

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 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, 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 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 standalone 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 is responsible for the other information. The other information comprises the information included in the Director's Report, but 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.



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Independent Auditor's Report to the Members of Akums Drugs and Pharmaceuticals Limited on the Audit of the Standalone Financial Statements for the year ended 31 March 2021 (cont'd)

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.

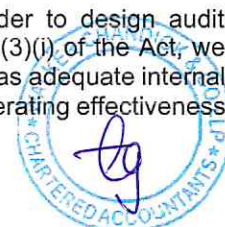
The director report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

5. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;



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Independent Auditor's Report to the Members of Akums Drugs and Pharmaceuticals Limited on the Audit of the Standalone Financial Statements for the year ended 31 March 2021 (cont'd)

- 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of 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 ₹ 34.71 lakhs and ₹ 514.24 lakhs respectively, whose financial statements for the year ended 31 March 2021 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 LLPs', vide their audit reports dated 3 September 2021 (for partnership firm), 27 August 2021 and 31 May 2021 (for LLPs'), 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, 2016 ('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.
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;



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Independent Auditor's Report to the Members of Akums Drugs and Pharmaceuticals Limited on the Audit of the Standalone Financial Statements for the year ended 31 March 2021 (cont'd)

- 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 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 27 September 2021 as per Annexure II expressed unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 35 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - 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 2021;
 - 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 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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



Tarun Gupta
Partner
Membership No.: 507892

UDIN: 21507892AAAAHN4602

Place: New Delhi
Date: 27 September 2021



Walker Chandiook & Co LLP

Annexure I 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 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising property, plant and equipment, right-of-use assets, investment property and intangible assets.
- (b) The fixed assets comprising property, plant and equipment, investment property and right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets comprising property, plant and equipment, investment property and right-of-use assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all immovable properties (which are included under the head of 'property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has granted unsecured loans (including interest free unsecured loan) to companies, firms and Limited Liability Partnership (LLP), covered in the register maintained under Section 189 of the Act; and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
- (b) the schedule of repayment of principal and payment of interest has been stipulated and the receipts of the principal amount and the interest are regular;
- (c) there is no overdue amount in respect of loans granted to such companies, firms and LLP.
- (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, the Company has complied with the provision of Sec 186 of the Act in respect of loans, investments and guarantees, except for below loan:

S. No.	Particulars	Name of company	Amount involved (₹ in lacs)	Balance as on 31 March 2021 (₹ in lacs)	Remarks
1	Loan given at rate of interest lower than prescribed	Sarvagunaushdhi Private Limited	3,800.00	3,800.00	Interest free loan given to the company

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, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.



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Annexure I 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 2021 (cont'd)

- (vi) 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 under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a 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) The dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Sales Tax Laws	Central Sales Tax	3,254.20	513.10	FY 2010-13	High Court	None

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank. Further, the Company has no loans or borrowings payable to financial institution or government and no outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.



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Annexure I 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 2021 (cont'd)

- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Tarun

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 21507892AAAAHN4602



Place: New Delhi
Date: 27 September 2021

Walker Chandniok & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2021

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 2021, 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 from 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 statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Akums Drugs and Pharmaceuticals Limited on the standalone financial statements for the year ended 31 March 2021 (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 2021, 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: 21507892AAAAHN4602



