

# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
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## 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 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2022, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

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

Chartered Accountants

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

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2016-25-0116. Registered office at L-41 Connaught Circus, New Delhi, 110001, India





## Independent Auditor's Report to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

### 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 system with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;





## Independent Auditor's Report to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

- 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 accompanying standalone financial statements include the Company's share of profit from a partnership firm and Limited Liability Partnership firms ('LLPs') in which the Company has invested, amounting to ₹ 2.03 million and ₹ 69.35 million respectively, whose financial statements for the year ended 31 March 2022 have not been audited by us. These financial statements have been audited by other auditors who have expressed an unmodified opinion on the respective financial statements of the aforesaid partnership firm and LLP's, vide their audit reports dated 1 June 2022 (for partnership firm), 12 April 2022 and 7 June 2022 (for LLP's), respectively which have 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 partnership firm and LLP's, is based solely on the reports of such other auditors.

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;
  - 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 2022 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 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and



## Independent Auditor's Report to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

- 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 2022;
  - 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 2022;
  - 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 2022;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 55 (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 55 (f) to the standalone financial statements, no funds have been received by the Company from any person 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 2022.

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



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

UDIN: 22507892ALCASU7138

**Place:** New Delhi  
**Date:** 17 June 2022





# Walker ChandioK & 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 2022

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 program 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) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted 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.
- (b) The Company has a working capital limit in excess of ₹ 50.00 million, sanctioned by banks on the basis of security of current assets during the year. 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 provided loans and guarantee, to subsidiaries during the year as per details given below:

Particulars	Guarantees (₹ million)	Loans (₹ million)
Aggregate amount provided/granted during the year:		
- Subsidiaries	733.40	16,871.00
Balance outstanding as at balance sheet date in respect of above cases:		
- subsidiaries	733.40	6,548.22

- (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees 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. Further, the Company has not given any security during the year.



# 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 2022

- (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, firm and LLPs.
- (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.
- (f) The Company has not granted any loans, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, the Company has complied with the provisions of section 185 of the Act in respect of loans, investments and guarantees. Further, in our opinion, and according to the information and explanations given to us, the Company has not complied with the provisions of section 186 of the Act. The details of the non-compliances are given below:

S. No.	Particulars	Name of Company/ Party	Amount involved (₹ million)	Balance as on 31 March 2022 (₹ million)	Remarks
1	Loan given at rate of interest lower than prescribed	Sarvagunaushdi Private Limited	380.00	410.00	Interest free loan given to the subsidiary company (refer note 53)

Also, in our opinion, the company has not entered into any transaction covered under Sections 185 and 186 of the Act in respect of the security.

- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (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. 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, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:



**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 2022**

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
Sales Tax Laws	Central Sales Tax	342.02	51.31	FY 2010-13	High Court	-
The Income Tax Act, 1961	Income Tax	11.51	1.11	FY 2016-17	Commissioner of Income Tax (Appeals)	-
The Income Tax Act, 1961	Income Tax	6.25	0.90	FY 2017-18	Commissioner of Income Tax (Appeals)	-

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been 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 subsidiary 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, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.



**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 2022**

- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under 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 them and accordingly, 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 clause 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 loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of 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 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 the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any



# 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 2022**

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.

- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

*Tarun*

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

UDIN: 22507892ALCASU7138

**Place:** New Delhi  
**Date:** 17 June 2022





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 2022

**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 2022, 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.





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 2022 (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 2022, 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*

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

UDIN: 22507892ALCASU7138

Place: New Delhi  
Date: 17 June 2022



**Akums Drugs and Pharmaceuticals Limited**  
**CIN - U24239DL2004PLC125888**  
**Standalone balance sheet as at 31 March 2022**  
*(All amounts in ₹ millions unless otherwise stated)*

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2a	2,028.54	1,978.42
(b) Right-of-use assets	54	284.33	293.58
(c) Capital work-in-progress	2b	5.17	12.60
(d) Investment property	3	196.98	153.23
(e) Intangible assets	4	22.09	18.88
(f) Financial assets			
(i) Investments	5	1,413.89	1,304.51
(ii) Loans	6	8,214.81	4,757.39
(iii) Others financial assets	7	105.08	122.90
(g) Non-current tax assets (net)	8	257.14	188.64
(h) Deferred tax assets (net)	20	-	337.53
(i) Other non-current assets	9	59.87	109.86
<b>Total non-current assets</b>		<b>12,587.90</b>	<b>9,277.54</b>
<b>(2) Current assets</b>			
(a) Inventories	10	1,793.09	959.09
(b) Financial assets			
(i) Investments	11a	-	190.07
(ii) Trade receivables	11b	3,039.27	2,116.63
(iii) Cash and cash equivalents	12a	254.88	1.46
(iv) Bank balances other than (iii) above	12b	2.50	8.50
(v) Loans	13	-	126.50
(vi) Others financial assets	14	169.32	106.49
(c) Other current assets	15	292.53	197.25
<b>Total current assets</b>		<b>5,551.59</b>	<b>3,705.99</b>
<b>Total assets</b>		<b>18,139.49</b>	<b>12,983.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	143.07	13.01
(b) Other equity	17	1,712.31	5,657.46
<b>Total equity</b>		<b>1,855.38</b>	<b>5,670.47</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liability	50	166.91	170.98
(ii) Other financial liabilities	18	10,549.45	5,607.00
(b) Provisions	19	81.27	75.08
(c) Deferred tax liabilities (net)	20	127.94	-
<b>Total non-current liabilities</b>		<b>10,925.57</b>	<b>5,853.06</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	1,220.89	227.14
(ii) Trade payables	22		
Total outstanding dues to micro and small enterprises; and		96.25	94.84
Total outstanding dues of creditors other than micro and small enterprises		2,426.17	803.81
(iii) Lease liability	50	13.79	13.23
(iv) Other financial liabilities	23	94.41	98.10
(b) Other current liabilities	24	1,328.63	44.66
(c) Provisions	25	178.40	178.22
<b>Total current liabilities</b>		<b>5,358.54</b>	<b>1,460.00</b>
<b>Total equity and liabilities</b>		<b>18,139.49</b>	<b>12,983.53</b>

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 Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/ N500013

  
**Tarun Gupta**  
Partner  
Membership No: 507892

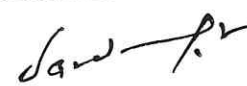


Place : New Delhi  
Date : 17 June 2022

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

  
**Sanjeev Jain**  
Director  
DIN: 00323433

  
**Dharamvir Malik**  
Company Secretary  
Mem. No.: FCS 8596

  
**Sandeep Jain**  
Director  
DIN: 00323476

  
**Sumet Sodh**  
Chief Financial Officer





Akums Drugs and Pharmaceuticals Limited  
CIN - U24239DL2004PLC125888  
Standalone statement of profit and loss for the year ended 31 March 2022  
(All amounts in ₹ millions unless otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	26	11,620.61	8,374.36
Other income	27	584.76	545.14
<b>Total Income</b>		<b>12,205.37</b>	<b>8,919.50</b>
<b>EXPENSES</b>			
Cost of materials consumed		7,865.07	5,130.45
Change in inventories of finished goods and work-in-progress	28	(184.53)	106.43
Employee benefits expense	29	1,363.69	1,226.53
Other expenses	30	1,255.00	1,105.68
<b>Total</b>		<b>10,299.23</b>	<b>7,569.09</b>
<b>Earnings before fair value changes, finance costs, depreciation and amortisation, exceptional item and tax (EBITDA)</b>		<b>1,906.14</b>	<b>1,350.41</b>
Fair value changes on financial instruments	18.1	4,941.74	538.23
Finance costs	31	36.53	8.20
Depreciation and amortisation expense	32	277.63	261.03
<b>(Loss)/ profit before exceptional items and tax</b>		<b>(3,349.76)</b>	<b>542.95</b>
Exceptional items	33	-	(2,494.95)
<b>(Loss) before tax</b>		<b>(3,349.76)</b>	<b>(1,952.00)</b>
<b>Tax expenses:</b>	46		
Income tax			
Current year		15.63	62.22
Tax for earlier years		(12.21)	1.73
Deferred tax charge/(credit)		464.57	(561.67)
<b>Total tax expense</b>		<b>467.99</b>	<b>(497.72)</b>
<b>(Loss) for the year</b>		<b>(3,817.75)</b>	<b>(1,454.28)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to statement of profit and loss			
Re-measurement gains/(losses) on defined benefit plans		3.55	2.38
Tax effect relating to these items		0.89	0.83
<b>Total other comprehensive income, net of tax</b>		<b>2.66</b>	<b>1.55</b>
<b>Total comprehensive income comprising of (loss) for the year and other comprehensive income for the year</b>		<b>(3,815.09)</b>	<b>(1,452.73)</b>
<b>Earnings per equity share of ₹ 2 (31 March 2021: ₹ 10) each</b>			
Basic and diluted	34	(53.37)	(20.33)
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 Chandio & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/ N500013

*Tarun*

**Tarun Gupta**  
Partner  
Membership No: 507892



Place : New Delhi  
Date : 17 June 2022

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

*Sanjeev Jain*

**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 2022**  
*(All amounts in ₹ millions unless otherwise stated)*

**a. Equity share capital**

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

**b. Other equity**

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

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 : 17 June 2022

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



**Sumet Sood**  
Chief Financial Officer





Akums Drugs and Pharmaceuticals Limited  
CIN - U24239DL2004PLC125888  
Standalone statement of cash flow for the year ended 31 March 2022  
(All amounts in ₹ millions unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flow from operating activities</b>		
Net (loss) before tax	(3,349.76)	(1,952.00)
Adjustments for:		
Depreciation and amortisation	277.63	261.03
Bad debts	0.60	6.71
Exceptional items	-	2,494.95
Fair value changes on financial instruments	4,941.74	538.23
Provision for expected credit loss on trade receivable (reversed)/ created	(10.00)	57.38
Loss on sale of property, plant and equipment	-	0.28
Interest expense	36.53	8.20
Interest income	(433.44)	(453.77)
Gain on reassessment of ROU	(9.81)	-
Liability no longer required written back	(1.92)	(0.35)
Share of profit from investment in firm/ LLP	(71.35)	(54.90)
Rental income	(20.98)	(16.56)
<b>Operating profit before working capital changes</b>	<b>1,359.24</b>	<b>889.21</b>
Adjustments for movement in working capital changes:		
Inventories	(834.00)	270.67
Trade receivables	(913.24)	(403.87)
Other financial assets	(67.75)	59.81
Other assets	(96.79)	(35.93)
Trade payables	1,625.69	(185.47)
Other financial liabilities	(11.96)	(1.35)
Provisions	9.92	14.83
Other liabilities	1,283.97	(3.15)
<b>Cash flow generated from operations (gross)</b>	<b>2,355.08</b>	<b>604.75</b>
Less: taxes paid (net)	(71.94)	(49.02)
<b>Net cash flow generated from operating activities (A)</b>	<b>2,283.14</b>	<b>555.73</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets (including investment property, capital work-in-progress, capital advances and payable towards property, plant and equipment)	(302.86)	(330.85)
Proceeds from sale of property plant and equipment	19.01	40.87
Investment in subsidiaries and associate	(109.38)	(596.13)
Investment in current investments	190.07	(190.07)
Proceeds from redemption of deposits having original maturity of more than 3 months	45.19	574.83
Loan given to subsidiary companies / LLP	(16,901.69)	(3,866.52)
Loan repaid by subsidiary companies / LLP	13,570.77	2,897.94
Withdrawals from partnership firm	54.90	-
Interest received	433.44	453.76
Rent received	20.98	16.56
<b>Net cash flow used in investing activities (B)</b>	<b>(2,979.57)</b>	<b>(999.61)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from / (repayment of) current borrowings (net)	993.75	(130.90)
Payment of lease liabilities	(22.72)	165.09
Interest paid	(21.18)	(8.19)
<b>Net cash flow generated from financing activities (C)</b>	<b>949.85</b>	<b>26.00</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>253.42</b>	<b>(417.89)</b>
Cash and cash equivalents at the beginning of the year (refer note 12a)	1.46	419.35
<b>Cash and cash equivalents at the end of the year (refer note 12a)</b>	<b>254.88</b>	<b>1.46</b>



