - U24239DL2004PLC125888

Standalone statement of profit and loss for the year ended 31 March 2023

(All amounts in ₹ million unless otherwise stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	26	12,868.26	11,620.61
Other income	27	961.53	584.76
Total income		13,829.79	12,205.37
EXPENSES			
Cost of materials consumed		7,912.11	7,865.07
Change in inventories of finished goods and work-in-progress	28	(30.55)	(184.53)
Employee benefits expense	29	1,472.97	1,363.69
Other expenses	30	1,534.65	1,255.00
Total expenses		10,889.18	10,299.23
Earnings before fair value changes, finance costs, depreciation and amortisation, exceptional item and tax (EBITDA)		2,940.61	1,906.14
Fair value changes on financial instruments	18.1	(439.70)	4,941.74
Finance costs	31	131.76	36.53
Depreciation and amortisation expense	32	300.03	277.63
Profit/ (loss) before exceptional items and tax		2,948.52	(3,349.76)
Exceptional items	33	(1,445.33)	-
Profit/ (loss) before tax		1,503.19	(3,349.76)
Tax expenses:			
Current income-tax			
for current year		413.29	15.63
for earlier years		(3.32)	(12.21)
Deferred tax charge		(161.08)	464.57
Total tax expense		248.89	467.99
Profit/ (loss) for the year		1,254.30	(3,817.75)
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Re-measurement gains/ (losses) on defined benefit plans		7.16	3.55
Tax effect relating to these items		1.80	0.89
Other comprehensive income, net of tax		5.36	2.66
Total comprehensive income (comprising of profit/ (loss) for the year and other comprehensive income for the year)		1,259.66	(3,815.09)
Earnings per equity share of ₹ 2 (31 March 2022: ₹ 2) each			
Basic and diluted	34	8.77	(26.69)

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

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

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

Tarun

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 30 June 2023



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

Sanjeev Jain

Sanjeev Jain
Director
DIN: 00323433

Dharamvir Malik

Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596

Sandeep Jain

Sandeep Jain
Director
DIN: 00323476

Sumeet Sood

Sumeet Sood
Chief Financial Officer

Akums Drugs and Pharmaceuticals Limited

CIN - U24239DL2004PLC125888

Standalone statement of changes in equity for the year ended 31 March 2023

(All amounts in ₹ million unless otherwise stated)

a. Equity share capital

Particulars	Amount
As at 1 April 2021	13.01
Changes in equity share capital	130.06
As at 31 March 2022/ 1 April 2022	143.07
Changes in equity share capital (refer note 15.1 for details)	143.06
As at 31 March 2023	286.13

b. Other equity

Particulars	Reserves and surplus			Total
	Security premium	Retained earnings	Put option reserve	
Balance as at 1 April 2021	11.25	7,447.45	(1,801.24)	5,657.46
Add: (Loss) for the year	-	(3,817.75)	-	(3,817.75)
Less: Utilisation on account of bonus issue	(11.25)	(118.81)	-	(130.06)
Add: Other comprehensive income for the year, net of tax				
- Remesurement of defined benefit plans	-	2.66	-	2.66
Balance as at 31 March 2022/ 1 April 2022	-	3,513.55	(1,801.24)	1,712.31
Add: Profit for the year	-	1,254.30	-	1,254.30
Less: Utilisation on account of bonus issue	-	(143.06)	-	(143.06)
Add: Other comprehensive income for the year, net of tax				
- Remesurement of defined benefit plans	-	5.36	-	5.36
Balance as at 31 March 2023	-	4,630.15	(1,801.24)	2,828.91

Summary of significant accounting policies and other explanatory information

1-56

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/ N500013



Tarun Gupta

Partner

Membership No: 507892



Place : New Delhi

Date : 30 June 2023

For and on behalf of Board of Directors of

Akums Drugs and Pharmaceuticals Limited



Sanjeev Jain

Director

DIN: 00323433



Dharamvir Malik

Company Secretary

Mem. No.: FCS 8596



Sandeep Jain

Director

DIN: 00323476



Sumeet Sood

Chief Financial Officer



Akums Drugs and Pharmaceuticals Limited

CIN - U24239DL2004PLC125888

Standalone 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
A. Cash flow from operating activities		
Net profit/ (loss) before tax	1,503.19	(3,349.76)
Adjustments for:		
Depreciation and amortisation	300.03	277.63
Bad debts	8.19	0.60
Diminution in the value of investment in subsidiaries	30.64	-
Loans written off	710.00	-
Impairment of intangible assets under development	697.50	-
Loss on disposal of investment in subsidiaries	7.19	-
Fair value changes on financial instruments	(439.70)	4,941.74
Provision for expected credit loss on trade receivable	5.43	(10.00)
Provision for expected credit loss on advance to suppliers	36.00	-
Profit on sale of property, plant and equipment	(46.37)	-
Interest expense	131.76	36.53
Interest income	(617.47)	(433.44)
Gain on reassessment of ROU	-	(9.81)
Liability no longer required written back	(173.68)	(1.92)
Share of profit from investment in firm/ LLP	(51.80)	(71.35)
Rental income	(42.65)	(20.98)
Operating profit before working capital changes	2,058.26	1,359.24
Adjustments for movement in working capital changes:		
Inventories	(178.11)	(834.00)
Trade receivables	464.32	(913.24)
Other financial assets	72.46	(67.75)
Other assets	(127.32)	(96.79)
Trade payables	(741.43)	1,625.69
Other financial liabilities	59.11	(11.96)
Provisions	60.71	9.92
Other liabilities	(424.87)	1,283.97
Cash flow generated from operations (gross)	1,243.13	2,355.08
Less: Taxes paid (net)	(303.00)	(71.94)
Net cash flow generated from/ (used in) operating activities (A)	940.13	2,283.14
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including investment property, capital work-in-progress, capital advances and payable towards property, plant and equipment)	(1,162.60)	(302.86)
Proceeds from sale of property plant and equipment	128.26	19.01
Investment in subsidiaries and associate	(15.54)	(109.38)
Investment in current investments	-	190.07
Investment in deposits having original maturity of more than 3 months	(4.86)	45.19
Loan given to subsidiary companies / LLP	(20,471.34)	(16,901.69)
Loan repaid by subsidiary companies / LLP	18,827.21	13,570.77
Withdrawals from partnership firm	34.28	54.90
Interest received	600.26	433.44
Rent received	42.65	20.98
Net cash flow (used in) investing activities (B)	(2,021.68)	(2,979.57)
C. Cash flow from financing activities		
Proceeds from non-current borrowings	250.00	-
Proceeds from current borrowings (net)	797.54	993.75
Payment of lease liabilities	(42.21)	(22.72)
Interest paid	(106.33)	(21.18)
Net cash flow generated from financing activities (C)	899.00	949.85
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(182.55)	253.42
Cash and cash equivalents at the beginning of the year (refer note 12a)	254.88	1.46
Cash and cash equivalents at the end of the year (refer note 12a)	72.33	254.88







Akums Drugs and Pharmaceuticals Limited

CIN - U24239DL2004PLC125888

Standalone statement of cash flow for the year ended 31 March 2023

(All amounts in ₹ million unless otherwise stated)

Statement of cash flow (cont'd)

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	72.08	254.12
Cash on hand	0.25	0.76
	72.33	254.88

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	Current borrowings (including book overdraft)	Non-current borrowings	Lease liabilities	Put option liability	Total
Net debt as on 1 April 2021*	228.41	-	184.21	5,574.00	5,986.62
Cash flows					
(Repayments)/ Proceeds	993.75	-	(22.72)	-	971.03
Non cash changes					
Interest on lease liability	-	-	15.32	-	15.32
Fair value changes to financial instrument (refer note 18.1)	-	-	-	4,941.74	4,941.74
Gain on reassessment of ROU	-	-	(9.81)	-	(9.81)
New leases	-	-	13.70	-	13.70
Balance as on 31 March 2022/ 1 April 2022	1,222.16	-	180.70	10,515.74	11,918.60
Cash flows					
(Repayments)/ Proceeds	797.54	250.00	(42.21)	-	1,005.33
Non cash changes					
Interest on lease liability	-	-	25.43	-	25.43
Fair value changes to financial instrument (refer note 18.1)	-	-	-	(439.70)	(439.70)
Gain on reassessment of ROU	-	-	-	-	-
New leases	-	-	261.26	-	261.26
Balance as on 31 March 2023	2,019.70	250.00	425.18	10,076.04	12,770.92

*Current borrowings as on 01 April 2021 includes interest payable to banks.

Summary of significant accounting policies and other explanatory information

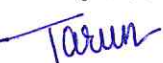
1-56

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

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/ N500013



Tarun Gupta

Partner

Membership No: 507892



Place : New Delhi

Date : 30 June 2023

For and on behalf of Board of Directors of

Akums Drugs and Pharmaceuticals Limited



Sanjeev Jain

Director

DIN: 00323433



Dharamvir Malik

Company Secretary

Mem. No.: FCS 8596



Sandeep Jain

Director

DIN: 00323476



Sumeet Sood

Chief Financial Officer



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

1 Company overview and summary of significant accounting policies

1.1 Company overview

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

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

1.2 Basis of preparation

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

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

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

The standalone financial statements of the Company for the year ended 31 March 2023 were approved and authorised for issue by Board of Directors in their meeting held on 30 June 2023. The Board of Directors can permit revisions to these financial statements after obtaining necessary approvals or at the instance of regulatory authorities, as per provisions of the Act.

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


Standards issued but not yet effective

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.

1.3 Use of judgment, estimates and assumptions

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



Judgements, estimates and assumptions

These estimates and judgment are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other estimates and judgments that are believed to be reasonable under the circumstances. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements and key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Significant management judgement in applying accounting policies and estimation uncertainty

- a) **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.
- b) **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- c) **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of Company's assets.
- d) **Provisions and contingent liabilities** – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the circumstances, when the outcome is not probable, company accounts for that as a contingent liability.
- e) **Employee benefits** – Management's estimate of the employee benefits is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the employee benefits amount and the annual defined benefit expenses.

1.4 Property, plant and equipment

Recognition and initial measurement

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

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

Subsequent measurement (depreciation and useful lives)

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

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

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



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

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 derecognised.

1.5 Intangible assets

Recognition and initial measurement

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

Subsequent measurement (amortisation)

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

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

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

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

De-recognition

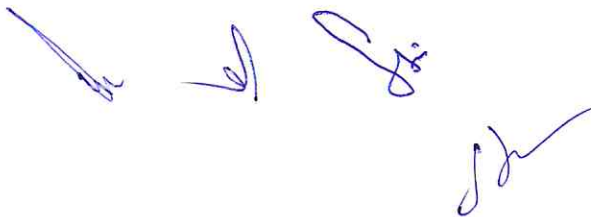
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone statement of profit and loss when the asset is derecognised.