Place: New Delhi
Date: 27 September 2021

Akums Drugs and Pharmaceuticals Limited
CIN - U24239DL2004PLC125888
Standalone Balance Sheet as at 31 March 2021
(All amounts in lakhs unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2a	19,784.39	21,022.32
(b) Right-of-use assets	50	2,935.82	1,396.05
(c) Capital work-in-progress	2b	125.99	113.43
(d) Investment property	3	1,532.34	1,583.64
(e) Intangible assets	4	188.70	165.19
(f) Financial assets			
(i) Investments	5	13,045.06	6,534.85
(ii) Loans	6	47,893.47	57,164.80
(iii) Others financial assets	7	862.21	3,640.93
(g) Non-current tax assets (net)	8	890.03	1,015.38
(h) Deferred tax assets (net)	20	3,375.36	-
(i) Other non-current assets	9	1,060.73	576.01
Total non-current assets		91,694.10	93,212.60
(2) Current assets			
(a) Inventories	10	9,590.99	12,297.74
(b) Financial assets			
(i) Investments	11a	1,900.65	-
(ii) Trade receivables	11b	21,166.35	17,768.51
(iii) Cash and cash equivalents	12a	14.57	4,193.41
(iv) Bank balances other than (iii) above	12b	85.00	3,054.59
(v) Loans	13	1,265.00	6,595.00
(vi) Others financial assets	14	636.14	1,896.58
(c) Other current assets	15	3,482.43	3,607.77
Total current assets		38,141.13	49,413.60
Total Assets		1,29,835.23	1,42,626.20
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	130.06	130.06
(b) Other equity	17	56,574.55	71,101.83
Total equity		56,704.61	71,231.89
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liability	50	1,709.79	93.39
(ii) Other financial liabilities	18	56,069.87	50,655.76
(b) Provisions	19	750.81	617.29
(c) Deferred tax liabilities (net)	20	-	2,233.02
Total non-current liabilities		58,530.47	53,599.46
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	2,271.43	3,580.42
(ii) Trade payables	22		
Total outstanding dues to micro and small enterprises; and		948.41	661.86
Total outstanding dues of creditors other than micro and small enterprises		8,038.16	10,182.82
(iii) Lease liability	50	132.35	97.95
(iv) Other financial liabilities	23	981.06	1,026.35
(b) Other current liabilities	24	446.57	478.05
(c) Provisions	25	1,782.17	1,767.40
Total current liabilities		14,600.15	17,794.85
Total equity and liabilities		1,29,835.23	1,42,626.20

Summary of significant accounting policies and other explanatory information

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

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


Tarun Gupta
Partner
Membership No: 507892



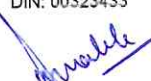
For and on behalf of Board of Directors of
Akums Drugs and Pharmaceuticals Limited


Sanjeev Jain
Director
DIN: 00323433


Sandeep Jain
Director
DIN: 00323476


Nand Lal Kalra
Director
DIN: 05268554

Place : New Delhi
Date : 27 September 2021


Dharamvir Malik
Company Secretary
Mem. No : FCS 8596


Vinod Babbar
Chief Financial Officer

Akums Drugs and Pharmaceuticals Limited
CIN - U24239DL2004PLC125888
Standalone statement of profit and loss for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
INCOME			
Revenue from operations	26	83,653.10	73,690.54
Other income	27	5,541.80	6,552.37
Total Income		89,194.90	80,242.91
EXPENSES			
Cost of materials consumed		51,304.40	45,783.37
Change in inventories of finished goods and work-in-progress	28	1,064.27	851.62
Employee benefits expense	29	12,265.27	12,370.04
Other expenses	30	16,439.15	10,693.10
Total		81,073.09	69,698.13
Earnings before finance costs, depreciation and amortisation, exceptional item and tax (EBITDA)		8,121.81	10,544.78
Finance costs	31	81.93	433.58
Depreciation and amortisation	32	2,610.36	2,526.05
Profit before exceptional items and tax		5,429.52	7,585.16
Exceptional items	33	(24,949.52)	-
(Loss)/ Profit before tax		(19,520.00)	7,585.16
Tax expenses:			
Income Tax			
Current year		622.17	2,361.18
Tax for earlier years		17.34	199.81
Deferred tax charge/(credit)		(5,616.71)	(61.66)
Total tax expense		(4,977.20)	2,499.31
(Loss)/ Profit for the year		(14,542.80)	5,085.85
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Re-measurement gains/(losses) on defined benefit plans		23.85	(56.12)
Tax effect relating to these items		8.33	(19.61)
Total other comprehensive income/ (loss), net of tax		15.52	(36.51)
Total comprehensive income comprising of profit/ (loss) for the year and total comprehensive income/ (loss) for the year		(14,527.28)	5,049.34
Earnings per equity share of ₹ 10 (31 March 2020: ₹ 10) each			
Basic and diluted	34	(1,117.82)	415.95