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Statement of cash flow (cont'd)

Components of cash and cash equivalents are as below:

	As at 31 March 2022	As at 31 March 2021
Balance with scheduled banks in current accounts	254.12	0.37
Cash on hand	0.76	1.09
	<b>254.88</b>	<b>1.46</b>

Note 1: The above cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

Note 2: Disclosures as required in terms of Amendment to Ind AS 7 'Statement of cash flows' related to the change in financial liabilities arising from financing activity is as below:

Particulars	Current borrowings	Lease liabilities	Put option liability	Total
<b>Net debt as on 1 April 2020</b>	358.04	19.13	5,035.77	5,412.94
<b>Cash flows</b>				
(Repayments)/ proceeds (net)	(130.90)	159.95	-	29.05
<b>Non cash changes</b>				
Interest on lease liability	-	5.13	-	5.13
Fair value changes to financial instrument (refer note 18.1)	-	-	538.23	538.23
<b>Balance as on 31 March 2021/ 1 April 2021</b>	<b>227.14</b>	<b>184.21</b>	<b>5,574.00</b>	<b>5,985.35</b>
<b>Cash flows</b>				
(Repayments)/ proceeds (net)	993.75	(22.72)	-	971.03
<b>Non cash changes</b>				
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
<b>Balance as on 31 March 2022</b>	<b>1,220.89</b>	<b>180.70</b>	<b>10,515.74</b>	<b>11,917.33</b>

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

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

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



Tarun Gupta  
 Partner  
 Membership No: 507892



Place : New Delhi  
 Date : 17 June 2022

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





## 1 Company overview and summary of significant accounting policies

### 1.1 Company overview

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

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

### 1.2 Basis of preparation

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

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

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

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

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

The standalone financial statements of the Company for the year ended 31 March 2022 were approved and authorised for issue by Board of Directors in their meeting held on 17 June 2022. The Board of Directors can permit revisions to these financial statements after obtaining necessary approvals or at the instance of regulatory authorities, as per provisions of the Act.

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

#### Standards issued but not yet effective

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

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

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;
- the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.



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

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

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

- Ind AS 102 Share Based Payments - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- Ind AS 103 Business Combinations - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- Ind AS 114 Regulatory Deferral Accounts - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- Ind AS 38 Intangible Assets - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

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

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

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

**Judgements, estimates and assumptions**

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

**Significant management judgement in applying accounting policies and estimation uncertainty**

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



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

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

1.4 **Property, plant and equipment**

**Recognition and initial measurement**

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

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

**Subsequent measurement (depreciation and useful lives)**

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

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

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

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

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

**De-recognition**

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

1.5 **Intangible assets**

**Recognition and initial measurement**

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



**Subsequent measurement (amortisation)**

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

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

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

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

**De-recognition**

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

**1.6 Financial instruments**

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

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

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

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

**Non-derivative financial assets**

*Classification and subsequent measurement*

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

- (i) **Financial assets at amortised cost** – a financial instrument is measured at amortised cost if both the following conditions are met.
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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



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

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

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

**De-recognition of financial assets**

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

**Non-Derivative financial liability:-**

**Initial recognition**

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

**Subsequent measurement**

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

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

**De-recognition of financial liabilities**

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

**Offsetting of financial instruments**

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

**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.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

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

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

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

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

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

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

#### 1.8 Investment in subsidiaries

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

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

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

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

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

#### 1.9 Impairment of financial assets

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

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

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

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

#### Trade receivables

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

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

#### Other financial assets

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

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

#### 1.10 Impairment of non-financial assets

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.





Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

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.



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### 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.

#### 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.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

**1.25 Segment reporting**

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

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

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

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

**Measurement of EBITDA**

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

**1.27 Amendment to Accounting Standards (Ind AS) issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact on its financial statements.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on its financial statements.

**Ind AS 37 – Onerous Contracts - costs of fulfilling a contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact on its financial statements.

**Ind AS 109 – Annual improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact on its financial

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2a. Property, plant and equipment

Particulars	Property, plant and equipment										Total	
	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipment	Computers	Research and development equipments	Electrical installation	Pollution control equipments			
<b>Gross Block</b>												
Balance as at 1 April 2020	1,037.75	2,042.59	107.66	26.18	75.11	85.59	374.40	161.71	4.72			3,915.71
Additions	6.12	75.22	2.11	3.58	4.51	6.47	35.06	1.96	3.45			138.48
Disposals/ adjustments	-	(33.02)	(0.19)	-	(0.64)	0.09	(10.68)	(0.48)	0.03			(44.89)
<b>Balance as at 31 March 2021/1 April 2021</b>	<b>1,043.87</b>	<b>2,084.79</b>	<b>109.58</b>	<b>29.76</b>	<b>78.98</b>	<b>92.15</b>	<b>398.78</b>	<b>163.19</b>	<b>8.20</b>			<b>4,009.30</b>
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)
<b>Balance as at 31 March 2022</b>	<b>1,068.60</b>	<b>2,237.48</b>	<b>141.15</b>	<b>30.52</b>	<b>101.10</b>	<b>110.94</b>	<b>419.92</b>	<b>167.36</b>	<b>8.20</b>			<b>4,285.27</b>
<b>Accumulated depreciation</b>												
Balance as at 1 April 2020	310.91	1,035.87	63.41	17.94	57.17	56.67	169.62	98.63	3.27			1,813.49
Charge for the year	32.43	138.16	6.54	2.15	5.65	7.46	32.30	9.51	0.36			234.56
Reversal of disposal	-	(15.71)	0.01	-	(0.46)	0.11	(0.69)	(0.44)	0.03			(17.17)
<b>Balance as at 1 April 2021</b>	<b>343.34</b>	<b>1,158.32</b>	<b>69.96</b>	<b>20.09</b>	<b>62.34</b>	<b>64.24</b>	<b>201.23</b>	<b>107.70</b>	<b>3.66</b>			<b>2,030.88</b>
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)
<b>Balance as at 31 March 2022</b>	<b>376.99</b>	<b>1,292.36</b>	<b>78.65</b>	<b>21.07</b>	<b>65.04</b>	<b>72.98</b>	<b>232.64</b>	<b>112.49</b>	<b>4.31</b>			<b>2,256.73</b>
<b>Net block</b>												
As at 31 March 2021	700.53	926.47	39.62	9.67	16.64	27.91	197.55	55.49	4.54			1,978.42
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

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.

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Akums Drugs and Pharmaceuticals Limited  
 CIN - U24239DL2004PLC125688  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022  
 (All amounts in ₹ millions unless otherwise stated)

**2b. Ageing of capital work-in-progress**

The table below analyses the capital work-in-progress ageing:

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years More than 3 years	
Plant and equipments	1.55	-	-	1.55
Building	3.62	-	-	3.62
	<b>5.17</b>	-	-	<b>5.17</b>

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years More than 3 years	
Plant and equipments	2.58	-	-	2.58
Building	10.02	-	-	10.02
	<b>12.60</b>	-	-	<b>12.60</b>

Note : There are no such project under capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022 and 31 March 2021



## 3. Investment property

Tangible assets provided on operating lease to subsidiary as follows:

Particulars	Freehold land	Buildings	Total
<b>Gross carrying value</b>			
Opening balance as at 1 April 2020	64.62	129.58	194.20
Additions during the year	-	-	-
Closing balance as at 31 March 2021/ 1 April 2021	64.62	129.58	194.20
Additions during the year	48.88	-	48.88
Closing balance as at 31 March 2022	113.50	129.58	243.08
<b>Depreciation</b>			
Opening balance as at 1 April 2020	-	35.84	35.84
Charge for the year	-	5.13	5.13
Closing balance as at 31 March 2021/ 1 April 2021	-	40.97	40.97
Charge for the year	-	5.13	5.13
Closing balance as at 31 March 2022	-	46.10	46.10
<b>Net carrying value</b>			
As at 31 March 2021	64.62	88.61	153.23
As at 31 March 2022	113.50	83.48	196.98

Information regarding income and expenditure of Investment property

	Year ended 31 March 2022	Year ended 31 March 2021
Rental income derived from investment properties	12.96	12.96
Less – Depreciation	(5.13)	(5.13)
Profit arising from investment properties before indirect expenses	7.83	7.83

Fair Value of the above said property at the end of the year is ₹ 215.01 millions (₹ 164.58 millions) as valued by an accredited independent valuer with specialisation in valuing these types of properties.

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

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

## Fair value hierarchy

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

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**Akums Drugs and Pharmaceuticals Limited**

CIN - U24239DL2004PLC125888

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

*(All amounts in ₹ millions unless otherwise stated)*

**4. Intangible assets**

Particulars	Brands /trademarks	Software license	Total
<b>Gross carrying value</b>			
Opening balance as at 1 April 2020	4.90	106.44	111.34
Additions during the year	-	9.30	9.30
<b>Closing balance as at 31 March 2021/ 1 April 2021</b>	<b>4.90</b>	<b>115.74</b>	<b>120.64</b>
Additions during the year	-	10.52	10.52
<b>Closing balance as at 31 March 2022</b>	<b>4.90</b>	<b>126.26</b>	<b>131.16</b>
<b>Amortisation</b>			
Accumulated as at 1 April 2020	2.57	92.24	94.81
Charge for the year	0.81	6.14	6.95
On disposal	-	-	-
<b>Balance as on 31 March 2021/ 1 April 2021</b>	<b>3.38</b>	<b>98.38</b>	<b>101.76</b>
Charge for the year	0.77	6.54	7.31
On disposal	-	-	-
<b>Balance as on 31 March 2022</b>	<b>4.15</b>	<b>104.92</b>	<b>109.07</b>
<b>Net carrying value</b>			
As at 31 March 2021	<b>1.52</b>	<b>17.36</b>	<b>18.88</b>
As at 31 March 2022	<b>0.75</b>	<b>21.34</b>	<b>22.09</b>

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**Akums Drugs and Pharmaceuticals Limited**