1.6 Financial instruments

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

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

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



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

1.7 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

1.8 Investment in subsidiaries

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

Thus, an investor controls an investee if and only if the investor has all the following:

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

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

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

1.9 Impairment of financial assets

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

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

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

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



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

Trade receivables

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

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

Other financial assets

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

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

1.10 Impairment of non-financial assets

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

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

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

1.11 Provisions, contingent liabilities and contingent assets

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

Contingent liability is disclosed for:

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

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

1.12 Operating expenses

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



1.13 Foreign currency transactions and translations

i. Initial recognition

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

ii. Measurement at the balance sheet date

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

iii. Treatment of exchange difference

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

1.14 Earnings per share

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

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

1.15 Taxes

Current income-tax

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

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

Deferred tax

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

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

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

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

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



1.16 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

Other long-term employee benefits

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

Short-term employee benefits

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

1.17 Cash flow statement

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

1.18 Inventories

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

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


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

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

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

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

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



1.19 Investment property

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

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

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

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

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

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

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

1.20 Revenue recognition

The five step model of Ind AS 115 - 'Revenue from Contracts from Customers' is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

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

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

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

1.21 Other income

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

Interest

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



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

1.22 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

1.23 Borrowings costs

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

1.24 Leases

The Company as a lessee

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

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

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

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

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

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

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

The Company as a lessor

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

1.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company operates in a single segment of production of pharmaceuticals and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed by the Company under note no 48.

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



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

1.26 Earnings before fair value changes, finance costs, depreciation and amortisation, exceptional items and tax (EBITDA)

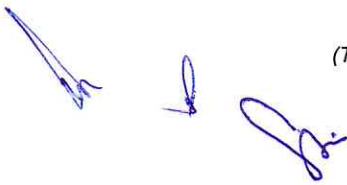
The Company presents EBITDA in the statement of profit and loss; this is not specifically required by Ind AS 1. The term EBITDA are not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Measurement of EBITDA

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

1.27 The amendments under Indian Accounting Standards, effective from 1 April 2022, do not have any material impact on the Company.

(This space has been intentionally left blank)



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

2a. Property, plant and equipment

Particulars	Property, plant and equipment										Total	
	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipments	Computers	Research and development equipments	Electrical installations	Pollution control equipments			
Gross Block												
Balance as at 1 April 2021	1,043.87	2,084.79	109.58	29.76	78.98	92.15	398.78	163.19	8.20		4,009.30	
Additions	25.79	166.01	31.58	2.32	26.57	19.28	29.51	10.31	-		311.37	
Disposals/ adjustments	(1.06)	(13.32)	(0.01)	(1.56)	(4.45)	(0.49)	(8.37)	(6.14)	-		(35.40)	
Balance as at 31 March 2022/ 1 April 2022	1,068.60	2,237.48	141.15	30.52	101.10	110.94	419.92	167.36	8.20		4,285.27	
Additions	5.27	163.86	22.14	11.13	7.04	36.83	48.80	11.90	-		306.97	
Disposals/ adjustments	(12.18)	(57.18)	(0.76)	(3.08)	(0.97)	(0.41)	(4.12)	(0.64)	-		(79.34)	
Balance as at 31 March 2023	1,061.69	2,344.16	162.53	38.57	107.17	147.36	464.60	178.62	8.20		4,512.90	
Accumulated depreciation												
Balance as at 1 April 2021	343.34	1,158.32	69.96	20.09	62.34	64.24	201.23	107.70	3.66		2,030.88	
Charge for the year	33.71	139.29	8.89	2.24	6.92	9.08	33.33	8.13	0.65		242.24	
Reversal of disposal	(0.06)	(5.25)	-	(1.26)	(4.22)	(0.34)	(1.92)	(3.34)	-		(16.39)	
Balance as at 31 March 2022/ 1 April 2022	376.99	1,292.36	78.85	21.07	65.04	72.98	232.64	112.49	4.31		2,256.73	
Charge for the year	34.95	148.52	10.25	2.65	9.49	13.64	33.73	7.98	0.55		261.76	
Reversal of disposal	(2.90)	(26.91)	(0.61)	(2.92)	(0.79)	(0.32)	(3.53)	(0.45)	-		(38.43)	
Balance as at 31 March 2023	409.04	1,413.97	88.49	20.80	73.74	86.30	262.84	120.02	4.86		2,480.06	
Net block												
As at 31 March 2022	691.61	945.12	62.30	9.45	36.06	37.96	187.28	54.87	3.89		2,028.54	
As at 31 March 2023	652.65	930.19	74.04	17.77	33.43	61.06	201.76	58.60	3.34		2,032.84	

Notes:

- Refer note 39 for details of assets pledged as security by the Company.
- Refer note 36 for disclosures of contractual commitments for the acquisition of property, plant and equipment.
- Title deeds of all the immovable property held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Company.

2b. Capital work-in-progress

Particulars	Amount
As at 1 April 2021	12.60
Add: Additions during the year	5.17
Less: Capitalised during the year	(12.60)
As at 31 March 2022/ 1 April 2022	5.17
Add: Additions during the year	161.29
Less: Capitalised during the year	(5.17)
As at 31 March 2023	161.29

(Handwritten signatures and initials)



3. Investment property

Tangible assets provided on operating lease to subsidiaries as follows:

Particulars	Freehold land	Buildings	Total
Gross carrying value			
Opening balance as at 1 April 2021	64.62	129.58	194.20
Additions during the year	48.88	-	48.88
Closing balance as at 31 March 2022/ 1 April 2022	113.50	129.58	243.08
Additions during the year	-	-	-
Closing balance as at 31 March 2023	113.50	129.58	243.08
Depreciation			
Opening balance as at 1 April 2021	-	40.97	40.97
Charge for the year (refer note 32)	-	5.13	5.13
Closing balance as at 31 March 2022/ 1 April 2022	-	46.10	46.10
Charge for the year (refer note 32)	-	4.41	4.41
Closing balance as at 31 March 2023	-	50.51	50.51
Net carrying value			
As at 31 March 2022	113.50	83.48	196.98
As at 31 March 2023	113.50	79.07	192.57

Information regarding income and expenditure of Investment property

	Year ended 31 March 2023	Year ended 31 March 2022
Rental income derived from investment properties	20.66	12.96
Less – Depreciation	(4.41)	(5.13)
Profit arising from investment properties before indirect expenses	16.25	7.83

Fair Value of the above said property at the end of the year is ₹ 243.77 million (Rs. 215.01 million) as valued by an accredited independent valuer with specialisation in valuing these types of properties. The fair value so determined is higher than the carrying value of each respective asset.

Fair market value is the amount expressed in terms of money that may be reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy

The fair value measurement for the investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

(This space has been intentionally left blank)



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

(All amounts in ₹ million unless otherwise stated)

4a. Intangible assets

Particulars	Brands /trademarks	Software	Total
Gross carrying value			
Opening balance as at 1 April 2021	4.90	115.74	120.64
Additions during the year	-	10.52	10.52
Closing balance as at 31 March 2022/ 1 April 2022	4.90	126.26	131.16
Additions during the year	-	5.78	5.78
Closing balance as at 31 March 2023	4.90	132.04	136.94
Amortisation			
Accumulated as at 1 April 2021	3.38	98.38	101.76
Charge for the year (refer note 32)	0.77	6.54	7.31
Balance as on 31 March 2022/ 1 April 2022	4.15	104.92	109.07
Charge for the year (refer note 32)	0.57	6.18	6.75
Balance as on 31 March 2023	4.72	111.10	115.82
Net carrying value			
As at 31 March 2022	0.75	21.34	22.09
As at 31 March 2023	0.18	20.94	21.12

4b. Ageing of intangible assets under development

31 March 2023

Particulars	Ageing				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Software	1.22	-	-	-	1.22
License and rights (refer note 33)	697.50	-	-	-	697.50
Less: Provision for diminution in value of license	(697.50)	-	-	-	(697.50)
	1.22	-	-	-	1.22

There was no intangible assets under development as on 31 March 2022.

Note : There are no such project in intangible under development whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2023.

(This space has been intentionally left blank)



Akums Drugs and Pharmaceuticals Limited

CIN - U24239DL2004PLC125888

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
5. Investments		
Investment in equity instrument		
Investments in subsidiaries (measured at cost), Unquoted		
5.1. Investment in equity instruments of subsidiaries		
50,000 (31 March 2022: 50,000) equity shares of Amazing Research Laboratories Limited of ₹ 10 each	1.95	1.95
50,000 (31 March 2022: 50,000) equity shares of May and Baker Pharmaceuticals Limited of ₹ 10 each	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of Nicholas Healthcare Limited of ₹ 10 each	0.50	0.50
50,000 (31 March 2022: 50,000) equity shares of Plenteous Pharmaceuticals Ltd. of ₹ 10 each	0.50	0.50
Nil (31 March 2022: 10,000) equity shares of AVHA Lifesciences Private Limited of ₹ 10 each [#]	-	0.10
10,000 (31 March 2022: 10,000) equity shares of Sarvagunaushdhi Private Limited of ₹ 10 each	0.10	0.10
50,000 (31 March 2022: 50,000) equity shares of Maxcure Nutravedics Limited of ₹ 10 each	80.42	80.42
Nil (31 March 2022: 500,000) equity shares of Delcure Lifesciences Limited of ₹ 10 each [#]	-	7.25
467,000 (31 March 2022: 467,000) equity shares of Malik Lifesciences Private Limited of ₹ 10 each	34.85	34.85
2,500,000 (31 March 2022: 2,500,000) equity shares of Pure and Cure Healthcare Private Limited of ₹ 10 each	324.67	324.67
18,020,000 (31 March 2022: 18,000,000) equity shares of Unosource Pharma Limited of ₹ 10 each*	196.20	180.00
50,955 (31 March 2022: 50,955) equity shares of Akumentis Healthcare Limited of ₹ 10 each	170.79	170.79
99,994 (31 March 2022: 99,994) equity shares of Akums Healthcare Limited of ₹ 10 each	1.00	1.00
50,00,000 (31 March 2022: 50,00,000) equity shares of Akums Lifesciences Limited of ₹ 10 each	154.40	154.40
1,000 (31 March 2022: 1,000) equity shares of Burroughs Welcome Pharmacia Private Limited of ₹ 10 each	0.01	0.01
1,54,121 (31 March 2022: 1,54,121) equity shares of Medibox Digital Solutions Private Limited of ₹ 10 each**	30.64	30.64
Less: Provision for diminution in the value of investment in Medibox Digital Solutions Private Limited (refer note 33)	(30.64)	-
	965.89	987.68
5.2 Investment in preference shares		
Investments in subsidiaries (measured at cost), Unquoted		
5,918 (31 March 2022: 5,918) Cumulative compulsory convertible participating preference shares of Akumentis Healthcare Limited of ₹ 100 each	424.21	424.21
	424.21	424.21
5.3 Investment in partnership firm		
(Investments carried at cost, trade, long term, unquoted)		
AUSL Pharma [#] (31 March 2022: Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (40%), Vikram Malhotra (36%), Sunil Anand (12%) and Jaideep Malhotra (12%), Total capital of the firm ₹ 1,000,000)	-	0.40
	-	0.40
5.4 Other investments - investments in limited liability partnership ("LLP") firms		
(Investments carried at cost, trade, long term, unquoted)		
Upadhrish Reserchem LLP (Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (99.93 %) and S.P. Ojha (0.07%), Total Capital of the LLP ₹ 1,501,000)	1.50	1.50
Akum Impex LLP [#] (31 March 2022: Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (99.98%), Shri Sanjeev Jain (0.01%) and Shri Sandeep Jain (0.01%) . Total Capital of the LLP ₹	-	0.10
	1.50	1.60
	1,391.60	1,413.89
Aggregate amount of unquoted investments	1,391.60	1,413.89
Aggregate provision for diminution in value of investments	30.64	-

Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses

** The Company is exercising control over Medibox Digital Solutions Private Limited jointly with its wholly owned subsidiary Maxcure Nutravedics Limited

The Company during the year has disposed off its investment in following entities: a) AVHA Lifesciences Private Limited, b) Delcure Lifesciences Limited, c) Akum Impex LLP and d) AUSL Pharma (refer note 42 for the date till which the control exists)

*During the year Company increased its stake in the following entities :

FY 2022-23

Acquisition from other equity holder :

Unosource Pharma Limited

16.20 0.11%

FY 2021-22

Acquisition from other equity holder :

Medibox Digital Solutions Private Limited

0.62 16%

Akums Lifesciences Limited

109.40 10%

Fresh investment made :

Burroughs Welcome Pharmacia Private Limited

0.01 100%

(Handwritten signatures)



Particulars	As at 31 March 2023	As at 31 March 2022
6. Loans		
Unsecured, considered good		
Loans to related parties (refer note 42 and 53)*	9,148.94	8,214.81
	<u>9,148.94</u>	<u>8,214.81</u>
*Net of loan written off of ₹ 710.00 million (31 March 2022: ₹ 1,523.48 million)		
* includes interest receivable from related parties amounting to ₹ 53.34 million (31 March 2022: ₹ 35.41 million)		
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		
7. Other financial assets		
Security deposits	80.49	58.05
Deposit having remaining maturity of more than 12 months*	38.25	47.01
Other receivable	0.02	0.02
	<u>118.76</u>	<u>105.08</u>
*pledged with government authorities and others.		
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		
8. Non-current tax assets		
Advance income-tax (net of provision)	53.33	257.14
	<u>53.33</u>	<u>257.14</u>
9. Other non-current assets		
Unsecured, considered good		
Capital advances	41.08	0.21
Advances other than capital advances:		
Tax deposited with sales tax department (refer note 35 (b))	51.31	51.31
Prepaid expenses	5.29	5.29
Other receivable	3.06	3.06
Unsecured, considered doubtful		
Capital advances	36.00	-
Less: Provision for expected credit loss	(36.00)	-
	<u>100.74</u>	<u>59.87</u>
10. Inventories		
(refer note 1.18 in respect of mode of valuation of inventories)		
Raw materials		
on hand	1,097.36	1,026.56
in transit	73.85	32.74
Packing materials		
on hand	355.42	321.07
in transit	3.37	3.75
Work-in-progress	146.06	201.81
Finished goods	260.59	174.29
Stores and spares		
on hand	34.27	32.15
in transit	0.28	0.72
	<u>1,971.20</u>	<u>1,793.09</u>

Refer note 39 for information on inventories pledged as security by the Company



Akums Drugs and Pharmaceuticals Limited

CIN - U24239DL2004PLC125888

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
11. Trade receivables		
Trade receivables considered good (unsecured)	2,561.33	3,039.27
Trade receivables-credit impaired	32.39	26.96
	<u>2,593.72</u>	<u>3,066.23</u>
Less: Allowance for expected credit losses	(32.39)	(26.96)
	<u><u>2,561.33</u></u>	<u><u>3,039.27</u></u>
11.1 Dues to related party (refer note 42)	465.67	375.03
11.2 Refer note 39 for information on trade receivables pledged as security by the Company.		
11.3 Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively. All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.		
11.4 Refer note 50 (a) for the ageing of the trade receivables		
11.5 No amount is due from directors or officers of the Company.		
12. Cash and bank balances		
12a. Cash and cash equivalents		
Balance with scheduled banks in current accounts	72.08	254.12
Cash on hand	0.25	0.76
	<u>72.33</u>	<u>254.88</u>
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		
Refer note 39 for assets pledged as security by the Company		
12b. Other bank balances		
Deposits with original maturity of more than 3 months and remaining maturity of less than 12 months	16.12	2.50
	<u>16.12</u>	<u>2.50</u>
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		
Refer note 39 for assets pledged as security by the Company		
13. Other financial assets		
Unsecured, considered good		
Dues from partnership firm and LLPs (refer note 42)	53.83	71.35
Balance with statutory and other authorities	34.11	93.97
Other loans and advances	4.00	4.00
	<u>91.94</u>	<u>169.32</u>
14a. Current tax assets		
Income tax refundable	114.05	-
	<u>114.05</u>	<u>-</u>
14b. Other current assets		
Unsecured, considered good		
Advance to suppliers and others	86.71	54.87
Prepaid expenses	32.57	23.01
Balance with statutory authorities	261.06	212.03
Others*	3.51	2.62
	<u>383.85</u>	<u>292.53</u>

*includes CSR asset amounting to ₹ 0.54 million (31 March 2022: ₹ 0.50 million). Refer note 44 for details.



Particulars	As at 31 March 2023	As at 31 March 2022
15. Equity share capital		
Authorised		
15,00,00,000 (31 March 2022: 7,50,00,000) equity shares of ₹ 2 (31 March 2022: ₹ 2) each	300.00	150.00
Issued, subscribed and fully paid up		
14,30,64,350 (31 March 2022: 7,15,32,175) equity shares of ₹ 2 (31 March 2022: ₹ 2) each	286.13	143.07
	286.13	143.07

15.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	71,532,175	143.07	1,300,585	13.01
Add: Shares issued during the year				
- Additional shares issued on account of share split in the ratio of 1:5	-	-	5,202,340	-
- Bonus share issued during the year	71,532,175	143.06	65,029,250	130.06
At the end of the year	143,064,350	286.13	71,532,175	143.07

15.2 Terms/rights attached to equity shares

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

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

On 03 October 2019, the Company executed a shareholders' agreement ("the Agreement") with its existing shareholders (Mr. Sandeep Jain and Mr. Sanjeev Jain) and Ruby QC Investments Pte. Limited ("the Investor") wherein 125,585 fully paid equity shares were issued by the Company and 70,642 equity shares were transferred by the said shareholders directly to the Investor for a total consideration of ₹ 5,000.00 million giving the Investors 15.09% stake in the Company.

As per the Agreement, in the event of liquidation of the Company, the equity shares held by the Investor will have preferential right on the liquidation proceeds so available to the Company over other shareholder. Also refer note 18.1.

15.3 Details of shareholders holding more than 5% shares in the Company and shares held by promoters*

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% Holding	No. of shares	% Holding
Sanjeev Jain [#]	60,692,940	42.42	30,346,470	42.42
Sandeep Jain [#]	60,728,690	42.45	30,364,345	42.45
Ruby QC Investment Holding Pte Ltd.	21,584,970	15.09	10,792,485	15.09

[#] promoters of the Company. There has been no change in the shareholding ratio of the promoters. Further, the change in shares held is due to bonus issue in the current year.

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

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

Particulars	No of shares
Shares issued as bonus shares in 2021-22	65,029,250
Additional shares issued on account of share split	5,202,340
Shares issued as bonus shares in 2022-23	71,532,175

15.5 The Company vide board resolution dated 16 March 2022 and shareholder resolution dated 31 March 2022 has approved the Employee Stock Option Scheme 2022 and authorised to create, grant, offer, issue and allot 10,72,983 employee stock options under Employee Stock Option Scheme 2022, for the benefit of employees and directors of the Company as decided by the board. The number of shares post bonus issue done in financial year ended 31 March 2023, have resulted in increase of Employee Stock Options from 10,72,983 options to 21,45,966 options. Pending the number of options granted, no adjustment has been recorded in these standalone financial statements.



Particulars	As at 31 March 2023	As at 31 March 2022
16. Other equity		
(a) Securities premium		
Balance as at beginning of the year	-	11.25
Less: Utilisation on account of bonus issue	-	(11.25)
Balance as at end of the year	-	-
(b) Retained earnings		
Balance as per last financial statements	3,513.55	7,447.45
Add: Profit/ (loss) for the year	1,254.30	(3,817.75)
Add: Other comprehensive income for the year		
- Remeasurement of defined benefit plans	5.36	2.66
Less: Utilisation on account of bonus issue	(143.06)	(118.81)
Balance as at end of the year	4,630.15	3,513.55
(c) Put option reserve		
Balance as at beginning/ end of the year	(1,801.24)	(1,801.24)
Total	2,828.91	1,712.31

Nature of reserves

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

1. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2. Retained earnings

The retained earnings represents the undistributed surplus of the Company earned from its business operations and includes other comprehensive income generated on remeasurement of defined benefit plan.

3. Put option reserve

Refer note 18.1 for further details.

17. Borrowings

Term loans

Secured

From bank

Loan from bank (refer note 17.1)

250.00 -

250.00 -

Less: Current maturities of long term borrowings (refer note 21)

(31.25) -

218.75 -

Notes:

Details of the security and repayment terms of the above borrowings (including current maturities)

17.1 Term loans - Secured- From bank

Term loan taken from HSBC Bank Limited

Carries an interest rate of 6.51% p.a. linked with 1 month T-Bill (31 March 2022: Not applicable) are secured by way of mortgage/ hypothecation (pari passu) on immovable assets of Haridwar unit and movable assets of the Company, both present and future. The loan is repayable in quarterly installments of ₹ 15.63 million each till August 2027; starting from November 2023.

250.00 -

250.00 -

a) Refer note 39 for assets pledged as security

b) The above loans have been utilised as per the purpose for these loans were sanctioned

c) The property on which mortgaged or any charged created during the financial year has been duly registered with Registrar of companies.

d) Refer note 45 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.

e) The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.



Particulars	As at 31 March 2023	As at 31 March 2022
18. Other financial liabilities		
Put option liability (refer note 18.1 and 45)	10,076.04	10,515.74
Security deposit received		
from customers	29.28	26.98
from others	47.57	6.73
	10,152.89	10,549.45

18.1 Pursuant to the Agreement described in note 15.2, the Investor has a right to exercise an option ("put option") after 54 months from 3 October 2019 to require the Company to buyback its equity shares at fair market value at the date of exercise of the put option, in case the Company is not able to give exit to the Investor through an 'initial public offer' or a secondary sale to a third party.

The put option is considered to be contractual obligation of the Company to deliver cash and accordingly the entire amount of ₹ 5,000.00 million paid by the Investor has been recognised as a financial liability at fair value in accordance with Ind AS 109 - Financial instruments and presented above as "put option liability".