Summary of significant accounting policies and other explanatory information 1-51

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

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


Tarun Gupta
Partner
Membership No: 507892




Sanjeev Jain
Director
DIN: 00323433


Sandeep Jain
Director
DIN: 00323476


Nand Lal Kalra
Director
DIN: 05268554

Place : New Delhi
Date : 27 September 2021


Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596


Vinod Raneja
Chief Financial Officer

Akums Drugs and Pharmaceuticals Limited
CIN - U24239DL2004PLC125888
Standalone statement of changes in equity for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)

a. Equity share capital

Particulars	Amount
As at 1 April 2019	117.50
Changes in equity share capital	12.56
As at 31 March 2020	130.06
Changes in equity share capital	-
As at 31 March 2021	130.06

b. Other equity

Particulars	Reserves and surplus		Put option reserve	Total
	Security premium	Retained earnings		
Balance as at 1 April 2019	112.50	83,952.42	-	84,064.92
Add: Profit for the year	-	5,085.85	-	5,085.85
Less: Liability on account of Instrument issued during the year treated as financial liability (refer note 18.1 and 43)	-	-	(18,012.43)	(18,012.43)
Add: Other comprehensive income for the year, net of tax	-	-	-	-
- Remesurement of defined benefit plans	-	(36.51)	-	(36.51)
Balance as at 31 March 2020/ 1 April 2020	112.50	89,001.76	(18,012.43)	71,101.83
Add: Profit/ (loss) for the year	-	(14,542.80)	-	(14,542.80)
Add: Other comprehensive income for the year, net of tax	-	-	-	-
- Remesurement of defined benefit plans	-	15.52	-	15.52
Balance as at 31 March 2021	112.50	74,474.48	(18,012.43)	56,574.55

Summary of significant accounting policies and other explanatory information

1-51

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

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

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



Tarun Gupta
Partner
Membership No: 507892





Sanjeev Jain
Director
DIN: 00323433



Sandeep Jain
Director
DIN: 00323476



Nand Lal Kalra
Director
DIN: 05268554

Place : New Delhi
Date : 27 September 2021



Dharamvir Malik
Company Secretary
Mem. No.: FCS 8596



Vinod Raheja
Chief Financial Officer

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities		
Net profit/ (loss) before tax	(19,520.00)	7,585.16
Adjustments for:		
Depreciation and amortisation	2,610.36	2,526.05
Diminution in the value of loans given	24,949.52	-
Bad debts	67.07	129.32
Provision for expected credit loss on trade receivable	573.83	146.88
Loss on sale of property, plant and equipment	2.83	(3.01)
Interest expense	81.93	433.58
Interest income	(4,537.63)	(5,605.33)
Net loss on remeasurement of financial instruments	5,382.27	357.69
Liability no longer required written back	(3.54)	(147.28)
Share of profit from investment in firm/ LLP	(548.95)	(532.65)
Rental income	(165.60)	(165.60)
Operating profit before working capital changes	8,892.09	4,724.81
Adjustments for movement in working capital changes:		
Inventories	2,706.75	(1,681.08)
Trade receivables	(4,038.74)	(2,156.67)
Other financial assets	598.13	(588.89)
Other assets	(359.38)	(1,238.68)
Trade payables	(1,854.57)	2,653.89
Other financial liabilities	(13.45)	390.36
Provisions	148.29	130.30
Other liabilities	(31.48)	222.41
Cash flow generated from operations (gross)	6,047.64	2,456.45
Less: taxes paid (net)	(490.31)	(4,631.64)
Net cash flow generated from/ (used in) operating activities (A)	5,557.33	(2,175.19)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including investment property, capital work-in-progress, capital advances and payable towards property, plant and equipment)	(3,308.53)	(3,146.07)
Proceeds from sale of property plant and equipment	408.74	45.24
Investment done in subsidiaries and associate	(5,961.26)	(6,147.19)
Investment in current investments	(1,900.65)	-
Investment in deposits having original maturity of more than 3 months	5,748.31	(5,736.91)
Loan given to subsidiary companies / LLP	(38,665.25)	(34,233.22)
Loan repaid by subsidiary companies / LLP	28,979.37	18,903.76
Interest received	4,537.63	6,016.00
Rent received	165.60	127.00
Net cash flow (used in) investing activities (B)	(9,996.04)	(24,171.39)
C. Cash flow from financing activities		
Proceeds from issue of shares	-	32,000.13
Proceeds from / (repayment of) short-term borrowings (net)	(1,308.99)	(1,526.10)
Payment of lease liabilities	1,650.80	(82.60)
Interest paid	(81.93)	(237.96)
Net cash flow generated from financing activities (C)	259.88	30,153.47
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(4,178.84)	3,806.89
Cash and cash equivalents at the beginning of the year (refer note 12a)	4,193.41	386.52
Cash and cash equivalents at the end of the year (refer note 12a)	14.57	4,193.41