CIN - U24239DL2004PLC125888

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

(All amounts in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>5. Investments</b>		
<b>Investment in equity instrument</b>		
<b>Investments in subsidiaries (measured at cost), Unquoted</b>		
<b>5.1. Investment in equity instruments of subsidiaries</b>		
50,000 (31 March 2021: 50,000) equity shares of Amazing Research Laboratories Limited of Rs. 10 each	1.95	1.95
50,000 (31 March 2021: 50,000) equity shares of May & Baker Pharmaceuticals Limited of Rs. 10 each	0.50	0.50
50,000 (31 March 2021: 50,000) equity shares of Nicholas Healthcare Limited of Rs. 10 each	0.50	0.50
50,000 (31 March 2021: 50,000) equity shares of Plenteous Pharmaceuticals Ltd. of Rs. 10 each	0.50	0.50
Nil (31 March 2021: 50,000) equity shares of Abbott Pharma Limited of Rs. 10 each #	-	0.65
10,000 (31 March 2021: 10,000) equity shares of AVHA Lifesciences Private Limited of Rs. 10 each	0.10	0.10
10,000 (31 March 2021: 10,000) equity shares of Sarvagunaashdhi Private Limited of Rs. 10 each	0.10	0.10
50,000 (31 March 2021: 50,000) equity shares of Maxcure Nutravedics Limited of Rs. 10 each	80.42	80.42
500,000 (31 March 2021: 500,000) equity shares of Delcure Lifesciences Limited of Rs. 10 each	7.25	7.25
467,000 (31 March 2021: 467,000) equity shares of Malik Lifesciences Private Limited of Rs.10 each	34.85	34.85
2,500,000 (31 March 2021: 2,500,000) equity shares of Pure and Cure Healthcare Private Limited of Rs.10	324.67	324.67
18,000,000 (31 March 2021: 18,000,000) equity shares of Unosource Pharma Limited of Rs.10 each	180.00	180.00
50,955 (31 March 2021: 47,995) equity shares of Akumentis Healthcare Limited of Rs.10 each	170.79	170.79
99,994 (31 March 2021: nil) equity shares of Akums Healthcare Limited of Rs.10 each	1.00	1.00
1,54,121 (31 March 2021: 92,112) equity shares of Medibox Digital Solutions Private Limited of Rs. 10 each**	30.64	30.02
50,00,000 (31 March 2021: 45,00,000) equity shares of Akums Lifesciences Limited of Rs.10 each	154.40	45.00
1,000 (31 March 2021: nil) equity shares of Burroughs Welcome Pharmacia Private Limited of Rs.10 each	0.01	-
	<b>987.68</b>	<b>878.30</b>
<b>5.2 Investment in preference shares*</b>		
<b>Investments in subsidiaries (measured at cost), Unquoted</b>		
5,918 (31 March 2021: 5,918) Cumulative compulsory convertible participating preference shares of Akumentis Healthcare Limited of Rs.100 each	424.21	424.21
	<b>424.21</b>	<b>424.21</b>
<b>5.3 Investment in partnership firm</b>		
(Investments carried at cost, trade, long term, unquoted)		
AUSL Pharma (Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (40%), Vikram Malhotra (36%), Sunil Anand (12%) and Jaideep Malhotra (12%), Total capital of the firm Rs.1,000,000)	0.40	0.40
	<b>0.40</b>	<b>0.40</b>
<b>5.4 Other investments - investments in limited liability partnership ("LLP") firms</b>		
(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 Rs.1,501,000)	1.50	1.50
Akum Impex LLP (Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (99.98%), Shri Sanjeev Jain (0.01%) and Shri Sandeep Jain (0.01%) . Total Capital of the LLP Rs.1,00,000)	0.10	0.10
	<b>1.60</b>	<b>1.60</b>
	<b>1,413.89</b>	<b>1,304.51</b>
Aggregate amount of unquoted investments	1,413.89	1,304.51
Aggregate provision for diminution in value of investments		
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		
* During 2020-21, the Company has purchased CCCPPS in the current year from Sequoia Capital India Investment IV. These shares are convertible into equity shares in the ratio of 1:1. On 16 March 2022, the additional rights attached to CCCPS have been removed and these are now equitable to the equity shares issued by the company.		
** The Company is exercising control over Medibox Digital Solutions Private Limited jointly with its wholly owned subsidiary Maxcure Nutravedics Limited		
# The Company during the current year has disposed off its investment in Abbott Pharma Limited vide board resolution dated 16 March 2022		
During the year Company increased its stake in the following entities :		
<b>Acquisition from other equity holder :</b>		
Medibox Digital Solutions Private Limited	0.62	16%
Akums Lifesciences Limited	109.40	-
<b>Fresh investment made :</b>		
Burroughs Welcome Pharmacia Private Limited	0.01	100%

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Particulars	As at 31 March 2022	As at 31 March 2021
<b>6. Loans</b>		
<b>Unsecured, considered good</b>		
Loans to related parties (refer note 42 and 53)*	8,214.81	4,757.39
<b>Unsecured, considered doubtful</b>		
Loans to related party (refer note 42 and 53)	-	1,523.48
Less: Provision for expected credit loss on loans (refer note 33)	-	1,523.48
	-	-
	<b>8,214.81</b>	<b>4,757.39</b>

\*Net of loan written off of ₹ 1,523.48 millions (31 March 2021: ₹ 874.32 millions)

\* includes interest receivable from related parties amounting to Rs. 35.41 millions (31 March 2021: Rs. 4.72 millions)

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

**7. Other financial assets**

Security deposits	58.05	36.68
Deposit having remaining maturity of more than 12 months*	47.01	86.20
Other receivable	0.02	0.02
	<b>105.08</b>	<b>122.90</b>

\*pledged with government authorities and others.

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

**8. Non-current tax assets**

Advance income-tax (net of provision)	257.14	188.64
	<b>257.14</b>	<b>188.64</b>

**9. Other non-current assets**

**Unsecured, considered good**

Capital advances		
Advances other than capital advances:	0.21	51.71
Tax deposited with sales tax department (refer note 35 (b))	51.31	51.31
Prepaid expenses	5.29	3.78
Other receivable	3.06	3.06
	<b>59.87</b>	<b>109.86</b>

**10. Inventories**

(refer note 1.18 on inventories)

Raw materials		
on hand	1,026.56	534.96
in transit	32.74	9.10
Packing materials		
on hand	321.07	198.56
in transit	3.75	0.73
Work-in-progress	201.81	81.58
Finished goods	174.29	109.99
Stores and spares		
on hand	32.15	22.91
in transit	0.72	1.26
	<b>1,793.09</b>	<b>959.09</b>

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

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Particulars	As at 31 March 2022	As at 31 March 2021
<b>11a. Investments</b>		
<b>Current, unquoted (measured at fair value through profit and loss)</b>		
<b>Non-Trade</b>		
Investments in mutual funds		
Nil (31 March 2021: 39,258.99) units of HDFC Overnight fund- Direct Plan- Growth Option	-	120.06
Nil (31 March 2021: 64,351.26) units of AXIS Overnight fund- Direct Plan- Growth Option	-	70.01
	<u>-</u>	<u>190.07</u>
Aggregate amount of unquoted investments	-	190.07
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assesment of expected credit loss respectively		
<b>11b. Trade receivables</b>		
Trade receivables considered good (unsecured)	3,039.27	2,116.63
Trade receivables-credit impaired	26.96	57.38
	<u>3,066.23</u>	<u>2,174.01</u>
Less: Allowance for expected credit losses	26.96	57.38
	<u>3,039.27</u>	<u>2,116.63</u>
11.1 Dues to related party (refer note 42)	375.03	635.71
11.2 Refer note 39 for information on trade receivables pledged as security by the Company.		
11.3 Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assesment of expected credit losses respectively. All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.		
11.4 Refer note 50 for the ageing of the trade receivables		
<b>12. Cash and bank balances</b>		
<b>12a. Cash and cash equivalents</b>		
Balance with scheduled banks		
in current accounts	254.12	0.37
Cash on hand	0.76	1.09
	<u>254.88</u>	<u>1.46</u>
Refer note 45 for disclosure of fair value in respect of financial assets measured at amortised cost and assesment of expected credit losses respectively.		
Refer note 39 for assets pledged as security by the Company		
<b>12b. Other bank balances</b>		
Deposits with original maturity of more than 3 months and remaining maturity of less than 12 months	2.50	8.50
	<u>2.50</u>	<u>8.50</u>
Refer note 39 for assets pledged as security by the Company		
<b>13. Loans</b>		
Loan receivables -considered good (unsecured) (Refer note 42 and 53)*	-	126.50
	<u>-</u>	<u>126.50</u>

\*Loans given to related parties are repayable on demand and carries an interest rate in the range of 7% to 12% p.a (31 March 2021: 8% to 12% p.a). The loan is provided to these companies for meeting their working capital requirement.

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

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022  
 (All amounts in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>14. Other financial assets</b>		
<b>Unsecured, considered good</b>		
Dues from partnership firm and LLPs (refer note 42)	71.35	54.90
Balance with statutory dues	93.97	47.59
Other loans and advances	4.00	4.00
	<b>169.32</b>	<b>106.49</b>
<b>15. Other current assets</b>		
<b>Unsecured, considered good</b>		
Advance to suppliers	54.87	40.93
Prepaid expenses	23.01	21.13
Balance with statutory authorities	212.03	120.45
Others	2.62	14.74
	<b>292.53</b>	<b>197.25</b>

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Particulars	As at	
	31 March 2022	31 March 2021
<b>16. Equity share capital</b>		
<b>Authorised</b>		
7,50,00,000 (31 March 2021: 15,00,000) equity shares of ₹ 2 (31 March 2021: ₹ 10) each	150.00	15.00
<b>Issued, subscribed and fully paid up</b>		
7,15,32,175 (31 March 2021: 13,00,585) equity shares of ₹ 2 (31 March 2021: ₹ 10) each	143.07	13.01
	<b>143.07</b>	<b>13.01</b>

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	1,300,585	13.01	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	65,029,250	130.06	-	-
At the end of the year	<b>71,532,175</b>	<b>143.07</b>	<b>1,300,585</b>	<b>13.01</b>

**16.2 Terms/rights attached to equity shares**

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

In the event of winding up of the Company, the equity shareholders will be entitled to be repaid remaining assets of the Company, after distribution of all preferential amounts, in the ratio of the amount of capital paid on such equity shares. However, no such preferential amounts existed until 02 October 2019.

On 03 October 2019, the Company executed a shareholders' agreement ("the Agreement") with its existing shareholders (Mr. Sandeep Jain and Mr. Sanjeev Jain) and Ruby QC Investments Pte. Limited ("the Investor") wherein 125,585 fully paid equity shares were issued by the Company and 70,642 equity shares were transferred by the said shareholders directly to the Investor for a total consideration of ₹ 5,000 millions giving the Investors 15.09% stake in the Company.

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

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

Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% Holding	No. of shares	% Holding
Sanjeev Jain#	30,346,470	42.42	552,054	42.45
Sandeep Jain#	30,364,345	42.45	552,179	42.46
Ruby QC Investment Holding Pte Ltd.	10,792,485	15.09	196,227	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 split and 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.