The put option liability represents the fair value of the contractual obligation of the Company and includes amounts payable in respect of shares transferred directly from the said shareholders to the Investor amounting to ₹ 1,799.99 million and the face value of the equity shares directly issued to the Investor by the Company amounting to ₹ 1.26 million with a corresponding adjustment of ₹ 1,801.24 million to "other equity" as a "put option reserve". Further, the decrease in the put option liability on its subsequent re-measurement at fair value at the balance sheet date amounting to ₹ 439.70 million (31 March 2022: increased by ₹ 4,941.74 million) is disclosed separately in the standalone statement of profit and loss.

19. Provisions

(a) Provision for employee benefits

Gratuity (refer note 38)	66.93	62.29
Compensated absences	15.14	18.98
	82.07	81.27

20. Deferred tax liabilities (net)

In accordance with Ind AS 12 "Income Tax", the Company has accounted for deferred taxes.

Deferred tax liabilities consists of:

Temporary differences of book and tax depreciation	268.11	205.87
--	--------	--------

Deferred tax assets consists of:

Items that are tax deductible on payment basis	24.51	23.41
Lease liabilities	70.40	3.64
Provision for expected credit loss	15.15	6.78
Provision for sales tax	-	44.10
Provision for diminution in value of intangible assets	175.55	-
Provision for demand raised by statutory authorities	13.84	-
Deferred tax liabilities (net)	(31.34)	127.94

Refer note 46 for movement of tax

(This space has been intentionally left blank)



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
21. Borrowings		
Secured		
Loan repayable on demand (from bank)		
Working capital loan (including interest accrued) (refer note a to e)	1,205.85	1,222.16
Current maturities of non-current borrowings (refer note 17)	31.25	-
	1,237.10	1,222.16

Notes:

Nature of security and repayment terms of the above borrowings are as below:

	Amount outstanding as at	
	As at 31 March 2023	As at 31 March 2022
(a) Cash credit facility from State Bank of India	-	471.53
Cash credit facility received from State Bank of India has been secured by Company's all current assets (present and future) at Company's head office and hypothecation of stocks, book debts and fixed & movable assets of the Unit-I, II, III, IV & V; equitable mortgage by deposit of title deeds in respect of land at Haridwar of Unit I, II, III, IV & V and personal guarantee of directors of the company. The loan is repayable on demand and carries an interest rate of 7.5% p.a. to 8.85% p.a. (previous year 8.85% p.a.)		
(b) Working capital loan from State Bank of India	352.20	-
Working capital loan from State Bank of India is secured by Company's all current assets (present and future) at Company's head office and hypothecation of stocks, book debts and fixed & movable assets of the Unit-I, II, III, IV & V; equitable mortgage by deposit of title deeds in respect of land at Haridwar of Unit I, II, III, IV & V and personal guarantee of directors of the company and carries an interest rate in the range of 6.60% p.a. to 7.50% p.a. (previous year: not applicable) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.		
(c) Working capital loan from HDFC Bank	521.63	450.61
Working capital loan from Hdfc Bank Limited is secured by hypothecation/ mortgage of stocks, book debts and fixed and movable assets of Units I, II, III, IV & V, equitable mortgage by deposits of title deeds in respect of land at Haridwar and carries an interest rate in the range of 4.30% p.a. to 7.80% p.a. (previous year: 4.0% p.a. 4.30% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.		
(d) Working capital loan from Yes Bank	332.02	200.66
Working capital loan from Yes Bank Limited is secured by hypothecation/ mortgage of stocks, book debts and fixed and movable assets of unit I, II, III, IV & V; equitable mortgage by deposits of title deeds in respect of land at Haridwar. The loan is repayable on demand and carries an interest rate in the range of 4.00% p.a. to 7.30% p.a. (previous year: 4.0% p.a. to 4.30% p.a.) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.		
(e) Cash credit facility from CITI Bank Limited	-	99.36
Cash credit facility from CITI Bank Limited is secured by hypothecation/mortgage of stocks, book debts and fixed and movable assets of unit I, II, III, IV & V; equitable mortgage by deposits of title deeds in respect of land at Haridwar and carries an interest rate in the range of 7.95% p.a. to 9.5% p.a. (previous year: 7.95% p.a. to 9.5% p.a.)		
	1,205.85	1,222.16

The above loans have been utilised as per the purpose for these loans were sanctioned

- a) Refer note 39 for assets pledged against borrowing facilities
- b) Refer note 45 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.
- c) Refer note 41 for note on submission of quarterly statements to the bank and its reconciliation with the amounts appearing in the books of accounts.
- d) The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.
- e) The above loans have been utilised as per the purpose for these loans were sanctioned



Particulars	As at 31 March 2023	As at 31 March 2022
22. Trade payables		
Total outstanding dues of micro and small enterprises (refer note 52): and	143.89	96.25
Total outstanding dues of creditors other than micro and small enterprises	1,635.83	2,424.90
	1,779.72	2,521.15

Dues to related parties (refer to note 42)	318.14	1,267.37
Refer note 45 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile		
Refer note 50(b) for disclosure in respect of ageing of the above payables.		

23. Other financial liabilities

Employee payables	97.06	81.09
Payable for property, plant and equipment*	59.18	13.32
Book overdraft	813.85	-
	970.09	94.41

* includes dues to micro and small enterprises of ₹ 24.64 million (31 March 2022: ₹ 3.75 million)

Refer note 45 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile

24. Other current liabilities

Advance from customers	878.16	1,307.24
Other payables		
Statutory dues	25.60	21.39
	903.76	1,328.63

25. Provisions

Provision for employee benefits

Gratuity (refer note 38)	1.56	1.79
Compensated absences	0.91	1.38
Provision for sales tax (refer note 35(b))	-	175.23
Provision for demand raised by statutory authorities*	55.00	-
	57.47	178.40

*The Company has during the year received demand letters in respect of shortfall in meeting the export obligation by the Company against the EPCG licence availed earlier. The management is contesting the demand and have filed requisite documents. However, based on the merits of the case and discussion with the legal counsel, an amount of ₹ 55.00 million (previous year - Rs. Nil) has been provided by the Company in these standalone financial statements.

Note:

Movement of other provisions (including sales tax and demand raised by statutory authorities) in accordance with Ind AS 37

Opening provisions	175.23	175.23
Add: Provision made during the year	55.00	-
Less: Provision reversed during the year (refer note 35(b))	(175.23)	-
Closing provisions	55.00	175.23

(This space has been intentionally left blank)



Particulars	Year ended 31 March 2023	Year ended 31 March 2022
26. Revenue from operations		
Sale of finished products	10,668.62	10,762.37
Sale of other products	510.56	363.41
	11,179.18	11,125.78
Other operating revenues		
Job work income	209.03	319.39
Testing charges and others	1,413.76	111.93
Sale of scraps	66.29	63.51
	12,868.26	11,620.61
Refer note 43 in terms of disclosures required under Ind AS 115		
27. Other income		
Interest income on:		
fixed deposits carried at amortised cost	4.48	4.52
loans given to related parties (refer note 42)	595.33	428.92
Others	17.66	0.42
Share of profit from investment in LLP and partnership firm	51.80	71.35
Foreign currency translations	-	7.25
Rental income	42.65	20.98
Income from government grants/ subsidy	1.43	0.98
Liabilities no longer required, written back	173.68	1.92
Profit on sale of property, plant and equipment	46.37	0.07
Gain on reassessment of right of use assets	-	9.81
Reversal of expected credit loss on trade receivables	-	10.00
Miscellaneous income	28.13	28.54
	961.53	584.76
28. Change in inventory of finished goods and work-in-progress		
Opening stock		
Finished goods	174.29	109.99
Work-in-progress	201.81	81.58
	(A) 376.10	191.57
Less: Closing stock		
Finished goods	260.59	174.29
Work-in-progress	146.06	201.81
	(B) 406.65	376.10
Change in inventory of finished goods and work-in-progress (A-B)	(30.55)	(184.53)
29. Employee benefits expense		
Salaries, wages and bonus	1,378.83	1,287.33
Contributions to provident and other funds*	47.46	41.59
Staff welfare expenses	46.68	34.77
	1,472.97	1,363.69

* includes PF & ESIC contribution of ₹ 45.29 million (31 March 2022: ₹ 41.59 million). Refer note 38 for details



Akums Drugs and Pharmaceuticals Limited

CIN - U24239DL2004PLC125888

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
30. Other expenses		
Consumption of stores and spare parts	168.93	153.04
Job charges paid	231.81	234.27
Power and fuel	420.36	362.48
Rent (refer note 54)	18.24	10.21
Repairs and maintenance		
Plant and equipments	96.56	97.37
Buildings	28.28	22.87
Others	126.64	108.41
Travelling expense	25.17	10.09
Vehicle running expense	7.60	5.80
Fees and subscription	41.32	17.84
Legal and professional expenses	120.73	108.55
Payment to auditors (refer note 37)	4.00	2.69
Bad debts written off	8.19	0.60
Provision for expected credit loss on trade receivables	5.43	-
Provision for expected credit loss on advance to suppliers	36.00	-
Commission on sales	6.19	12.39
Selling and distribution expenses	26.81	10.79
Loss on foreign exchange transactions and translations, net	3.24	-
Provision for demand raised by statutory authorities	55.00	-
Miscellaneous expenses	104.15	97.60
	1,534.65	1,255.00
31. Finance costs		
Interest		
on borrowings	106.33	21.18
on lease liability	25.43	15.32
on late payment of statutory dues	-	0.03
	131.76	36.53
32. Depreciation and amortisation expense		
Depreciation on property, plant and equipment	261.76	242.24
Amortisation of right-of-use assets (refer note 54)	27.11	22.95
Depreciation on investment property (refer note 3)	4.41	5.13
Amortisation of intangible assets (refer note 4)	6.75	7.31
	300.03	277.63

(This space has been intentionally left blank)



33 Exceptional items

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Diminution in the value of investment in subsidiaries (refer note (a) below)	30.64	-
Loans written off (refer note (b) below)	710.00	-
Impairment of intangible assets under development (refer note (c) below)	697.50	-
Loss on disposal of investment in subsidiaries (refer note (d) below)	7.19	-
	1,445.33	-

Notes:

- (a) During the year ended 31 March 2023, the Company has made an assessment of the recoverable value of investment in its subsidiary taking into account the past business performance, prevailing business conditions and revised expectations of the future performance. Basis the present performance and business expectations, the management believes that impairment loss of Rs. 30.64 million to be provided for in the books of accounts and accordingly have been disclosed under exceptional items as per applicable Ind AS.
- (b) The Company, in earlier years, had granted loan of ₹ 410.00 million and ₹ 300.00 million to its subsidiary company 'Sarvagunaushdhi Private Limited' and 'Nicholas Healthcare Limited' respectively which were engaged in trading of pharmaceutical products. The companies incurred huge losses from its operations and significant reduction in net worth over the years. Pursuant to which, management has conducted a detailed testing for recoverability of the loan so given and decided to impair the outstanding loan. Accordingly, ₹ 710.00 million for the amount of loan given has been written off by the Company in these standalone financial statements.
- (c) The Company in the beginning of the year has purchased ANDA licenses for certain products for ₹ 697.50 million. However, management has re-evaluated the future usage and operational viability of the aforementioned licences basis which these have been decided to be provided for in these standalone financial statements.
- (d) The Company, in earlier years, had made investment of ₹ 7.25 million in its subsidiary company 'Delcure Lifesciences Limited' which was engaged in trading of pharmaceutical products. The company incurred huge losses from its operations and not having business activities from last couple of years. Pursuant to which, management has conducted a detailed evaluation for recoverability of the investment and decided to dispose off the investment. Accordingly, the company incurred impairment loss of ₹ 7.19 million on disposal of investment and have been disclosed under exceptional items as per applicable Ind AS.