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Statement of cash flow (cont'd)

Components of cash and cash equivalents are as below:

	As at 31 March 2021	As at 31 March 2020
Balance with scheduled banks		
in current accounts	3.71	1,631.00
in deposit accounts with original maturity of less than 3 months		2,545.27
Cash on hand	10.86	17.14
	14.57	4,193.41

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	Short- term borrowings	Lease liabilities	Put option liability	Total
Net debt as on 1 April 2019	5,106.52	-	-	5,106.52
Cash flows				
Repayments	(1,526.10)	(82.60)	-	(1,608.70)
Proceeds from issue of financial instrument	-	-	32,000.13	32,000.13
Non cash changes				
Interest on lease liability	-	13.52	-	13.52
Put option measurement/ fair value changes (refer note 18.1)	-	-	18,357.56	18,357.56
New leases	-	260.43	-	260.43
Balance as on 31 March 2020	3,580.42	191.35	50,357.69	54,129.46
Cash flows				
Repayments	(1,308.99)	1,599.53	-	290.54
Proceeds from issue of financial instrument	-	-	-	-
Non cash changes				
Interest on lease liability	-	51.26	-	51.26
Put option measurement/ fair value changes (refer note 18.1)	-	-	5,382.27	5,382.27
New leases	-	-	-	-
Balance as on 31 March 2021	2,271.43	1,842.14	55,739.96	59,853.53

Summary of significant accounting policies and other explanatory information 1-51

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

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

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


 Tarun Gupta
 Partner
 Membership No: 507892




 Sanjeev Jain
 Director
 DIN: 00323433


 Sandeep Jain
 Director
 DIN: 00323476


 Nand Lal Kalra
 Director
 DIN: 05268554

Place : New Delhi
 Date : 27 September 2021


 Dharamvir Malik
 Company Secretary
 Mem. No.: FCS 8596


 Vinod Baheta
 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

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

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

The 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 lakhs in two decimals 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 standalone financial statements of the Company for the year ended 31 March 2021 were approved and authorised for issue by Board of Directors in their meeting held on 27 September 2021. 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, except where the Company has applied certain accounting policies and exemptions upon transition to newly effective Ind AS.

The 'Ministry of Corporate Affairs ('MCA') notifies new accounting standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from 1 April 2021.

1.3 Use of judgment, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions

The Company based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The judgements and key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

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Significant management judgement in applying accounting policies and estimation uncertainty

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

1.4 Property, plant and equipment

Recognition and initial measurement

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

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

Subsequent measurement (depreciation and useful lives)

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

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



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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.

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

Non-derivative financial assets

Classification and subsequent measurement

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

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

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

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

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

De-recognition of financial assets

Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognized (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The Company also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Financial liabilities at amortised cost

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

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

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

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



1.7 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.

1.8 Fair value measurement

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

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

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the 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, the 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.

1.9 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.

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 and contingent liabilities

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

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

ii. Measurement at the balance sheet date

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

iii. Treatment of exchange difference

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

1.14 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 provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred tax assets are reviewed at each balance sheet date and derecognized to the extent it is no longer probable that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

Minimum Alternate Tax ('MAT') credit is recognized as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of profit and loss and presented as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not probable that the Company will pay normal income tax during the specified period.