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

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

**16.5** No shares have been reserved for issue under options. The Company vide board resolution dated 16 March 2022 and shareholder resolution dated 31 March 2022 has approved the Employee Stock Option Scheme 2022. The Company is in the finalisation of the number of options which needs to be granted to the employees of the Company. Pending the number of options granted, no adjustment has been recorded in these standalone financial statements.



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Particulars	As at 31 March 2022	As at 31 March 2021
<b>17. Other equity</b>		
<b>(a) Securities premium</b>		
Balance as at beginning of the year	11.25	11.25
Less: Utilisation on account of bonus issue	(11.25)	-
Balance as at end of the year	-	11.25
<b>(b) Retained earnings</b>		
Balance as per last financial statements	7,447.45	8,900.18
Add: (loss) for the year	(3,817.75)	(1,454.28)
Add: Other comprehensive income for the year		
- Remeasurement of defined benefit plans	2.66	1.55
Less: Utilisation on account of bonus issue	(118.81)	-
Balance as at end of the year	3,513.55	7,447.45
<b>(c) Put option reserve</b>		
Balance as at beginning/ end of the year	(1,801.24)	(1,801.24)
<b>Total</b>	<b>1,712.31</b>	<b>5,657.46</b>

**Nature of reserves**

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

**1. Securities premium**

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

**2. Retained earnings**

Retained earnings are the profits that the Company has earned till date and not distributed. Retained earnings is a free reserve available to the Company. It includes other comprehensive income representing the actuarial gain/ loss arising on account of defined benefit plan

**3. Put option reserve**

Refer note 18.1 for further details.

**18. Financial liabilities**

Put option liability (refer note 18.1 and 45)	10,515.74	5,574.00
Security deposit received		
from customers	26.98	26.67
from others	6.73	6.33
	<b>10,549.45</b>	<b>5,607.00</b>

18.1 Pursuant to the Agreement described in note 16.2, the Investor has a right to exercise an option ("put option") after 54 months from 3 October 2019 to require the Company to buyback its equity shares at fair market value at the date of exercise of the put option, in case the Company is not able to give exit to the Investor through an 'initial public offer' or a secondary sale to a third party.

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

The put option liability represents the fair value of the contractual obligation of the Company and includes amounts payable in respect of shares transferred directly from the said shareholders to the Investor amounting to ₹ 1,799.99 millions and the face value of the equity shares directly issued to the Investor by the Company amounting to ₹ 1.26 millions with a corresponding adjustment of ₹ 1,801.24 millions to "other equity" as a "put option reserve". Further, the increase in the put option liability on its subsequent re-measurement at fair value at the balance sheet date amounting to ₹ 4,941.74 millions (31 March 2021: ₹ 538.23 millions) is disclosed separately in the standalone statement of profit and loss.




Particulars	As at 31 March 2022	As at 31 March 2021
<b>19. Provisions</b>		
<b>(a) Provision for employee benefits</b>		
Gratuity (refer note 38)	62.29	57.07
Compensated absences (refer note 38)	18.98	18.01
	<b>81.27</b>	<b>75.08</b>

**20. Deferred tax liabilities (net)**

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

**Deferred tax liabilities consists of (refer note 46):**

Accelerated depreciation and amortisation for tax purposes on property, plant and equipment and intangible assets

205.87 314.54

**Deferred tax assets consists of:**

Expenses allowable under Income Tax Act, 1961 on payment basis

23.41 34.85

Lease liability

3.64 3.57

Provision for expected credit loss

6.78 20.05

Provision for sales tax

44.10 61.23

Provision for diminution in value of loans given

- 532.37

**Deferred tax liabilities (net)**

**127.94 (337.53)**

**21. Borrowings**

**Secured**

**Loan repayable on demand (from bank)**

Working capital loan (refer note a to f)

1,220.89 227.14

**1,220.89 227.14**

**Notes:**

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

Amount outstanding as at	
As at	As at
31 March 2022	31 March 2021

**(a) Working capital from State Bank of India**

Cash Credit facility received from State Bank of India has been secured by Company's all current assets (present and future) at Company's head office and hypothecation of stocks, book debts and fixed & movable assets of the unit I, II & III; equitable mortgage by deposit of title deeds in respect of land at Haridwar of the unit I, II & III and personal guarantee of directors of the Company. The loan is repayable on demand and carries an interest rate in the range of 8.85% p.a. (previous year 7.85% to 9.00% p.a.)

471.53 224.94

**(b) Working capital loan from Standard Chartered Bank**

Cash credit facility from Standard Chartered Bank is secured by Hypothecation/ mortgage of stocks, book debts and fixed and movable assets of unit IV & V; equitable mortgage by deposit of title deeds in respect of land at Haridwar and personal guarantee of directors. The loan is repayable on demand and carries an interest rate in the range of 7.20% to 9.20% p.a. (previous year 8.40% to 10.75% p.a.).

**(c) Overdraft facility from Punjab National Bank**

The bank overdrafts are secured against Fixed Deposit. The loan is repayable on demand and carries an interest rate in the range of 7.25% to 9% p.a.

- 0.10

- 2.11



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Particulars	As at 31 March 2022	As at 31 March 2021
<b>(d) Working capital from HDFC Bank</b>		
Working Capital Loan from Hdfc Bank Limited is secured by is secured by hypothecation/ mortgage of stocks,book debts and fixed and movable assets of unit IV & V, equitable mortgage by deposits of title deeds in respect of land at Haridwar and carries an interest rate in the range of 4.0% p.a to 4.30% pa. and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	450.00	-
<b>(e) Working capital from Yes Bank</b>		
Working Capital Loan from Yes Bank Limited is unsecured and carries an interest rate in the range of 4.0% p.a to 4.30% pa. and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	200.00	-
<b>(f) Working Capital Loan from CITI Bank Limited</b>		
Cash Credit facility from CITI Bank Limited is secured by hypothecation/ mortgage of stocks,book debts and fixed and movable assets of unit IV & V;equitable mortgage by deposits of title deeds in respect of land at Haridwar and carries an interest rate in the range of 7.95% p.a. to 9.5% p.a.	99.36	-
	<b>1,220.89</b>	<b>227.15</b>

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

- Refer note 39 for assets pledged as security
- Refer note 45 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile.
- The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and breaches in the financial covenants of any interest-bearing loans and borrowing doesn't have any financial impact on the terms of repayment of classification.
- The above loans have been utilised as per the purpose for these loans were sanctioned
- The property on which mortgaged or any charged created during the financial year has been duly registered with Registrar of companies.

## 22. Trade payables

Total outstanding dues of micro and small enterprises (ref note 52): and	96.25	94.84
Total outstanding dues of creditors other than micro and small enterprises	2,426.17	803.81
	<b>2,522.42</b>	<b>898.65</b>
Dues to related parties (refer to note 42)	1,267.37	84.30

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

Refer note 50 for disclosure in respect of ageing of the above payables.

## 23. Other financial liabilities

Employee payables	81.09	93.76
Payable for property, plant and equipment	13.32	4.34
	<b>94.41</b>	<b>98.10</b>

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



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Particulars	As at 31 March 2022	As at 31 March 2021
<b>24. Other current liabilities</b>		
Advance from customers	1,307.24	25.69
Statutory dues payable	21.39	18.97
	<u>1,328.63</u>	<u>44.66</u>
<b>25. Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 38)	1.79	1.54
Compensated absences (refer note 38)	1.38	1.45
<b>Provision for sales tax (refer note 35(b))</b>	175.23	175.23
	<u>178.40</u>	<u>178.22</u>
<b>Note:</b>		
<b>Movement of other provisions in accordance with Ind AS 37</b>		
Opening provisions	175.23	175.23
Add: Provision made during the year	-	-
Less: Provision utilised during the year	-	-
Closing provisions	<u>175.23</u>	<u>175.23</u>

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Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>26. Revenue from operations</b>		
Sale of finished products	10,762.37	7,555.54
Sale of other products	363.41	322.63
	<u>11,125.78</u>	<u>7,878.17</u>
Other operating revenues		
Job work income	319.39	346.58
Testing charges and others	111.93	111.99
Sale of scraps	63.51	37.62
	<u>11,620.61</u>	<u>8,374.36</u>
Refer note 43 in terms of disclosures required under Ind AS 115		
<b>27. Other income</b>		
Interest income on:		
fixed deposits	4.52	21.24
loans given to related parties (refer note 42)	428.92	432.53
Others	0.42	-
Share of profit from investment in LLP and partnership firm (refer note 42)	71.35	54.90
Foreign currency translations	7.25	1.76
Rental income	20.98	16.56
Income from government grants/ subsidy	0.98	1.58
Liabilities not payable/ writtenoff	1.92	0.35
Profit on sale of property, plant and equipment	0.07	-
Gain on reassessment of right-of-use assets	9.81	-
Reversal of expected credit loss on trade receivables	10.00	-
Miscellaneous income	28.54	16.22
	<u>584.76</u>	<u>545.14</u>
<b>28. Change in inventory of finished goods and work in progress</b>		
Opening stock		
Finished goods	109.99	189.10
Work-in-progress	81.58	108.90
	<u>191.57</u>	<u>298.00</u>
Less: Closing stock	(A)	
Finished goods	174.29	109.99
Work-in-progress	201.81	81.58
	<u>376.10</u>	<u>191.57</u>
Change in inventory of finished goods and work in progress (A-B)	<u>(184.53)</u>	<u>106.43</u>
<b>29. Employee benefits expense</b>		
Salaries, wages and bonus	1,287.33	1,153.12
Contributions to provident and other funds (refer note 38)	41.59	39.11
Staff welfare expense	34.77	34.30
	<u>1,363.69</u>	<u>1,226.53</u>

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Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>30. Other expenses</b>		
Consumption of stores and spare parts	153.04	138.12
Job charges paid	234.27	190.64
Power and fuel	362.48	286.41
Rent	10.21	10.97
<b>Repairs and maintenance</b>		
Plant and equipments	97.37	76.81
Buildings	22.87	13.54
Others	108.41	88.82
Travelling expense	10.09	5.42
Vehicle running expense	5.80	3.90
Fees and subscription	17.84	20.93
Legal and professional expenses	108.55	71.84
Payment to auditors (refer note 37)	2.69	3.04
Bad debts written off	0.60	6.71
Provision for expected credit loss on trade receivables	-	57.38
Commission on sales	12.39	20.42
Selling and distribution expenses	10.79	12.44
Loss on sale of property, plant and equipment	-	0.28
Staff recruitment	10.83	12.91
Corporate social responsibility expense (refer note 44)	-	21.13
Miscellaneous expenses	86.77	63.97
	<b>1,255.00</b>	<b>1,105.68</b>
<b>31. Finance costs</b>		
Interest		
on current borrowings	18.41	1.49
on income-tax	0.03	0.23
Interest expense on lease liability	15.32	5.13
Other borrowing costs	2.77	1.35
	<b>36.53</b>	<b>8.20</b>
<b>32. Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	242.24	234.56
Amortisation of right-of-use assets (refer note 54)	22.95	14.39
Depreciation on investment property	5.13	5.13
Amortisation of intangible assets	7.31	6.95
	<b>277.63</b>	<b>261.03</b>

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33 Exceptional items

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Diminution in the value of loans given	-	2,494.95
	-	<b>2,494.95</b>

The Company, in earlier years, had granted loan of ₹ 2,494.95 millions to its subsidiary company 'Delcure Lifesciences Limited' which was engaged in trading of pharmaceutical products. The company incurred huge losses from its operations and subsequently was majorly impacted due to COVID 19. Pursuant to which, management has conducted a detailed evaluation for recoverability of the loan so given and decided to impair the outstanding loan. Accordingly, ₹ Nil (previous year - ₹ 971.47 millions) in respect of interest accrued on loan given has been written off by the Company while the amount of ₹ 1,523.48 millions (previous year - ₹ Nil) for the amount of loan given has been written off in the standalone financial statement. Further, the amount written off in the current year was provided for and deferred tax asset was recognised on the said loan in the previous year. The impact of entire amount was provided for in the statement of profit and loss of the standalone financial statement prepared for the year ended 31 March 2021.