34 Earning per equity share (EPS)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit/ (loss) attributable to equity shareholders (₹ million)	1,254.30	(3,817.75)
Total number of equity shares outstanding at the end of the year (in nos.)*	143,064,350	143,064,350
Weighted average number of equity shares in calculating basic and diluted EPS (in nos.)*	143,064,350	143,064,350
Nominal value per share (₹)	2.00	2.00
Basic and diluted EPS (₹)	8.77	(26.69)

* the number of shares outstanding have been adjusted retrospectively to give impact of the issuance of bonus shares in accordance with Ind AS 33 - Earnings per share.

35 Contingent liabilities

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Liabilities under export scheme (refer note (a) below)	-	4.28
(ii) Demand raised by sales tax authorities (refer note (b) below)	-	166.69
(iii) Corporate guarantee given (refer note (c) below)	1,849.57	303.40
(iv) Income tax matters (refer note (d) below)	28.85	17.70
(v) Others (refer note (e) below)	0.33	0.33

Notes:

- (a) The Company had saved ₹ 4.28 million as custom duty payable on import purchase of capital goods under the Export Promotion Capital Goods ("EPCG") scheme of the Government of India. The Company has undertaken an export obligation of ₹ 25.69 million against import of capital goods by paying concessional rate of custom duty under EPCG scheme. If the Company is unable to meet this export obligation within six years from issue of authorization letters, i.e., on or before 11 February 2022, the Company was liable to deposit the duty saved amount along with interest for the period. The Company had already fulfilled its export obligation under EPCG scheme. However, it is in the process of obtaining discharge certificate of its obligation under EPCG scheme. In the current year, the Company has provided ₹ 55.00 million (previous year: nil) in these standalone financial statements.

(This space has been intentionally left blank)



Akums Drugs and Pharmaceuticals Limited

CIN - U24239DL2004PLC125888

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

(All amounts in ₹ million unless otherwise stated)

- (b) Pursuant to the Industrial Promotion Policy, 2003, which amongst other benefits, provided a concessional central sales tax ("CST") @1% to new industries set up in the state of Uttarakhand, the Company commenced manufacturing at its factory units at Haridwar.

Until 30 June 2013, the unit I of the Company availed concessional CST of 1% in terms of the relevant notifications of the sales tax department. However, during FY 2012-13, the sales tax department, after making provisional assessment for period 1 April 2011 to 31 December 2012, issued a notice to the Company disallowing the concessional CST of 1% due to non-fulfillment of certain conditions as stipulated in the said notification and raised a demand amounting to ₹ 88.78 million for differential CST @1%. The Company contested the aforementioned assessment order before the Joint Commissioner (Appeals), Dehradun, Uttarakhand and the Commercial Tax Tribunal, Uttarakhand. As no relief was granted to the Company in the aforesaid proceedings, the Company filed an appeal before the Hon'ble High Court, Uttarakhand on 19 August 2013, which admitted the appeal and granted a stay against the demands for the period from April 2010 to June 2013 raised by the sales-tax department, till the final order by the High Court.

Further, the sales tax department made final assessments from 1 April 2010 to 31 March 2014 raising a demand of ₹ 160.62 million (excluding interest demanded at the rate of 15% per annum), which had been contested by the Company and had been stayed by the Hon'ble High Court, Uttarakhand. The Company had deposited ₹ 51.31 million under protest against the said demands. The Company, as a matter of prudence, in earlier years had provided an amount of ₹ 175.23 million (including interest of Rs. 28.32 million) for the period March 2010 to March 2013. The management had classified the balance demand of ₹ 13.70 million and also interest of ₹ 152.99 million (calculated at 15% per annum for the period 01 April 2013 to 31 March 2022) as a contingent liability.

During the current year, Hon'ble High Court, Uttarakhand passed an order, whereby the previous assessment orders issued by relevant authorities were put aside and committee for determination of total capital investment by the Company has been ordered to be formed which would be issuing a fresh assessment order basis their evaluation. Considering that all the previous assessment order has been put aside by the Hon'ble High Court, Uttarakhand, the provision as well as contingent liability earlier created for the previously raised assessment orders (presently put aside) has been reversed by the Company.

- (c) Corporate guarantees given represents guarantees given to banks for the loans taken by subsidiary companies. (refer note 53)
- (d) Pursuant to the assessment of certain previous years (AY 2017-18, AY 2018-19 and AY 2020-21), department has raised demands of ₹ 28.85 million (31 March 2022: ₹ 17.70 million) on account of:
 AY 2017-18: Disallowance of deduction u/s 80IC and 35(2AB) of Income Tax Act, 1961 amounting to ₹ 11.51 million.
 AY 2018-19: Disallowance of deduction u/s 35(2AB) and 37(1) of Income Tax Act, 1961 amounting to ₹ 6.26 million.
 AY 2020-21: Initiation of penalty proceeding u/s 270 A of Income Tax Act, 1961 amounting to ₹ 11.09 million.

The matter is pending at CIT (Appeal) level and based on the assessments by the management, consideration of merits of the case and external legal advice, the Company believes that there is a fair chance of winning the case. Accordingly, no further provisions, if any, are considered necessary to be recorded in these standalone financial statements.

- (e) One of the vendor had filed a legal suit against the Company in respect of unpaid amount for the material supplied to the Company. The amount of claim filed amounts to ₹ 0.33 million (2020: ₹ 0.33 million). However, based on discussions with the solicitors, the management believes that the Company has a likely chance of a favorable outcome and accordingly no provision, if any, has been considered necessary to be recorded in the books of accounts.
- (f) Pursuant to judgement by the Hon'ble Supreme Court of India 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. The company has assessed possible outcomes of the judgement based on discussions with internal counsel and believes that the ruling would be applicable prospectively and accordingly the management has not provided for liability arising, if any for the past periods. Further, the management believes that it is compliant, in all material aspects, with all the relevant statutory requirement for the current year. Accordingly, the Company believes that this matter will not have any material adverse impact on the financial position of the Company. The Company will, however, continue to monitor and evaluate its position based on future events and developments.

36 Capital and other commitments

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	113.38	49.08

37 Payment to auditor

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
(a) as auditor	3.50	2.50
(b) for reimbursement of expenses	0.50	0.19
	4.00	2.69

(This space has been intentionally left blank)



38 Employees benefits

A Defined contribution plan

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

	Year ended 31 March 2023	Year ended 31 March 2022
Company's contribution to Provident Fund	42.60	38.95
Company's contribution to Employees' State Insurance Scheme	2.69	2.64
Total	45.29	41.59

B Defined benefit plan - Gratuity

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

	As at 31 March 2023	As at 31 March 2022
Non-current	66.93	62.29
Current	1.56	1.79
	68.49	64.08

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

	Year ended 31 March 2023	Year ended 31 March 2022
Present value of the obligation as at the beginning of the year	64.08	58.61
Service cost	11.02	10.45
Interest cost	4.59	3.98
Benefits paid	(4.04)	(5.41)
Actuarial gain recognised during the year in other comprehensive income	(7.16)	(3.55)
Present value of the obligation as at end of the year	68.49	64.08

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

	Year ended 31 March 2023	Year ended 31 March 2022
Current Service cost	11.02	10.45
Interest cost	4.59	3.98
Net impact on profit before tax	15.61	14.43
Actuarial (loss) recognised during the year in other comprehensive income	(7.16)	(3.55)
Amount recognised in total comprehensive income	8.45	10.88

(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	1.54	3.12
Actuarial gain/ (loss) from experience adjustment	5.62	0.42
Total actuarial gain/ (loss)	7.16	3.54

(v) Change in fair value of plan assets

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

(vi) Actuarial assumptions

	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate (per annum)	7.36%	7.18%
Future salary increase (per annum)	5.50%	5.50%
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Average future service (in years)	23.41 years	23.40 years

Notes:

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



Employees benefits (cont'd)

(vii) Sensitivity analysis for gratuity liability

Impact of change in discount rate

	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the end of the year	68.49	64.08
- Impact due to increase of 0.5 %	(4.12)	(3.76)
- Impact due to decrease of 0.5 %	4.50	4.11

Impact of change in salary increase

	As at 31 March 2023	As at 31 March 2022
Present value of obligation at the end of the year	68.49	64.08
- Impact due to increase of 0.5 %	4.48	4.01
- Impact due to decrease of 0.5 %	(4.13)	(3.75)

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

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

	As at 31 March 2023	As at 31 March 2022
Within next 12 months	1.56	1.79
Between 1-5 years	9.98	13.37
Beyond 5 years	56.95	48.92
	68.49	64.08

(viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 18.32 million as at 31 March 2023 (31 March 2022 : ₹ 17.61 million).

(ix) Other long-term employee benefits

An amount of ₹ (1.39 million) (31 March 2022 : ₹ 4.13 million) pertains to (reversal)/ expense towards compensated absences.

39 Assets pledged as security (refer note 17 and 21)

	As at 31 March 2023	As at 31 March 2022
Current		
Inventories	1,937.63	1,771.23
Cash and cash equivalents	34.18	120.19
Other bank balances	2.50	2.50
Other financial assets	34.11	93.97
Other current assets	269.64	258.91
Trade receivables	2,539.65	2,927.85
Total current assets pledged as security	4,817.71	5,174.65
Non-current		
Property, plant and equipment	1,513.63	1,576.69
Capital work-in-progress	74.76	5.33
Total assets pledged as security	6,406.10	6,756.67

40 Property on which mortgaged or any charged created during the financial year has been duly registered with Registrar of companies.

41 Reporting to banks/ financial institutions

The Company is regular in submission of quarterly stock statements with banks for the borrowings sanctioned against hypothecation of current assets. Further, all the quarterly statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.