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

Defined benefit plans

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

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

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

Other long-term employee benefits

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

Short-term employee benefits

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

Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred. The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

- when the entity can no longer withdraw the offer of those benefits; and
- when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

1.17 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.

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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. Cost of raw materials and packing materials is computed on weighted average basis.

(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.

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.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition:

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our balance sheet for year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset and a lease liability. The effect of this adoption is insignificant on the profit before tax, net profit for the year and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

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 46.

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 interest, tax, depreciation and amortisation (EBITDA)

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

Measurement of EBITDA

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

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2a. Property, plant and equipment

Particulars	Property, plant and equipment											Total
	Leasehold land	Buildings	Plant and equipments	Furniture and fittings	Vehicles	Office equipment	Computers	Research and development equipments	Electrical installation	Pollution control equipments		
Gross Block Balance as at 1 April 2019	1,368.52	10,119.83	19,336.03	934.58	261.76	676.83	667.21	2,989.90	1,400.41	47.19		37,802.26
Additions	-	257.68	1,133.60	143.41	0.03	75.04	213.24	772.08	217.53	-		2,812.61
Transition on account of Ind AS 116 (refer note 50)	(1,368.52)	-	(43.72)	(1.38)	-	(0.77)	(24.50)	(17.96)	(0.85)	-		(1,368.52)
Disposals/ adjustments	-	10,377.51	20,425.91	1,076.61	261.79	751.10	855.95	3,744.02	1,617.09	47.19		39,157.17
Balance as at 31 March 2020/ 1 April 2020	-	61.20	752.24	21.05	35.75	45.09	64.74	350.64	19.62	34.49		1,384.82
Additions	-	-	(330.17)	(1.93)	-	(6.40)	0.91	(106.82)	(4.80)	0.35		(448.86)
Disposals/ adjustments	-	10,438.71	20,847.98	1,095.73	287.54	789.79	921.60	3,987.84	1,631.91	82.03		40,093.13
Balance as at 31 March 2021	-	-	-	-	-	-	-	-	-	-		-
Accumulated depreciation	142.08	2,770.68	9,009.57	561.81	157.39	515.01	534.54	1,394.51	901.60	28.11		16,016.30
Balance as at 1 April 2019	-	338.43	1,366.31	72.73	21.98	57.14	54.77	307.78	84.82	3.60		2,307.56
Charge for the year	-	-	-	-	-	-	-	-	-	-		(142.08)
Transition on account of Ind AS 116 (refer note 50)	(142.08)	-	(17.18)	(0.48)	-	(0.49)	(22.61)	(6.06)	(0.11)	-		(142.08)
Reversal of disposal	-	-	10,358.70	634.06	179.37	571.66	566.70	1,696.23	986.31	32.71		18,134.85
Balance as at 1 April 2020	-	3,109.11	1,391.57	65.37	21.49	56.53	74.59	323.04	95.09	3.60		2,345.60
Charge for the year	-	324.32	(157.08)	0.13	-	(4.80)	1.07	(6.92)	(4.44)	0.33		(171.71)
Reversal of disposal	-	-	11,583.19	699.56	200.86	623.39	642.36	2,012.35	1,076.96	36.64		20,308.74
Balance as at 31 March 2021	-	3,433.43	-	-	-	-	-	-	-	-		-
Net block	-	-	-	-	-	-	-	-	-	-		-
As at 31 March 2020	-	7,268.40	10,067.21	442.55	82.42	179.44	289.25	2,047.79	630.78	14.48		21,022.32
As at 31 March 2021	-	7,005.28	9,264.79	396.17	96.68	166.40	279.24	1,975.49	554.95	45.39		19,784.39

Notes:

(I). Refer note 39 for the information on property, plant and equipment pledged as security by the Company
 (II). Refer note 36 for disclosures of contractual commitments for the acquisition of property, plant and equipment

2b. Capital work-in-progress

Particulars	Amount
As at 1 April 2019	50.07
Add: Additions during the year	113.43
Less: Capitalised during the year	(50.07)
As at 31 March 2020/ 1 April 2020	113.43
Add: Additions during the year	125.99
Less: Capitalised during the year	(113.43)
As at 31 March 2021	125.99