34 Earning per equity share (EPS)

(Loss) attributable to equity shareholders (₹)	<b>(3,817.75)</b>	<b>(1,454.28)</b>
Total number of equity shares outstanding at the end of the year (in nos.)*	71,532,175	71,532,175
Weighted average number of equity shares in calculating basic and diluted EPS (in nos.)*	71,532,175	71,532,175
Nominal value per share (₹)	10.00	10.00
Basic and diluted EPS (₹)	<b>(53.37)</b>	<b>(20.33)</b>

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

35 Contingent liabilities and litigations

(i) Liabilities under export scheme (refer note (a) below)	4.28	4.28
(ii) Demand raised by sales tax authorities (refer note (b) below)	166.69	150.19
(iii) Corporate guarantee given (represents only drawn amount) (refer note (c) below)	156.77	142.81
(iv) Income tax matters (refer note (d) below)	17.70	17.70
(v) Others (refer note (e) below)	0.33	0.33

Notes:

- (a) Upto the end of the year, the Company had saved ₹ 4.28 millions as custom duty payable on import purchase of capital goods under the Export Promotion Capital Goods ("EPCG") scheme of the Government of India. The Company has undertaken an export obligation of ₹ 25.69 millions against import of capital goods by paying concessional rate of custom duty under EPCG scheme. If the Company is unable to meet this export obligation within six years from issue of authorization letters, i.e., on or before 11 February 2022, the Company will be liable to deposit the duty saved amount along with interest for the period. The Company have already fulfilled its export obligation under EPCG scheme. However, it is in the process of obtaining discharge certificate of its obligation under EPCG scheme.
- (b) Pursuant to the Industrial Promotion Policy, 2003, which amongst other benefits, provided a concessional central sales tax ("CST") @1% to new industries set up in the state of Uttarakhand, the Company commenced manufacturing at its factory units at Haridwar.

Until 30 June 2013, the unit I of the Company availed concessional CST of 1% in terms of the relevant notifications of the sales tax department. However, during FY 2012-13, the sales tax department, after making provisional assessment for period 1 April 2011 to 31 December 2012, issued a notice to the Company disallowing the concessional CST of 1% due to non-fulfillment of certain conditions as stipulated in the said notification and raised a demand amounting to ₹ 88.78 millions for differential CST @1%.

The Company contested the aforementioned assessment order before the Joint Commissioner (Appeals), Dehradun, Uttarakhand and the Commercial Tax Tribunal, Uttarakhand. As no relief was granted to the Company in the aforesaid proceedings, the Company filed an appeal before the Hon'ble High Court, Uttarakhand on 19 August 2013, which admitted the appeal and granted a stay against the demands for the period from April 2010 to June 2013 raised by the sales-tax department, till the final order by the High Court.

Further, the sales tax department made final assessments from 1 April 2010 to 31 March 2014 raising a demand of ₹ 160.62 millions (excluding interest demanded at the rate of 15% per annum), which have been contested by the Company and have been presently stayed by the Hon'ble High Court, Uttarakhand. The Company has deposited ₹ 51.31 millions under protest against the said demands.

The Company, as a matter of prudence, has provided an amount of ₹ 175.23 millions (including interest of ₹ 28.32 millions) for the period March 2010 to March 2013. The management has classified the balance demand of ₹ 13.70 millions and also interest of ₹ 152.99 millions (calculated at 15% per annum for the period 01 April 2013 to 31 March 2022) as a contingent liability.

Based on the assessments by the management, consideration of merits of the case and external legal advice, the Company believes that there is a fair chance of winning the case. Accordingly, no further provisions, if any, are considered necessary to be recorded in these standalone financial statement.

- (c) Corporate guarantees given represents guarantees given to banks for the loans taken by subsidiary companies.



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022  
(All amounts in ₹ millions unless otherwise stated)

- (d) Assessment for certain previous years (AY 2017-18 and AY 2018-19) is open and department has raised demands of ₹ 17.70 millions (31 March 2021: ₹ 17.70 millions). The matter is pending at CIT level and based on the assessments by the management, consideration of merits of the case and external legal advice, the Company believes that there is a fair chance of winning the case. Accordingly, no further provisions, if any, are considered necessary to be recorded in these standalone financial statement.
- (e) One of the vendor has filed a legal suit against the Company in respect of unpaid amount for the material supplied to the Company. The amount of claim filed amounts to ₹ 0.33 millions (31 March 2021: ₹ 0.33 millions). However, based on discussions with the solicitors, the management believes that the Company has a likely chance of a favorable outcome and accordingly no provision, if any, has been considered necessary to be recorded in the books of accounts.
- (f) Pursuant to judgement by the Hon'ble Supreme Court of India of February 2019, it was held that basic wages, for the purpose of provident fund, should include certain allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and date from which the said ruling applies. The Company, based on discussion with internal counsel, believes that the ruling would be applicable prospectively and accordingly the management has not provided for liability arising, if any, for the past periods. Further, the management believes that it is compliant in all material aspects, with the relevant statutory requirements for the current year. Accordingly, the Company believes that this matter will not have any material adverse impact on the financial position of the Company.

36 Capital and other commitments

	Year ended 31 March 2022	Year ended 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	49.08	44.08

37 Payment to auditor

	Year ended 31 March 2022	Year ended 31 March 2021
(a) as auditor	2.50	2.90
(b) for reimbursement of expenses	0.19	0.14
	<b>2.69</b>	<b>3.04</b>

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 2022	Year ended 31 March 2021
Company's contribution to Provident Fund	38.95	36.34
Company's contribution to Employees' State Insurance Scheme	2.64	2.77
	<b>41.59</b>	<b>39.11</b>

B Defined benefit plan - Gratuity

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

	Year ended 31 March 2022	Year ended 31 March 2021
Non-current	62.29	57.07
Current	1.79	1.54
	<b>64.08</b>	<b>58.61</b>

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

	Year ended 31 March 2022	Year ended 31 March 2021
Present value of the obligation as at the beginning of the year	58.61	50.47
Service cost	10.45	11.00
Interest cost	3.98	3.43
Benefits paid	(5.41)	(3.91)
Actuarial gain recognised during the year in other comprehensive income	(3.55)	(2.38)
Present value of the obligation as at end of the year	<b>64.08</b>	<b>58.61</b>

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

	Year ended 31 March 2022	Year ended 31 March 2021
Service cost	10.45	11.00
Interest cost	3.98	3.43
Net impact on profit before tax	14.43	14.43
Actuarial gain recognised during the year in other comprehensive income	3.55	2.38
Amount recognised in total comprehensive income	<b>17.98</b>	<b>16.81</b>

(iv) Breakup of actuarial gain:

	Year ended 31 March 2022	Year ended 31 March 2021
Actuarial gain from experience adjustment	3.55	2.38
Total actuarial gain	<b>3.55</b>	<b>2.38</b>



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Employees benefits (cont'd)

(v) Change in fair value of plan assets

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

(vi) Actuarial assumptions

Discount rate (per annum)		
Future salary increase (per annum)	7.18%	6.79%
Withdrawal rate	5.50%	5.50%
Up to 30 Years		
From 31 to 44 years	3.00%	3.00%
Above 44 years	2.00%	2.00%
Retirement age	1.00%	1.00%
Mortality rate	58 years	58 years
	100% of IALM	100% of IALM
	(2012-14)	(2012-14)
Average future service (in years)	23.40 years	23.78 years

Notes:

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

(vii) Sensitivity analysis for gratuity liability

Impact of change in discount rate

Present value of obligation at the end of the year

- Impact due to increase of 0.5 %
- Impact due to decrease of 0.5 %

Impact of change in salary increase

Present value of obligation at the end of the year

- Impact due to increase of 0.5 %
- Impact due to decrease of 0.5 %

	Year ended 31 March 2022	Year ended 31 March 2021
Present value of obligation at the end of the year	64.08	58.61
- Impact due to increase of 0.5 %	(3.76)	(3.51)
- Impact due to decrease of 0.5 %	4.11	3.85
Present value of obligation at the end of the year	64.08	58.61
- Impact due to increase of 0.5 %	4.01	3.84
- Impact due to decrease of 0.5 %	(3.75)	(3.54)

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

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

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

	As at 31 March 2022	As at 31 March 2021
Within next 12 months	1.79	1.54
Between 1-5 years	13.37	12.23
Beyond 5 years	48.92	44.84
	<b>64.08</b>	<b>58.61</b>

(viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 17.61 millions as at 31 March 2022 (31 March 2021 : ₹ 16.66 millions).

(ix) Other long-term employee benefits

An amount of ₹ 4.13 millions [31 March 2021 : ₹ 9.31 millions] pertains to expense towards compensated absences.

39 Assets pledged as security (refer note 21)

Current

Inventories

Cash and cash equivalents

Other bank balances

Loans

Other financial assets

Other current assets

Trade receivables

Total current assets pledged as security

Non-current

Property, plant and equipment

Capital work-in-progress

Total assets pledged as security

	As at 31 March 2022	As at 31 March 2021
Inventories	1,793.09	683.57
Cash and cash equivalents	254.88	9.73
Other bank balances	2.50	8.50
Loans	-	126.50
Other financial assets	169.32	247.46
Other current assets	292.53	207.17
Trade receivables	3,039.27	1,460.14
Total current assets pledged as security	<b>5,551.59</b>	<b>2,743.07</b>
Property, plant and equipment	2,028.54	1,717.40
Capital work-in-progress	5.17	12.60
Total assets pledged as security	<b>7,585.30</b>	<b>4,473.07</b>



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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022  
(All amounts in ₹ millions unless otherwise stated)

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

41 Reporting to banks/ financial institutions

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

42 Related party disclosures

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

I. Relationships

Name of entity	Principal place of business of investee	Shareholding as at	
		31 March 2022	31 March 2021
<b>(a) Members of the same group</b>			
<b>Subsidiaries</b>			
Abbott Pharma Limited (till 28 March 2022)	India	-	100.00%
Akumentis Healthcare Limited	India	91.50%	91.50%
Akums Healthcare Limited (w.e.f. 29 December 2020)	India	100.00%	100.00%
Akums Lifescience Limited (w.e.f. 16 January 2021)	India	100.00%	100.00%
Amazing Research Laboratories Limited	India	100.00%	100.00%
AVHA Lifesciences Private Limited	India	100.00%	100.00%
Delcure Lifesciences Limited	India	100.00%	100.00%
Maxcure Nutravedics Limited	India	100.00%	100.00%
Malik Lifesciences Private Limited	India	100.00%	100.00%
May and Baker Pharmaceuticals Limited	India	100.00%	100.00%
Nicholas Healthcare Limited	India	100.00%	100.00%
Plienteous 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%	100.00%
Akum Impex LLP	India	99.89%	99.89%
Upadhrish Reserchem LLP	India	99.98%	99.98%
Burroughs Welcome Pharmacia Private Limited (w.e.f. 30 September 2021)	India	99.93%	99.93%
			0.00%
<b>Step down subsidiary of Company</b>			
Medibox Digital Solutions Private Limited	India	100.00%	84.00%
Cure Sure Pharma (till 31 March 2022)	India	91.50%	91.50%
<b>(b) Associate of the Company</b>			
AUSL Pharma	India	40.00%	40.00%