(This space has been intentionally left blank)



42 Related party disclosures

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

I. Relationships

Name of entity	Principal place of business of investee	Shareholding as at	
		31 March 2023	31 March 2022
(a) Members of the same group			
Subsidiaries			
Akumentis Healthcare Limited	India	91.50%	91.50%
Akums Healthcare Limited	India	100.00%	100.00%
Akums Lifesciences Limited	India	100.00%	100.00%
Amazing Research Laboratories Limited	India	100.00%	100.00%
AVHA Lifesciences Private Limited (till 28 February 2023)	India	-	100.00%
Delcure Lifesciences Limited (till 18 January 2023)	India	-	100.00%
Maxcure Nutravedics Limited	India	100.00%	100.00%
Malik Lifesciences Private Limited	India	100.00%	100.00%
May and Baker Pharmaceuticals Limited	India	100.00%	100.00%
Nicholas Healthcare Limited	India	100.00%	100.00%
Plenteous Pharmaceuticals Limited	India	100.00%	100.00%
Pure and Cure Healthcare Private Limited	India	100.00%	100.00%
Sarvagunaushdhi Private Limited	India	100.00%	100.00%
Unosource Pharma Limited	India	100.00%	99.89%
Akum Impex LLP (till 30 September 2022)	India	-	99.98%
Upadhrish Reserchem LLP	India	99.93%	99.93%
Burroughs Welcome Pharmacia Private Limited (w.e.f. 30 September 2021)	India	99.93%	99.93%
Step down subsidiary of Company			
Medibox Digital Solutions Private Limited	India	100.00%	100.00%
Cure Sure Pharma (Dissolved on 31 March 2022)	India	-	91.50%
Parabolic Research Labs Limited (till 17 March 2023)**	India	-	100.00%
Ziven Lifesciences Limited (till 17 March 2023)**	India	-	100.00%
Dhanwantri Vedaresearch LLP (till 30 September 2022)	India	-	90.00%
(b) Associate of the Company			
AUSL Pharma (till 31 December 2022)	India	-	40.00%
(c) Key management personnel (KMP)			
Name	Designation		
Mr. Sandeep Jain	Whole Time Director		
Mr. Sanjeev Jain	Whole Time Director		
Mr. Basant Kumar Singh	Whole Time Director (from 16 March 2022)		
Mr. Deepak Gurudas Haldankar	Whole Time Director (till 31 March 2022)		
Mr. Nand Lal Kalra	Independent Director		
Ms. Neena Vivek	Independent Director (till 15 April 2022)		
Mr. Kewal Handa	Independent Director (from 16 March 2022)		
Ms. Matangi Gowrishankar	Independent Director (from 16 March 2022)		
Mr. Amit Varma	Nominee Director		
Mr. Dharamvir Malik	Company Secretary#		
Mr. Sumeet Sood	Chief Financial Officer# (from 14 February 2022)		
Mr. Vinod Raheja	Chief Financial Officer# (till 4 January 2022)		
# as per Companies Act, 2013			
(d) Relatives of KMP*			
Ms. Arushi Jain			
Mr. D.C. Jain			
(e) Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company*			
Akome Lifecare Private Limited [formerly Sanjain Lifecare Private Limited (from 11 February 2022)]			
Akums Foundation			
Akums Health and Education Society			
German Remedies Lifesciences Limited			
American Remedies Lifesciences Limited			
Dhanwantri Vedaresearch LLP (from 1 October 2022)			

* where transactions have occurred

** the companies have been struck off from the register of companies vide public notice dated 17 March 2023



Akums Drugs and Pharmaceuticals Limited

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

(All amounts in ₹ million unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2023	31 March 2022
(a) Transactions during the year		
Inter-corporate loan given		
Pure and Cure Healthcare Private Limited	6,038.00	4,713.45
Maxcure Nutravedics Limited	5,538.18	4,026.33
Akums Lifesciences Limited	4,211.00	3,129.76
Malik Lifesciences Private Limited	3,679.00	2,779.00
Others	1,005.16	2,222.46
Inter-corporate loan repaid		
Pure and Cure Healthcare Private Limited	4,082.45	5,562.00
Maxcure Nutravedics Limited	6,230.50	3,380.50
Malik Lifesciences Private Limited	3,513.00	2,615.50
Akums Lifesciences Limited	2,920.97	1,019.90
Others	2,088.20	992.87
Loan written off		
Nicholas Healthcare Limited	300.00	-
Sarvagunaushdhi Private Limited	410.00	-
Delcure Lifesciences Limited	-	1,523.48
Interest received		
Akums Lifesciences Limited	222.07	95.24
Malik Lifesciences Private Limited	65.60	65.64
Unosource Pharma Limited	48.21	57.40
Maxcure Nutravedics Limited	56.00	45.40
Others	203.09	165.23
Sale of goods and others		
Unosource Pharma Limited	551.32	389.46
Akumentis Healthcare Limited	228.63	354.07
Plenteous Pharmaceuticals Limited	137.77	273.84
Pure and Cure Healthcare Private Limited	405.68	232.12
Nicholas Healthcare Limited	21.30	168.26
Others	215.63	236.85
Sale of property, plant and equipments		
Pure and Cure Healthcare Private Limited	5.53	9.59
Akums Healthcare Limited	5.14	0.62
Upadhrish Reserchem LLP	2.44	-
Malik Lifesciences Private Limited	0.60	4.27
Akums Lifesciences Limited	0.04	1.77
Others	0.66	-
Sale of MEIS License		
Maxcure Nutravedics Limited	-	4.20
Malik Lifesciences Private Limited	-	0.73
Purchase of goods and others		
Maxcure Nutravedics Limited	968.18	1,204.44
Pure and Cure Healthcare Private Limited	491.94	555.46
Malik Lifesciences Private Limited	279.65	259.01
Others	214.97	105.67

(Handwritten signatures and initials)



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

II Summary of related party transactions-

Particulars	31 March 2023	31 March 2022
Purchase of assets		
Pure and Cure Healthcare Private Limited	9.10	2.79
Upadhrish Reserchem LLP	1.81	-
Purchase of MEIS License Fees		
Unosource Pharma Limited	-	4.20
Expenses Incurred		
Sarvagunaushdhi Private Limited	0.26	0.36
Plenteous Pharmaceuticals Limited	-	0.01
Selling and distribution expenses		
Medibox Digital Solutions Private Limited	-	5.00
Repairs and maintenance- Plant and equipments		
Upadhrish Reserchem LLP	12.94	8.14
Consumption of stores and spare parts		
Upadhrish Reserchem LLP	35.24	38.07
Job work charges		
Pure and Cure Healthcare Private Limited	181.68	189.14
Malik Lifesciences Private Limited	49.37	45.13
Others	0.76	-
Expenses paid by other group company		
Akums Healthcare Limited	1.54	-
Pure and Cure Healthcare Private Limited	1.33	1.20
Others	0.37	0.02
Service Income		
Unosource Pharma Limited	31.65	3.11
Maxcure Nutravedics Limited	0.01	6.01
Others	2.11	0.34
Expenses incurred on behalf of Company		
Akums Lifesciences Limited	10.45	241.68
Maxcure Nutravedics Limited	7.32	375.37
Malik Lifesciences Private Limited	11.86	65.75
Pure and Cure Healthcare Private Limited	44.21	28.23
Others	29.00	88.22
Job work Income		
Pure and Cure Healthcare Private Limited	4.33	0.94
Unosource Pharma Limited	0.05	-
Rent received		
Malik Lifesciences Private Limited	18.01	14.22
Maxcure Nutravedics Limited	8.65	4.86
Akums Lifesciences Limited	8.40	-
Pure and Cure Healthcare Private Limited	7.58	1.90
Others	9.43	8.98



Akums Drugs and Pharmaceuticals Limited

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

(All amounts in ₹ million unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2023	31 March 2022
Corporate guarantee given/ (withdrawn)		
Akums Lifesciences Limited	1,400.00	150.00
Delcure Lifesciences Limited	-	(100.00)
May and baker Pharmaceuticals Limited	(41.91)	-
Plenteous Pharmaceuticals Limited	14.56	-
Amazing Research Laboratories Limited	(6.48)	33.40
Unosource Pharma Limited	180.00	-
Corporate guarantee charges		
Akums Lifesciences Limited	7.92	3.50
Others	1.07	0.77
Profit/ (loss) share from investment in Partnership firm/ LLP		
AUSL Pharma	(2.03)	2.03
Upadhrish Reserchem LLP	53.83	69.32
Investment through acquisition of shares		
Burroughs Welcome Pharmacia Private Limited	-	0.01
Sale of investment in subsidiaries		
Dhanwantri Vedaresearch LLP	0.16	-
Remuneration paid*		
Mr. Sanjeev Jain	38.00	33.50
Mr. Sandeep Jain	38.00	33.50
Mr. Basant Kumar Singh	3.49	0.20
Mr. Deepak Haldankar	-	9.65
Mr. Vinod Raheja	-	14.13
Mr. Sumeet Sood	13.23	1.66
Mr. Dharamvir Malik	2.09	2.08
Ms. Arushi Jain	6.30	-
Rent paid		
Akome Lifecare Private Limited	12.48	-
Akums Healthcare Limited	8.43	0.53
Mr. Sanjeev Jain	3.84	3.84
Mr. Sandeep Jain	4.80	4.80
Others	0.36	0.30
Sitting fees		
Mr. Kewal Handa	2.40	0.08
Ms. Matangi Gowrishankar	2.20	-
Mr. Nand Lal Kaira	0.44	0.19
Ms. Neena Vivek	-	0.18
Professional charges		
Mr. D.C. Jain	1.80	1.80

* Excluding the post employment benefits as it is computed for the Company as a whole.

(This space has been intentionally left blank)



Akums Drugs and Pharmaceuticals Limited

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

(All amounts in ₹ million unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2023	31 March 2022
(b) Balance outstanding at the year end		
Inter-corporate loan		
Akums Lifesciences Limited	3,938.00	2,647.97
Malik Lifesciences Private Limited	1,369.00	1,203.00
Pure and Cure Healthcare Private Limited	1,963.00	7.45
Unosource Pharma Limited	520.00	710.00
Others	1,305.60	3,610.97
Trade receivable		
Akums Lifesciences Limited	4.98	122.72
Unosource Pharma Limited	168.01	122.90
Sarvagunaushdhi Private Limited	72.34	29.49
Pure and Cure Healthcare Private Limited	130.84	1.55
Others	89.50	98.37
Interest receivable		
Akums Lifesciences Limited	21.66	12.26
Pure and Cure Healthcare Private Limited	11.82	-
Malik Lifesciences Private Limited	6.87	6.64
Sarvagunaushdhi Private Limited	6.44	0.01
Unosource Pharma Limited	2.98	3.82
Maxcure Nutravedics Limited	1.03	3.47
Akums Healthcare Limited	0.95	3.79
Others	1.59	5.41
Trade payable		
Malik Lifesciences Private Limited	23.55	71.11
Maxcure Nutravedics Limited	217.17	929.19
Pure and Cure Healthcare Private Limited	18.40	266.11
Akums Lifesciences Limited	56.99	-
Others	2.03	0.97
Security deposit received		
Amazing Research Laboratories Limited	1.74	1.74
May and baker Pharmaceuticals Limited	0.95	0.95
Plenteous Pharmaceuticals Limited	0.78	0.78
Sarvagunaushdhi Private Limited	0.60	0.60
Dues from partnership firm and LLPs		
Upadhrish Reserchem LLP	53.83	69.32
AUSL Pharma	-	2.03
Other payable		
Maxcure Nutravedics Limited	-	0.02
Corporate guarantee**		
Akums Lifesciences Limited	1,550.00	150.00
Unosource Pharma Limited	180.00	-
Plenteous Pharmaceuticals Limited	64.56	50.00
Amazing Research Laboratories Limited	46.92	53.40
May and baker Pharmaceuticals Limited	8.09	50.00

**represents corporate guarantee given to subsidiaries for the loan taken by them. The guarantee given has been restricted to the amount of loan outstanding as on the closing date.