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3. Investment property

Tangible assets provided on operating lease to subsidiary as follows:

Particulars	Freehold land	Buildings	Total
Gross carrying value			
Opening balance as at 1 April 2019	646.25	1,295.82	1,942.07
Additions during the year (subsequent expenditure)	-	-	-
Closing balance as at 31 March 2020/ 1 April 2020	646.25	1,295.82	1,942.07
Additions during the year (subsequent expenditure)	-	-	-
Closing balance as at 31 March 2021	646.25	1,295.82	1,942.07
Depreciation			
Opening balance as at 1 April 2019	-	307.10	307.10
Charge for the year	-	51.33	51.33
Closing balance as at 31 March 2020/ 1 April 2020	-	358.43	358.43
Charge for the year	-	51.30	51.30
Closing balance as at 31 March 2021	-	409.73	409.73
Net carrying value			
As at 31 March 2020	646.25	937.39	1,583.64
As at 31 March 2021	646.25	886.09	1,532.34

Information regarding income and expenditure of Investment property

	Year ended 31 March 2021	Year ended 31 March 2020
Rental income derived from investment properties	129.60	129.60
Less – Depreciation	(51.30)	(51.33)
Profit arising from investment properties before indirect expenses	78.30	78.27

Fair Value of the above said property at the end of the year is Rs. 1,645.76 lakhs (Rs. 1,605.93 lakhs) as valued by an accredited independent valuer with specialisation in valuing these types of properties.

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

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

Fair value hierarchy

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

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4. Intangible assets

Particulars	Brands /trademarks	Software license	Total
Gross carrying value			
Opening balance as at 1 April 2019	48.96	1,002.50	1,051.46
Additions during the year	-	61.90	61.90
Closing balance as at 31 March 2020/ 1 April 2020	48.96	1,064.40	1,113.36
Additions during the year	-	93.04	93.04
Closing balance as at 31 March 2021	48.96	1,157.44	1,206.40
Amortisation			
Accumulated as at 1 April 2019	17.63	854.19	871.82
Charge for the year	8.11	68.24	76.35
Balance as on 31 March 2020/ 1 April 2020	25.74	922.43	948.17
Charge for the year	8.11	61.42	69.53
Balance as on 31 March 2021	33.85	983.85	1,017.70
Net carrying value			
As at 31 March 2020	23.22	141.97	165.19
As at 31 March 2021	15.11	173.59	188.70

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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 2021