(c) Key management personnel (KMP)

Name	Designation
Mr. Sandeep Jain	Whole Time Director
Mr. Sanjeev Jain	Whole Time Director
Mr. Basant Kumar Singh	Whole Time Director
Mr. Deepak Gurudas Haldankar	Whole Time Director (from 16 March 2022)
Mr. Nand Lal Kaira	Whole Time Director (till 31 March 2022)
Ms. Neena Vivek	Independent Director
Mr. Kewal Handa	Independent Director
Ms. Matangi Gowrishankar	Independent Director (from 16 March 2022)
Mr. Amit Varma	Independent Director (from 16 March 2022)
Mr. Dharamvir Malik	Nominee Director
Mr. Sumeet Sood	Company Secretary#
Mr. Vinod Raheja	Chief Financial Officer# (from 14 February 2022)
# as per Companies Act, 2013	Chief Financial Officer# (till 4 January 2022)

(d) Relatives of KMP\*

Mr. Kanishk Jain  
Ms. Arushi Jain  
Mr. D.C. Jain

(e) Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company\*

Akums Health and Education Society

\* where transactions have occurred



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**Akums Drugs and Pharmaceuticals Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**
*(All amounts in ₹ millions unless otherwise stated)*
**II Summary of related party transactions-**

Particulars	31 March 2022	31 March 2021
<b>(a) Transactions during the year</b>		
<b>Inter-corporate loan given</b>		
Pure and Cure Healthcare Private Limited	4,713.45	1,334.00
Maxcure Nutravedics Limited	4,026.33	707.90
Akums Lifesciences Limited	3,129.76	556.40
Malik Lifesciences Private Limited	2,779.00	217.00
Others	2,222.46	1,046.93
<b>Inter-corporate loan repaid</b>		
Pure and Cure Healthcare Private Limited	5,562.00	1,227.00
Maxcure Nutravedics Limited	3,380.50	736.40
Malik Lifesciences Private Limited	2,615.50	547.50
Others	2,012.77	484.19
<b>Loan written off</b>		
Delcure Lifesciences Limited	1,523.48	874.32
<b>Interest receivable written off</b>		
Delcure Lifesciences Limited	-	97.15
<b>Provision created on loans given</b>		
Delcure Lifesciences Limited	-	1,523.48
<b>Provision created on trade receivable</b>		
Delcure Lifesciences Limited	-	40.00
<b>Interest received</b>		
Akums Lifesciences Limited	95.24	3.36
Malik Lifesciences Private Limited	65.64	97.18
Unosource Pharma Limited	57.40	71.81
Maxcure Nutravedics Limited	45.40	14.41
Others	165.23	245.42
<b>Sales of goods and others</b>		
Unosource Pharma Limited	389.46	638.72
Akumentis Healthcare Limited	354.07	305.73
Plenteous Pharmaceuticals Limited	273.84	524.39
Pure and Cure Healthcare Private Limited	232.12	235.11
Nicholas Healthcare Limited	168.26	-
Others	236.85	394.34
<b>Sales of property, plant and equipment</b>		
Pure and Cure Healthcare Private Limited	9.59	17.75
Malik Lifesciences Private Limited	4.27	-
Akums Lifesciences Limited	1.77	-
Maxcure Nutravedics Limited	-	3.76
Upadhrish Reserchem LLP	-	5.08
Others	0.62	-
<b>Sales of MEIS License Fees</b>		
Maxcure Nutravedics Limited	4.20	-
Malik Lifesciences Private Limited	0.73	-
<b>Purchase of goods and others</b>		
Maxcure Nutravedics Limited	1,204.44	682.17
Pure and Cure Healthcare Private Limited	555.46	552.53
Malik Lifesciences Private Limited	259.01	255.86
Others	105.67	83.28




**Akums Drugs and Pharmaceuticals Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

(All amounts in ₹ millions unless otherwise stated)

**II Summary of related party transactions-**

Particulars	31 March 2022	31 March 2021
<b>Purchase of assets</b>		
Malik Lifesciences Private Limited	-	2.09
Pure and Cure Healthcare Private Limited	2.79	1.17
Upadhrish Reserchem LLP	-	0.38
Others	-	0.12
<b>Purchase of MEIS License Fees</b>		
Unosource Pharma Limited	4.20	-
<b>Expenses Incurred</b>		
Sarvagunaushdhi Private Limited	0.36	0.15
Others	0.01	-
<b>Selling and distribution expenses</b>		
Medibox Digital Solutions Private Limited	5.00	-
<b>Repairs and maintenance- Plant and machinery</b>		
Upadhrish Reserchem LLP	8.14	-
<b>Consumption of stores and spare parts</b>		
Upadhrish Reserchem LLP	38.07	-
<b>Job work charges</b>		
Malik Lifesciences Private Limited	45.13	-
Pure and Cure Healthcare Private Limited	189.14	-
<b>Expenses paid by other group company</b>		
Pure and Cure Healthcare Private Limited	1.20	6.55
Unosource Pharma Limited	-	6.19
Others	0.02	-
<b>Service Income</b>		
Unosource Pharma Limited	3.11	-
Maxcure Nutravedics Limited	6.01	-
Akumentis Healthcare Limited	0.09	2.39
Others	0.24	-
<b>Expenses incurred on behalf of Company</b>		
Akums Lifesciences Limited	241.68	-
Maxcure Nutravedics Limited	375.37	111.83
Others	182.20	17.80
<b>Job work Income</b>		
Pure and Cure Healthcare Private Limited	0.94	-
<b>Rent received</b>		
Maxcure Nutravedics Limited	4.86	3.60
Malik Lifesciences Private Limited	14.22	12.96
Others	10.88	8.67
<b>Corporate guarantee given/ (withdrawn)</b>		
Akums Lifesciences Limited	700.00	-
Delcure Lifesciences Limited	(100.00)	-
Plenteous Pharmaceuticals Limited	-	(8.40)
Amazing Research Laboratories Limited	33.40	5.00
<b>Corporate guarantee charges</b>		
Akums Lifesciences Limited	3.50	-
Delcure Lifesciences Limited	-	0.50
May and baker Pharmaceuticals Limited	0.25	0.25
Plenteous Pharmaceuticals Limited	0.25	0.25
Others	0.27	0.10



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**Akums Drugs and Pharmaceuticals Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

(All amounts in ₹ millions unless otherwise stated)

**II Summary of related party transactions-**

Particulars	31 March 2022	31 March 2021
<b>Profit share from investment in Partnership firm/ LLP</b>		
AUSL Pharma	2.03	3.47
Upadhrish Reserchem LLP	69.32	51.42
<b>Investment through acquisition of shares</b>		
Akumentis Healthcare Limited	-	575.00
Akums Lifesciences Limited	109.40	45.00
Akums Healthcare Limited	-	1.00
Burroughs Welcome Pharmacia Private Limited	0.01	-
Medibox Digital Solutions Private Limited	0.62	30.02
<b>Remuneration paid</b>		
Mr. Sanjeev Jain	33.50	33.18
Mr. Sandeep Jain	33.50	33.18
Mr. Basant Kumar Singh	0.20	-
Mr. Deepak Haldankar	9.65	2.06
Mr. Vinod Raheja	14.13	7.99
Mr. Sumeet Sood	1.66	-
<b>Rent paid</b>		
Akums Healthcare Limited	0.53	-
Mr. Sanjeev Jain	3.84	3.84
Mr. Sandeep Jain	4.80	4.80
Mr. D.C. Jain	0.30	0.30
<b>Sitting fees</b>		
Mr. Kewal Handa	0.08	-
Mr. Nand Lal Kalra	0.19	0.14
Ms. Neena Vivek	0.18	0.12
<b>Professional charges</b>		
Mr. D.C. Jain	1.80	1.80
<b>(b) Balance outstanding at year end</b>		
<b>Inter-corporate loan given</b>		
Akums Lifesciences Limited	2,647.97	538.11
Delcure Lifesciences Limited	-	1,523.48
Malik Lifesciences Private Limited	1,203.00	1,039.50
Pure and Cure Healthcare Private Limited	7.45	856.00
Unosource Pharma Limited	710.00	835.17
Others	3,610.97	1,610.38
<b>Trade receivable</b>		
Akums Lifesciences Limited	122.72	0.37
AVHA Lifesciences Private Limited	-	63.62
Plenteous Pharmaceuticals Limited	11.45	380.76
Unosource Pharma Limited	122.90	90.31
Others	117.96	100.65
<b>Interest receivable</b>		
Akums Lifesciences Limited	12.26	3.11
Akums Healthcare Limited	3.79	1.44
Malik Lifesciences Private Limited	6.64	-
Maxcure Nutravedics Limited	3.47	-
Unosource Pharma Limited	3.82	-
Others	5.42	0.17



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**Akums Drugs and Pharmaceuticals Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022***(All amounts in ₹ millions unless otherwise stated)***II Summary of related party transactions-**

Particulars	31 March 2022	31 March 2021
<b>Trade payable</b>		
Malik Lifesciences Private Limited		
Maxcure Nutravedics Limited	71.11	7.48
Pure and Cure Healthcare Private Limited	929.19	40.05
Others	266.11	23.48
	0.96	13.29
<b>Security deposit payable</b>		
AVHA Lifesciences Private Limited	-	0.90
Amazing Research Laboratories Limited	1.74	0.84
May and baker Pharmaceuticals Limited	0.95	0.95
Plenteous Pharmaceuticals Limited	0.78	0.78
Sarvagunaushdhi Private Limited	0.60	0.60
<b>Other payable</b>		
Maxcure Nutravedics Limited	0.02	-
<b>Corporate guarantee**</b>		
Akums Lifesciences Limited		
Amazing Research Laboratories Limited	700.00	-
Delcure Lifesciences Limited	53.40	20.00
May and baker Pharmaceuticals Limited	-	100.00
Plenteous Pharmaceuticals Limited	50.00	50.00
	50.00	50.00

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

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43 Disclosure required under Ind AS 115 - Revenue from customers

A Disaggregation of revenue:

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Sale of products</b>		
Revenue from sale of goods - manufactured	10,762.37	7,555.54
Revenue from sale of goods - others	363.41	322.63
<b>Other operating revenue</b>		
Job work charges	319.39	346.58
Testing charges and others	111.93	111.99
<b>Sale of scrap</b>	63.51	37.62
	<b>11,620.61</b>	<b>8,374.36</b>

B Contract balances

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

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Contract liabilities</b>		
Advance received from customers	1,307.24	25.69
<b>Total contract liabilities</b>	<b>1,307.24</b>	<b>25.69</b>

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	25.69	27.19
Addition during the year	1,307.24	25.69
Revenue recognised during the	25.69	27.19
<b>Closing balance</b>	<b>1,307.24</b>	<b>25.69</b>

The amounts receivable from customers become due after expiry of credit period which on an average is less than 60 days. There is no significant financing component in any transaction with the customers.