#Apart from the above transactions the Company has taken personal guarantee amounting to ₹ 352.20 million (31 March 2022: ₹ 471.53 million) from directors for the loans availed by the Company.



Akums Drugs and Pharmaceuticals Limited

CIN - U24239DL2004PLC125888

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

(All amounts in ₹ million unless otherwise stated)

43 Disclosure required under Ind AS 115 - Revenue from customers

(i) Disaggregation of revenue:

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products		
Revenue from sale of manufactured goods	10,668.62	10,762.37
Revenue from sale of goods - others	510.56	363.41
Other operating revenue		
Job work charges	209.03	319.39
Testing charges and others	1,413.76	111.93
Sale of scrap	66.29	63.51
	12,868.26	11,620.61

(ii) Assets and liabilities related to contracts with customers

	As at 31 March 2023		As at 31 March 2022	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance received from customers	-	878.16	-	1,307.24

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.

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Contract liabilities		Contract liabilities	
	Advances from customers		Advances from customers	
Opening balance		1,307.24		25.69
Addition during the		878.16		1,307.24
Revenue recognised during the year		1,307.24		25.69
Closing balance		878.16		1,307.24

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated. The amounts receivable from customers become due after expiry of credit period which on an average is less than 60 days. There is no significant financing component in any transaction with the customers.

(This space has been intentionally left blank)



44 Corporate social responsibility

As per section 135 of the Companies Act, 2013, a Company, meeting the applicable threshold, required to spend at least 2% of its average net profit for the immediately preceding three financial year as per section 198 of the Companies Act 2013 on corporate social responsibility(CSR) activities. The CSR committee has been formed by the Company as per the Act and the Company has identified areas of "Promoting Education and Healthcare and Rural Development projects" for CSR activities.

The Company has spent amount on corporate social responsibility expenses as below:

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
Unspent/ (Overspent) balance as at beginning of the year	(0.50)	-
Gross amount required to be spent during the year	-	-
Amount spent during the year	-	-
- Construction/ acquisition of any asset	-	-
- On purposes other than above	(0.04)	0.50
Unspent/ (Overspent) balance as at year end [(excess)/ shortfall]	(0.54)	(0.50)

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 14b)

45 Financial instruments**A Financial instruments by category**

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

Particulars	Amortised cost	
	As at	As at
	31 March 2023	31 March 2022
Financial assets		
Trade receivables	2,561.33	3,039.27
Cash and cash equivalents	72.33	254.88
Other bank balances	16.12	2.50
Loans	9,148.94	8,214.81
Other financial assets	210.70	274.40
Total financial assets	12,009.42	11,785.86
Financial liabilities		
Borrowings	1,455.85	1,222.16
Trade payables	1,779.72	2,521.15
Lease liabilities	425.18	180.70
Other financial liabilities	1,046.94	128.12
Financial liabilities carried at fair value		
Liability arising out of put option	10,076.04	10,515.74
Total financial liabilities	14,783.73	14,567.87

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

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

Investments in subsidiaries and associate as at the close of the year ended 31 March 2023 are carried at cost, per the option availed by the Company under the relevant provision of Ind AS. Hence the same has not been considered in the above table.

B. Fair values hierarchy

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 (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). 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 liabilities measured at fair value - recurring fair value measurements

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit and loss					
Liability arising out of put option	31 March 2023	-	-	10,076.04	10,076.04
	31 March 2022	-	-	10,515.74	10,515.74

B.2 Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) for liability arising on account of put option, adjusted discounted cash flow method (income approach) has been used.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Fair value		Significant unobservable
	31 March 2023	31 March 2022	
Liability arising out of put option	10,076.04	10,515.74	Growth rate

B.3 Sensitivity analysis

Description	Year ended 31 March 2023	Year ended 31 March 2022
Impact on liability arising on account of put options fair value if change in growth rate		
- Impact due to increase of 0.5%	(2.20)	24.71
- Impact due to decrease of 0.5%	2.20	(24.71)

B.4 The following table presents the changes in level 3 items for the periods ended 31 March 2023 and 31 March 2022

Particulars	Liability arising out of put option
As at 1 April 2021	5,574.00
Add: fair value changes during the year	4,941.74
As at 31 March 2022/ 1 April 2022	10,515.74
Add: fair value changes during the year	(439.70)
As at 31 March 2023	10,076.04

C Financial risk management

Financial risk management objectives and policies

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

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

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

Financial risk factors

The Company's activities expose it to a variety of financial risks:

- a) Market risk
- b) Credit risk
- c) Liquidity risk

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

(This space has been intentionally left blank)



C.1 Market risk**(a) Foreign currency risk**

The entity has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The company does not use forward contracts and swaps for managing risks associated with foreign currency nor used for speculative purposes.

Foreign currency risk exposure:

Particulars	31 March 2023		31 March 2022	
	USD	million	USD	million
Trade receivables	447,494	35.34	-	-
Trade and other payables	24,273	2.03	1,351,800	103.79
Total	471,767	37.37	1,351,800	103.79

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Currency	31 March 2023		31 March 2022	
		Increase	Decrease	Increase	Decrease
INR/USD- increase by 1%* (31 March 2022: 1.47%)	USD	0.33	(0.33)	(1.53)	1.53

* Holding all other variables constant

(b) Interest rate risk**(i) Financial liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. At 31 March 2023 and 31 March 2022, the Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

Interest rate risk exposure

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

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate borrowing	1,455.85	1,222.16
Fixed rate borrowing	-	-
Total borrowings	1,455.85	1,222.16

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at 31 March 2023	As at 31 March 2022
Interest sensitivity*		
Interest rates – increase by 100 basis points	14.56	12.22
Interest rates – decrease by 100 basis points	(14.56)	(12.22)

* Holding all other variables constant

(ii) Financial assets

The Company's deposits with banks are carried at amortised cost and are fixed rate instruments. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(c) Price risk**(i) Exposure**

The Company is in the business of contract manufacturing wherein any increase in the price is passed to the customer and hence the company is not exposed to significant price risk.

(This space has been intentionally left blank)



C.2 Credit risk

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

(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

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

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

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

Basis of categorisation	Asset class exposed to credit risk	Provision for expected credit loss
Low credit risk	Loans, Cash and cash equivalents, financial assets measured at amortised cost	12 month expected credit loss
Moderate credit risk	Trade receivables	Trade receivables - Life time expected credit loss

Financial assets that expose the entity to credit risk –

Particulars	At at	At at
	31 March 2023	31 March 2022
Low credit risk		
Cash and cash equivalents	72.33	254.88
Other bank balances	16.12	2.50
Loans	9,148.94	8,214.81
Other financial assets	210.70	274.40
Moderate credit risk		
Trade receivables	2,561.33	3,039.27
Total	12,009.42	11,785.86

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.

(This space has been intentionally left blank)



(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	72.33	-	-	72.33
Other bank balances	16.12	-	-	16.12
Loans	9,148.94	-	-	9,148.94
Other financial assets	210.70	-	-	210.70

31 March 2022	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	254.88	-	-	254.88
Other bank balances	2.50	-	-	2.50
Loans	8,214.81	-	-	8,214.81
Other financial assets	274.40	-	-	274.40

(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	1,777.61	-	-	1,777.61
Between one to six month overdue	608.57	-	-	608.57
Between six month to one year overdue	88.77	-	-	88.77
Greater than one year overdue	118.77	27.27%	(32.39)	86.38
Total	2,593.72		(32.39)	2,561.33

As at 31 March 2022	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	1,992.14	-	-	1,992.14
Between one to six month overdue	934.51	-	-	934.51
Between six month to one year overdue	33.52	-	-	33.52
Greater than one year overdue	106.06	25.42%	(26.96)	79.10
Total	3,066.23		(26.96)	3,039.27

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

Reconciliation of loss allowance	Trade receivables
Loss allowance on 1 April 2021	(57.38)
Charge in statement of profit and loss	-
Release to statement of profit and loss	30.42
Loss allowance on 31 March 2022/ 1 April 2022	(26.96)
Charge in statement of profit and loss	(5.43)
Release to statement of profit and loss	-
Loss allowance on 31 March 2023	(32.39)



C.3 Liquidity risk

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

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

(a) 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	1,822.25	631.36

(b) Maturities of financial liabilities

The tables below analyse the entity's financial liabilities into relevant maturity entitling's 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 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowing (including current maturities of long term debt) along with estimated future interest obligation	1,237.10	218.75	-	1,455.85
Trade payable	1,779.72	-	-	1,779.72
Lease liabilities	17.43	88.47	319.28	425.18
Other financial liabilities	970.09	10,152.89	-	11,122.98
Total	4,004.34	10,460.11	319.28	14,783.73

31 March 2022	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowing (including current maturities of long term debt) along with estimated future interest obligation	1,222.16	-	-	1,222.16
Trade payable	2,521.15	-	-	2,521.15
Lease liabilities	13.79	72.05	94.86	180.70
Other financial liabilities	94.41	10,549.45	-	10,643.86
Total	3,851.51	10,621.50	94.86	14,567.87

(This space has been intentionally left blank)



46 Tax expense

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current income-tax		
for current year	413.29	15.63
for earlier years	(3.32)	(12.21)
Total	409.97	3.42
Deferred tax charge (including other comprehensive income)Deferred taxes	(159.28)	465.46
Tax expense	250.69	468.88

(a) Current tax

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	1,503.19	(3,349.76)
Income tax using the Company's domestic tax rate *	25.17%	25.17%
Expected tax expense [A]	378.32	(843.07)
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Change of tax rates	-	94.41
Effect of non-deductible expenses and others	(124.31)	1,229.75
Income- tax for earlier years	(3.32)	(12.21)
Total adjustments [B]	(127.63)	1,311.95
Actual tax expense [C=A+B]	250.69	468.88
*Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	22%	22%
Surcharge (% of tax)	10%	10%
Cess (% of tax)	4%	4%
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	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2023
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(205.87)	-	(62.24)	(268.11)
Deferred tax assets consists of:				
Employee benefits	23.41	(1.80)	2.90	24.51
Provision for credit losses on financial assets	6.78	-	8.37	15.15
Lease liability	3.64	-	66.76	70.40
Provision for sales tax	44.10	-	(44.10)	-
Provision for diminution in value of intangible assets	-	-	175.55	175.55
Provision for demand raised by statutory authorities	-	-	13.84	13.84
Net deferred tax asset / (liability)	(127.94)	(1.80)	161.08	31.34

(This space has been intentionally left blank)



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

Particulars	As at 31 March 2021	Recognised in other comprehensive income	Recognised in profit and loss	As at 31 March 2022
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(314.54)	-	108.67	(205.87)
Deferred tax assets consists of:				
Employee benefits	34.84	(0.89)	(10.54)	23.41
Provision for credit losses on financial assets	20.05	-	(13.27)	6.78
Lease liability	3.57	-	0.07	3.64
Provision for sales tax	61.23	-	(17.13)	44.10
Provision for diminution in value of loans given	532.37	-	(532.37)	-
Net deferred tax asset / (liability)	337.53	(0.89)	(464.57)	(127.94)

47 Research and development expenditure

The Company has its research and development centres located in Haridwar and Mumbai which concentrates on the development of new pharmaceutical formulations. Research and development costs incurred amounted to Rs. 247.08 million (31 March 2022: Rs. 223.64 million) (including depreciation of Rs. 30.86 million (31 March 2022: Rs. 23.07 million) and interest expense of Rs. 1.14 million (31 March 2022: Rs. 1.34 million) recognised in the standalone financial statements.