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

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#### 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
	31 March 2022	March 2021	
Unspent balance as at beginning of the year	-	-	-
Gross amount required to be spent during the year	-	-	-
Amount spent during the year	-	-	19.50
- Construction/acquisition of any asset	-	-	-
- On purposes other than above	-	-	-
Unspent balance as at year end [(excess)/ shortfall]	0.50		21.13
	(0.50)		-

The excess amount spent on CSR during FY 2021-22 has been recognised as an asset in the books of account as per Companies Act 2013.

#### 45 Financial instruments

##### A Financial instruments by category

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

Particulars	Amortised cost/ fair value	
	As at	As at
	31 March 2022	31 March 2021
<b>Financial assets at amortised cost</b>		
Trade receivables		
Cash and cash equivalents	3,039.27	2,116.63
Other bank balances	254.88	1.46
Loans	2.50	8.50
Other financial assets	8,214.81	4,883.89
<b>Total financial assets</b>	<b>274.40</b>	<b>229.39</b>
	<b>11,785.86</b>	<b>7,239.87</b>
<b>Financial liabilities at amortised cost</b>		
Borrowings		
Trade payables	1,220.89	227.14
Lease liabilities	2,522.42	898.65
Other financial liabilities	180.70	184.21
<b>Financial liabilities carried at fair value</b>		
Liability arising out of put option	128.12	131.10
<b>Total financial liabilities</b>	<b>10,515.74</b>	<b>5,574.00</b>
	<b>14,567.87</b>	<b>7,015.10</b>

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

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

Investments in subsidiaries and associate as at the close of the year ended 31 March 2022 are carried at cost, per the option availed by the Company under the relevant provision of Ind AS. Hence the same has not been considered in the above table.

##### B. Fair values hierarchy

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

The categories used are as follows:

**Level 1:** Quoted prices (unadjusted) for identical instruments in an active market;

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

**Level 3:** Inputs which are not based on observable market data (unobservable inputs).



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

Particulars	Period	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit and loss</b>					
Investment in current investment	31 March 2022	-	-	-	-
	31 March 2021	-	190.07	-	190.07
<b>Financial liabilities at fair value through profit and loss</b>					
Liability arising out of put option	31 March 2022	-	-	10,515.74	10,515.74
	31 March 2021	-	-	5,574.00	5,574.00

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

Specific valuation techniques used to value financial instruments include:

- (a) for current investment directly observable market inputs, other than level 1 inputs have been used.  
(b) for liability arising on account of put option, adjusted discounted cash flow method (income approach) has been used.

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

Particulars	Fair value		Significant unobservable inputs
	31 March 2022	31 March 2021	
Liability arising out of put option	10,515.74	5,574.00	Growth rate

**B.3 Sensitivity analysis**

Description	Year ended 31 March 2022	Year ended 31 March 2021
<b>Impact on liability arising on account of put options fair value if change in growth rate</b>		
- Impact due to increase of 0.5%		2.69
- Impact due to decrease of 0.5%	24.71 (24.71)	(2.69)

**B.4 The following table presents the changes in level 3 items for the periods ended 31 March 2022 and 31 March 2021**

Particulars	Liability arising out of put option
<b>As at 1 April 2020</b>	
Add: Issue of equity shares	5,035.77
Add: fair value changes during the year	-
<b>As at 31 March 2021</b>	538.23
Add: Issue of equity shares	5,574.00
Add: fair value changes during the year	-
<b>As at 31 March 2022</b>	4,941.74
	10,515.74

**Financial risk management**

**Financial risk management objectives and policies**

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

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

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

**Financial risk factors**

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

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

The primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few 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.



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(a) Market risk

(i) Foreign currency risk

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

Foreign currency risk exposure:

Particulars	31 March 2022		31 March 2021	
	USD	₹	USD	₹
Trade receivables	-	-	0.10	3.67
Trade and other payables	1.35	103.79	-	-
<b>Total</b>	<b>1.35</b>	<b>103.79</b>	<b>0.10</b>	<b>3.67</b>

Sensitivity

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

Particulars	Currency	31 March 2022		31 March 2021	
		Increase	Decrease	Increase	Decrease
INR/USD- increase by 1.47%* (31 March 2022 1.47%)	USD	(1.53)	1.53	0.05	(0.05)

\* Holding all other variables constant

(ii) Interest rate risk

The entity's policy is to minimise interest rate cash flow risk exposures on long-term financing. As on 31 March 2020, the entity is exposed to changes in market interest rates through bank borrowings at variable interest rates. The entity's investments in Fixed Deposits all pay fixed interest rates.

Interest rate risk exposure

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

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	-	227.14
Fixed rate borrowing	1,220.89	-
<b>Total borrowings</b>	<b>1,220.89</b>	<b>227.14</b>

Sensitivity

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

Interest sensitivity\*

Interest rates – increase by 100 basis points  
Interest rates – decrease by 100 basis points

12.21	2.27
(12.21)	(2.27)

\* Holding all other variables constant

(b) Credit risk

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

(i) Credit risk management

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

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

(i) Low credit risk

(ii) Moderate credit risk

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

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



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

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

Financial assets that expose the entity to credit risk –  
31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
<b>Low credit risk</b>			
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
<b>Moderate credit risk</b>			
Trade receivables	3,066.23	(26.96)	3,039.27
<b>Total</b>	<b>11,812.82</b>	<b>(26.96)</b>	<b>11,785.86</b>

31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
<b>Low credit risk</b>			
Cash and cash equivalents	1.46	-	1.46
Other bank balances	8.50	-	8.50
Loans	4,883.89	-	4,883.89
Other financial assets	229.39	-	229.39
<b>Moderate credit risk</b>			
Trade receivables	2,174.01	(57.38)	2,116.63
<b>Total</b>	<b>7,297.25</b>	<b>(57.38)</b>	<b>7,239.87</b>

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

As at 31 March 2022	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	1,992.14	-	-	1,992.14
Less than 6 months	934.51	-	-	934.51
6 months - 1 years	33.52	-	-	33.52
More than 1 years	106.06	25.42%	(26.96)	79.10
<b>Total</b>	<b>3,066.23</b>		<b>(26.96)</b>	<b>3,039.27</b>

As at 31 March 2021

As at 31 March 2021	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	1,209.75	-	-	1,209.75
Less than 6 months	831.62	-	-	831.62
6 months - 1 years	52.05	-	-	52.05
More than 1 years	-	-	-	-
<b>Total</b>	<b>80.59</b>	<b>71.20%</b>	<b>(57.38)</b>	<b>23.21</b>

Reconciliation of loss provision – Trade receivables

Particulars	Total
Loss allowance on 1 April 2020	(14.69)
Changes in provision	(42.69)
Loss allowance on 31 March 2021	(57.38)
Reversal of provision	30.42
Loss allowance on 31 March 2022	(26.96)



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

(c) Liquidity risk

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

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

Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31 March 2022	As at 31 March 2021
Working capital facility	631.36	425.11

Maturities of financial liabilities

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

31 March 2022

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	1,220.89	-	-	1,220.89
Trade payable	2,522.42	-	-	2,522.42
Lease liabilities	13.79	94.08	72.83	180.70
Other financial liabilities	94.41	10,549.45	-	10,643.86
<b>Total</b>	<b>3,851.51</b>	<b>10,643.53</b>	<b>72.83</b>	<b>14,567.87</b>

31 March 2021

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	227.14	-	-	227.14
Trade payable	898.65	-	-	898.65
Lease liabilities	13.23	74.48	96.50	184.21
Other financial liabilities	98.10	5,607.00	-	5,705.10
<b>Total</b>	<b>1,237.12</b>	<b>5,681.48</b>	<b>96.50</b>	<b>7,015.10</b>

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46 Taxes

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

Particulars	Year ended 31 March 2022	Year ended March 2021	31
<b>Current taxes</b>			
-on profit and loss		15.63	62.22
-tax for earlier years			
<b>Total</b>	<b>(12.21)</b>		<b>1.73</b>
Deferred taxes	3.42		63.95
<b>Tax expense</b>	<b>465.46</b>		<b>(560.84)</b>
	<b>468.88</b>		<b>(496.89)</b>

(a) Current tax

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

Particulars	Year ended 31 March 2022	Year ended March 2021	31
Profit before income taxes			
Income tax using the Company's domestic tax rate *	(3,349.76)		(1,952.00)
<b>Expected tax expense [A]</b>	<b>25.17%</b>		<b>34.94%</b>
	<b>(843.00)</b>		<b>(682.00)</b>
<b>Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense</b>			
Additional benefit claimed on expenditure incurred on research and development			(66.95)
Change of tax rates	-		-
Effect of non-deductible expenses and others	94.41		250.33
Tax earlier years	1,229.68		1.73
	(12.21)		
<b>Total adjustments [B]</b>	<b>1,311.88</b>		<b>185.11</b>
<b>Actual tax expense [C=A+B]</b>	<b>468.88</b>		<b>(496.89)</b>
*Domestic tax rate applicable to the Company has been computed as follows			
Base tax rate			
Surcharge (% of tax)	22%		30%
Cess (% of tax)	10%		12%
Applicable rate of tax	4%		4%
	25.17%		34.94%

Note:

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

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

Particulars	As at 31 March 2021	Recognised in OCI	Recognised in profit and loss	As at 31 March 2022
<b>Deferred tax liability consists of:</b>				
Property, plant and equipment and intangible assets	(314.54)	-	108.67	(205.87)
<b>Deferred tax assets consists of:</b>				
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)	-
<b>Net deferred tax (liability)/ asset</b>	<b>337.53</b>	<b>(0.89)</b>	<b>(464.57)</b>	<b>(127.94)</b>

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Changes in deferred tax assets and liabilities for the year ended 31 March 2021:-

Particulars	As at 31 March 2020	Recognised in OCI	Recognised in profit and loss	As at 31 March 2021
<b>Deferred tax liability consists of:</b>				
Property, plant and equipment and intangible assets	(326.49)	-	11.95	(314.54)
<b>Deferred tax assets consists of:</b>				
Employee benefits	36.60	(0.83)	(0.91)	34.84
Provision for credit losses on financial assets	5.13	-	14.92	20.05
Lease liability	0.23	-	3.34	3.57
Provision for sales tax	61.23	-	-	61.23
Provision for diminution in value of loans given	-	-	532.37	532.37
<b>Net deferred tax asset / (liability)</b>	<b>(223.30)</b>	<b>(0.83)</b>	<b>561.67</b>	<b>337.53</b>

47 Research and development expenditure

The Company has its research and development centres located in Haridwar and Mumbai which concentrates on the development of new pharmaceutical formulations. Research and development costs incurred amounted to ₹ 223.64 millions (31 March 2021: ₹ 208.30 millions) (including depreciation of ₹ 23.07 millions (31 March 2021: ₹ 25.06 millions) and interest expense of ₹ 1.34 millions (31 March 2021: ₹ 1.40 millions) recognised in the standalone financial statements.

48 Segment reporting

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

Revenue from one customer, accounting for more than 10% of the total revenue, is ₹ 1792.65 millions (31 March 2021: ₹ 1,203.72 millions).

49 Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Particulars	As at 31 March 2022	As at 31 March 2021
Current borrowings		
Less:	1,220.89	227.14
Cash and cash equivalents	254.88	1.46
Other bank balances	2.50	8.50
<b>Net debt (A)</b>	<b>963.51</b>	<b>217.18</b>
Total equity* (B)	1,855.38	5,670.47
Gearing ratio (A/B)	34.18%	3.69%

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

In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it meets financial covenants and attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.



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

a) Trade receivables ageing

The table below analyse the outstanding trade receivables:

31 March 2022		Outstanding for the following periods from due date of payment					Total
Particulars	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	-	51.41	3,066.23	
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	
(vi) Disputed trade receivables- credit impaired	-	-	-	-	(26.96)	(26.96)	
	<b>2,926.65</b>	<b>33.52</b>	<b>54.65</b>	<b>-</b>	<b>24.45</b>	<b>3,039.27</b>	

31 March 2021		Outstanding for the following periods from due date of payment					Total
Particulars	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	2,041.38	52.05	15.67	-	64.91	2,174.01	
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	
(vi) Disputed trade receivables- credit impaired	-	-	-	-	(57.38)	(57.38)	
	<b>2,041.38</b>	<b>52.05</b>	<b>15.67</b>	<b>-</b>	<b>7.53</b>	<b>2,116.63</b>	

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 2022		Outstanding for the following periods from due date of payment					Total
Particulars	Not yet due	Less than 1 year	1-3 years	2-3 years	More than 3 years		
MSME	84.45	11.80	-	-	-	96.25	
Others	990.69	1,366.56	6.07	-	-	2,363.56	
Unbilled dues	62.61	-	-	-	0.24	62.61	
	<b>1,137.75</b>	<b>1,378.36</b>	<b>6.07</b>	<b>-</b>	<b>0.24</b>	<b>2,522.42</b>	

31 March 2021		Outstanding for the following periods from due date of payments					Total
Particulars	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
MSME	83.48	11.36	-	-	-	94.84	
Others	390.93	329.66	6.72	-	-	727.31	
Unbilled dues	76.50	-	-	-	-	76.50	
	<b>550.91</b>	<b>341.02</b>	<b>6.72</b>	<b>-</b>	<b>-</b>	<b>898.65</b>	

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51 Ratio Disclosures

Particulars	Numerator	Denominator	Current year	Previous year	% Variance
(a) Current ratio	Current assets	Current liabilities	1.04	2.54	-59% <sup>1</sup>
(b) Debt - Equity ratio	Total debt	Shareholders equity	0.66	0.04	1543% <sup>1</sup>
(c) Debt service coverage ratio	Earnings available for debt service	Debt Service	90.00	475.50	-81% <sup>1</sup>
(d) Return on equity ratio	Net profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	(1.01)	(0.23)	346% <sup>2</sup>
(e) Inventory turnover ratio	Cost of goods sold	Average inventory	5.58	4.79	17%
(f) Trade receivables turnover ratio	Net credit sales	Avg. accounts	4.51	4.30	5%
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	5.22	6.40	-18%
(h) Net capital turnover ratio	Net sales	Working capital	60.19	3.73	1514% <sup>1</sup>
(i) Net profit ratio	Net profit	Net Sales	(0.33)	(0.23)	41% <sup>2</sup>
(j) Return on capital employed	Earning before interest and taxes	Capital employed	0.53	0.12	342% <sup>2</sup>
(k) Return on investment	Profit after tax	Investment	(1.24)	0.24	-621% <sup>2</sup>

Reason for variance:

- Increase in working capital loans to finance increase in operations have lead to change in the ratios.
- On account of fair value changes in the financial instrument (put option liability), there has been a change in the ratios.

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

Particulars	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due		
- Interest amount due	96.25	94.84
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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





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

Name of Entity	Interest rate p.a.	Repayable (on or before)	Year ended 31 March 2022	Year ended 31 March 2021
<b>a) Short term loan given for general corporate purpose</b>				
Maxcure Nutravedics Limited*	7%	December 2026	-	46.50
AUSL Pharma*	12%	December 2026	-	80.00
<b>Total (A)</b>			-	<b>126.50</b>
<b>b) Long term loan given for general corporate purpose</b>				
Amazing Research laboratories Limited	7%	December 2026	262.00	217.00
Akums Healthcare Limited	7%	December 2026	724.04	178.88
Akums Lifesciences Limited	7%	December 2026	2,647.97	538.11
Burroughs Welcome Pharmacia Private Limited	7%	December 2026	4.80	-
AUSL Pharma	12%	December 2026	55.00	-
AVHA Lifesciences Private Limited	7%	December 2026	90.00	320.00
Delcure Lifesciences Limited	7%	December 2026	-	-
Malik Lifesciences Private Limited	7%	December 2026	-	-
Maxcure Nutravedics Limited	7%	December 2026	1,203.00	1,039.50
May and Baker Pharmaceuticals Limited	7%	December 2026	692.33	-
Medibox Digital Solutions Private Limited	13%	December 2026	-	13.50
Nicholas Healthcare Limited	7%	December 2026	-	9.50
Plenteous Pharmaceuticals Limited	7%	December 2026	685.00	24.50
Pure and Cure Healthcare Private Limited	7%	December 2026	581.90	258.40
Sarvagunaushdhi Private Limited**	7%	December 2026	7.45	856.00
Upadhrish Reserchem LLP	7%	December 2026	410.00	380.00
Unosource Pharma Limited	7%	December 2026	105.90	82.10
<b>Total (B)</b>	7%	December 2026	<b>710.00</b>	<b>835.17</b>
<b>Total loans given (A+B)</b>			<b>8,179.39</b>	<b>4,752.66</b>
			<b>8,179.39</b>	<b>4,879.16</b>

\*Till previous year loans given to these components were short term demand callable loans but in the current year company has renegotiated the terms of these loans and entered into a fresh agreement as per which loans become due in December 2026

\*\* The Company pursuant to providing support to its subsidiary had decided in earlier years not to charge interest on the loans given in earlier years of ₹ 380.00 millions. However, the Company has started charging interest @ 7% p.a. on the entire outstanding amount subsequent to balance sheet date.

<b>c) Particulars of Investment made- Equity instruments*</b>				
Akumentis Healthcare Limited			170.79	170.79
Akums Healthcare Limited			1.00	1.00
Akums Lifesciences Limited			154.40	45.00
Amazing Research Laboratories Limited			1.95	1.95
AVHA Lifesciences Private Limited			0.10	0.10
Abbott Pharma Limited			-	0.65
Burroughs Welcome Pharmacia Private Limited			0.01	-
Delcure Lifesciences Limited			7.25	7.25
Malik Lifesciences Private Limited			34.85	34.85
Maxcure Nutravedics Limited			80.42	80.42
May and Baker Pharmaceuticals Limited			0.50	0.50
Medibox Digital Solutions Private Limited			30.64	30.02
Nicholas Healthcare Limited			0.50	0.50
Plenteous Pharmaceuticals Limited			0.50	0.50
Pure and Cure Healthcare Private Limited			324.67	324.67
Sarvagunaushdhi Private Limited			0.10	0.10
Unosource Pharma Limited			180.00	180.00
<b>Total (C)</b>			<b>987.68</b>	<b>878.30</b>
<b>d) Particulars of Investment made- Cumulative compulsory convertible participating preference shares</b>				
Akumentis Healthcare Limited			424.21	424.21
<b>Total (D)</b>			<b>424.21</b>	<b>424.21</b>
<b>Total investments made (C+D)</b>			<b>1,411.89</b>	<b>1,302.51</b>

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



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

Akums Lifesciences Limited	700.00	-
Amazing Research Laboratories Limited	53.40	20.00
Delcure Lifesciences Limited	-	100.00
May and Baker Pharmaceuticals Limited	50.00	50.00
Plenteous Pharmaceuticals Limited	50.00	50.00
<b>Total (guarantee)</b>	<b>853.40</b>	<b>220.00</b>

54 Lease

(a) The Company has adopted Ind AS 116 'Leases' from 1 April 2019.

(b) Practical expedients applied

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

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

(c) The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2021 is 9% p.a (1 April 2020: 9% p.a.)

(d) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised as on 31 March 2022:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Building	4	5-8 years	7 years

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised as on 31 March 2021:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Building	4	6-9 years	8 years

There are no leases entered by the company which have any 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	Building	Total
Balance as at 1 April 2020 (on account of application of Ind AS 116)	121.12	18.48	139.60
Add: Additions during the year	-	181.81	181.81
Less: Deletion during the year	-	13.44	13.44
Less: Amortisation charged on the right-of-use assets (refer note 32)	1.52	12.87	14.39
<b>Balance as at 31 March 2021/ 1 April 2021</b>	<b>119.60</b>	<b>173.98</b>	<b>293.58</b>
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
<b>Balance as at 31 March 2022</b>	<b>118.08</b>	<b>166.25</b>	<b>284.33</b>

(f) Lease payment not recognised as lease liability

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expenses relating to short term leases(included in other expenses)	10.21	10.97
<b>Total</b>	<b>10.21</b>	<b>10.97</b>

(g) The total cash outflow for leases for the year ended 31 March 2022 was ₹ 16.64 millions. (31 March 2021: ₹ 7.46 millions)



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

Minimum Lease payments due	As on 31 March 2022		
	Lease payment	Finance charges	Net Present Value
Within 1 Year			
1-5 Year	29.50	15.71	13.79
More than 5 Year	119.99	47.96	72.03
<b>Total</b>	<b>161.49</b>	<b>63.67</b>	<b>85.82</b>
	<b>261.10</b>	<b>80.41</b>	<b>180.70</b>

Future minimum lease payments as on 31 March 2021 are as follows:

Minimum Lease payments due	As on 31 March 2021		
	Lease payment	Finance charges	Net Present Value
Within 1 Year			
1-5 Year	29.28	16.04	13.24
More than 5 Year	123.97	49.50	74.47
<b>Total</b>	<b>153.25</b>	<b>65.54</b>	<b>87.71</b>
	<b>267.22</b>	<b>83.01</b>	<b>184.21</b>

#### 55. Other statutory information

- (a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (b) The Company do not have any transactions with companies struck off.
- (c) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries)
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (g) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (h) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

56 Pursuant to changes notified in Schedule-III, during the year ended 31 March 2022, the Company has reclassified/regrouped certain previous year's balances.

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



Tarun Gupta  
Partner  
Membership No: 507892



Place : New Delhi  
Date : 17 June 2022

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



Sanjeev Jain  
Director  
DIN: 00323433



Dharamvir Malik  
Company Secretary  
Mem. No.: FCS 8596



Sandeep Jain  
Director  
DIN: 00323476



Sumeet Sood  
Chief Financial Officer