48 Segment reporting

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

Revenue from two (previous year - one) customer, accounting for more than 10% of the total revenue, is Rs. 3,043.10 million (31 March 2022: Rs. 1,792.65 million).

49 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. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Gearing ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Total debt (including current maturities of long term debt)	1,455.85	1,222.16
Less:		
Cash and cash equivalents	72.33	254.88
Other bank balances	16.12	2.50
Net debt	1,367.40	964.78
Total equity	3,115.04	1,855.38
Equity and net debt	4,482.44	2,820.16
Gearing ratio	30.51%	34.21%

(This space has been intentionally left blank)



50 Ageing of trade receivables and trade payables as per Schedule III

a) Trade receivables ageing

The table below analyse the outstanding trade receivables:

31 March 2023

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-3 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	2,385.60	88.77	17.66	-	5.98	2,498.01
(ii) Disputed trade receivables- considered good	0.59	-	41.46	-	53.66	95.71
(iii) Disputed trade receivables- credit impaired	(0.15)	-	(12.84)	-	(19.40)	(32.39)
	2,386.04	88.77	46.28	-	40.24	2,561.33

31 March 2022

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-3 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	2,926.65	33.52	54.65	-	24.45	3,039.27
(ii) Disputed trade receivables- considered good	-	-	-	-	26.96	26.96
(iii) Disputed trade receivables- credit impaired	-	-	-	-	(26.96)	(26.96)
	2,926.65	33.52	54.65	-	24.45	3,039.27

Note: There are no unbilled receivables, hence 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	144.30	-	-	-	144.30
Others	1,590.20	4.47	-	0.07	1,594.74
Unbilled dues	40.68	-	-	-	40.68
	1,775.18	4.47	-	0.07	1,779.72

31 March 2022

Particulars	Outstanding for the following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	96.25	-	-	-	96.25
Others	2,357.25	6.07	-	0.24	2,363.56
Unbilled dues	61.34	-	-	-	61.34
	2,514.84	6.07	-	0.24	2,521.15

(This space has been intentionally left blank)

51 Ratio Disclosures

Particulars	Numerator	Denominator	Current year	Previous year	% Variance
Current ratio	Current Assets	Current liab	1.05	1.04	1%
Debt - Equity ratio ¹	Total debt	Shareholders equity	40%	66%	-40%
Debt service coverage ratio ¹	Earnings available for debt service	Debt Service	27.66	90.00	-69%
Return on equity ratio ²	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	50%	-154%	-133%
Inventory turnover ratio	Cost of goods sold	Average Inventory	4.19	4.08	3%
Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	4.60	4.15	11%
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.38	4.16	5%
Net capital turnover ratio	Net Sales	Working Capital	52.47	60.19	-13%
Net profit ratio ²	Net Profit	Net Sales	10%	-29%	-134%
Return on capital employed ²	Earning before interest and taxes	Capital Employed	61%	15%	295%
Return on investment ²	Profit after tax	Investment	29%	103%	-72%

Reasons for variance:

¹Increase in working capital loans to finance increase in operations have lead to change in the ratios.

²On account of fair value changes in the financial instrument (put option liability), there has been a change in the ratios.

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

Particulars	As at 31 March 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 each accounting year		
- Principal amount due*	168.53	100.00
- Interest amount due	-	-
(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 under the Act	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(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.	-	-

*includes capital creditors of ₹ 24.64 million (31 March 2022: ₹ 3.75 million)

(This space has been intentionally left blank)




- 53 The Company has given loans, made investment and given guarantee for various subsidiary companies and associate. The details of loans, investment made and guarantee outstanding as at year end is given in below mentioned table along with purpose of the loan and guarantee given as required u/s 186(4) of the Companies Act 2013.

Name of Entity	Interest rate p.a.	Repayable in	As at 31 March 2023	As at 31 March 2022
a) Long term loan given for general corporate purpose				
Amazing Research Laboratories Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	277.00	262.00
Akums Healthcare Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	190.00	724.04
Akums Lifesciences Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	3,938.00	2,647.97
Burroughs Welcome Pharmacia Private Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	107.20	4.80
AUSL Pharma	12%	December 2026	-	55.00
AVHA Lifesciences Private Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	-	90.00
Malik Lifesciences Private Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	1,369.00	1,203.00
Maxcure Nutravedics Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	-	692.33
Nicholas Healthcare Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	47.50	665.00
Plenteous Pharmaceuticals Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	490.00	581.90
Pure and Cure Healthcare Private Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	1,963.00	7.45
Sarvagunaushdhi Private Limited*	7.5% (April 2022 to September 2022: 7%)	December 2026	-	410.00
Upadhrish Reserchem LLP	7.5% (April 2022 to September 2022: 7%)	December 2026	193.90	105.90
Unosource Pharma Limited	7.5% (April 2022 to September 2022: 7%)	December 2026	520.00	710.00
Total (A)			9,095.60	8,179.39
Total loans given (A)			9,095.60	8,179.39

* The Company pursuant to providing support to its subsidiary had decided in earlier years not to charge interest on the loans given in earlier years of Rs. 380 million.

However, during the current year the Company had charged interest @ 7% on the entire amount outstanding.

The above loan figures doesn't includes interest receivable from related parties amounting to ₹ 53.34 million (31 March 2022: ₹ 35.41 million)

c) Particulars of Investment made- Equity Instruments*

Akumentis Healthcare Limited		170.79	170.79
Akums Healthcare Limited		1.00	1.00
Akums Lifesciences Limited		154.40	154.40
Amazing Research Laboratories Limited		1.95	1.95
AVHA Lifesciences Private Limited		-	0.10
Burroughs Welcome Pharmacia Private Limited		0.01	0.01
Delcure Lifesciences Limited		-	7.25
Malik Lifesciences Private Limited		34.85	34.85
Maxcure Nutravedics Limited		80.42	80.42
May and Baker Pharmaceuticals Limited		0.50	0.50
Medibox Digital Solutions Private Limited		-	30.64
Nicholas Healthcare Limited		0.50	0.50
Plenteous Pharmaceuticals Limited		0.50	0.50
Pure and Cure Healthcare Private Limited		324.67	324.67
Sarvagunaushdhi Private Limited		0.10	0.10
Unosource Pharma Limited		196.20	180.00
Total (B)		965.89	987.68

d) Particulars of Investment made- Cumulative compulsory convertible participating preference shares

Akumentis Healthcare Limited	424.21	424.21
Total (C)	424.21	424.21
Total investments made (B+C)	1,390.10	1,411.89

*As per requirement of Section 186(4), disclosure is required in regards to body corporates only

e) Guarantee given for subsidiary Companies bank loan availed by them*

Akums Lifesciences Limited	1,550.00	150.00
Unosource Pharma Limited	180.00	-
Plenteous Pharmaceuticals Limited	64.56	50.00
Amazing Research Laboratories Limited	46.92	53.40
May and Baker Pharmaceuticals Limited	8.09	50.00
Total (guarantee)	1,849.57	303.40

*represents corporate guarantee given to subsidiaries for the loan taken by them. The guarantee given has been restricted to the amount of loan outstanding as on the closing date.



54 Lease

- (a) 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 as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date
- (b) The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 9% p.a.
- (c) Since there was no change made in original lease contract in the current financial year, no reassessment or revaluation done for the Right-of-use assets created
- (d) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised as on 31 March 2023:

As at 31 March 2023:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Land	7	30-94	82
Buildings	5	4-7	6

As at 31 March 2022:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Land	7	89-95	91
Buildings	4	5-8	7

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 recognised in balance sheet and statement of profit and loss:

Particulars	Category of Right-of-use assets		
	Land	Buildings	Total
Balance as at 1 April 2021 (on account of application of Ind AS 116)	119.60	173.98	293.58
Add: Additions during the year	-	13.70	13.70
Less: Amortisation charged on the right-of-use assets (refer note 32)	1.52	21.43	22.95
Balance as at 31 March 2022/ 1 April 2022	118.08	166.25	284.33
Add: Additions during the year	260.39	0.87	261.26
Less: Lease terminated	40.98	-	40.98
Less: Amortisation charged on the right-of-use assets (refer note 32)	5.46	21.65	27.11
Balance as at 31 March 2023	332.03	145.47	477.50

- (f) Lease payment not recognised as lease liability

	Year ended 31 March 2023	Year ended 31 March 2022
Expenses relating to short term leases (refer note 30)	18.24	10.21
Total	18.24	10.21

- (g) The total cash outflow for leases for the year ended 31 March 2023 was ₹ 42.21 million. (31 March 2022: ₹ 16.64 million)

(This space has been intentionally left blank)



(h) Future minimum lease payments

As at 31 March 2023

Minimum Lease payments due	As at 31 March 2023		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	54.99	37.56	17.43
1-10 Year	426.93	248.20	178.73
10-20 Year	249.55	179.51	70.04
More than 20 Year	237.07	78.09	158.98
Total	968.54	543.36	425.18

As at 31 March 2022

Minimum Lease payments due	As at 31 March 2022		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	29.50	15.71	13.79
1-5 Year	120.00	47.95	72.05
More than 5 Year	111.61	16.75	94.86
Total	261.11	80.41	180.70

55 Post reporting date events

No adjusting or significant non adjusting event has occurred between 31 March 2023 and date of authorisation of Company's standalone financial statements.

56 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
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 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.

As per our report of even date attached

For Walker ChandioK & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/ N500013



Tarun Gupta
Partner
Membership No: 507892



Place : New Delhi
Date : 30 June 2023

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



Sanjeev Jain
Director
DIN: 00323433



Sandeep Jain
Director
DIN: 00323476



Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596



Sumeet Sood
Chief Financial Officer