(All amounts in lakhs unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
5. Investments		
Investment in equity instrument		
Investments in subsidiaries (measured at cost), Unquoted		
5.1. Investment in equity instruments of subsidiaries		
50,000 (31 March 2020: 50,000) equity shares of Amazing Research Laboratories Limited of Rs. 10 each	19.50	19.50
50,000 (31 March 2020: 50,000) equity shares of May & Baker Pharmaceuticals Limited of Rs. 10 each	5.00	5.00
50,000 (31 March 2020: 50,000) equity shares of Nicholas Healthcare Limited of Rs. 10 each	5.00	5.00
50,000 (31 March 2020: 50,000) equity shares of Plenteous Pharmaceuticals Ltd. of Rs. 10 each	5.00	5.00
50,000 (31 March 2020: 50,000) equity shares of Abbott Pharma Limited of Rs. 10 each	6.46	6.46
10,000 (31 March 2020: 10,000) equity shares of AVHA Lifesciences Private Limited of Rs. 10 each	1.00	1.00
10,000 (31 March 2020: 10,000) equity shares of Sarvagunaushdhi Private Limited of Rs. 10 each	1.00	1.00
50,000 (31 March 2020: 50,000) equity shares of Maxcure Nutravedics Limited of Rs. 10 each	804.21	804.21
500,000 (31 March 2020: 500,000) equity shares of Delcure Lifesciences Limited of Rs. 10 each	72.50	72.50
467,000 (31 March 2020: 467,000) equity shares of Malik Lifesciences Private Limited of Rs.10 each	348.48	348.48
2,500,000 (31 March 2020: 2,500,000) equity shares of Pure and Cure Healthcare Private Limited of Rs.10 each	3,246.70	3,246.70
18,000,000 (31 March 2020: 18,000,000) equity shares of Unosource Pharma Limited of Rs.10 each	1,800.00	1,800.00
50,955 (31 March 2020: 47,995) equity shares of Akumentis Healthcare Limited of Rs.10 each	1,707.85	200.00
99,994 (31 March 2020: Nil) equity shares of Akums Healthcare Limited of Rs.10 each	10.00	-
45,00,000 (31 March 2020: Nil) equity shares of Akums Lifesciences Limited of Rs.10 each	450.00	-
	8,482.70	6,514.85
5.2 Investment in preference shares*		
Investments in subsidiaries (measured at cost), Unquoted		
5,918 (31 March 2020: Nil) Cumulative compulsory convertible participating preference shares of Akumentis Healthcare Limited of Rs.100 each	4,242.15	-
	4,242.15	-
<i>*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</i>		
5.3 Investment in associate (measured at cost), Trade		
Investment in equity instrument		
92,112 (31 March 2020: Nil) equity shares of Medibox Digital Solutions Private Limited of Rs. 10 each	300.21	-
	300.21	-
5.4 Investment in partnership firm		
(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)	4.00	4.00
	4.00	4.00
5.5 Other investments - investments in limited liability partnership ("LLP") firms		
(Investments carried at cost, trade, long term, unquoted)		
Upadhrish Reserchem LLP (Name of the partner and share of profit/capital- Akums Drugs & Pharmaceuticals Limited (99.93 %) and S.P. Ojha (0.07%), Total Capital of the LLP Rs.1,501,000)	15.00	15.00
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)	1.00	1.00
	16.00	16.00
	13,045.06	6,534.85
Aggregate amount of unquoted investments	13,045.06	6,534.85
Aggregate provision for diminution in value of investments	-	-
Refer note 43 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		



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Particulars	As at 31 March 2021	As at 31 March 2020
6. Loans		
Unsecured, considered good		
Security deposits	366.81	323.90
Loans to related parties (refer note 40 and 49)*	47,526.66	56,840.90
Unsecured, considered doubtful		
Loans to related party (refer note 40 and 49)	15,234.83	-
Less: Provision for expected credit loss on loans (refer note 33)	15,234.83	-
	-	-
	47,893.47	57,164.80
*Net of loan written off of Rs. 8,743.17 lakhs (31 March 2020: Rs. nil) Refer note 43 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		
Deposit having remaining maturity of more than 12 months*	862.04	3,636.68
Other receivable	0.17	4.25
	862.21	3,640.93
*pledged with government authorities and others.		
8. Non-current tax assets		
Advance income-tax (net of provision)	890.03	1,015.38
	890.03	1,015.38
9. Other non-current assets		
Unsecured, considered good		
Capital advances	517.08	36.38
Advances other than capital advances:		
Tax deposited with sales tax department (refer note 35 (b))	513.10	513.10
Other receivable	30.55	26.53
Unsecured, considered doubtful		
Capital advances	-	7.94
Less: Provision for expected credit loss	-	(7.94)
	1,060.73	576.01
10. Inventories (mode of valuation refer note 1.18 on inventories)		
Raw materials		
on hand	5,349.64	6,803.85
in transit	91.03	244.07
Packing materials		
on hand	1,985.58	1,910.46
in transit	7.32	73.67
Work-in-progress	815.77	1,088.96
Finished goods	1,099.90	1,890.98
Stores and spares		
on hand	229.14	261.49
in transit	12.61	24.26
	9,590.99	12,297.74

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

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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 2021

(All amounts in lakhs unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
11a. Investments		
Current, unquoted (measured at fair value through profit and loss)		
Non-Trade		
Investments in Mutual Funds		
39,258.99 units of HDFC Overnight fund- Direct Plan- Growth Option	1,200.56	-
64,351.26 units of AXIS Overnight fund- Direct Plan- Growth Option	700.09	-
	1,900.65	-
Aggregate amount of unquoted investments	1,900.65	-
Refer note 43 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit loss respectively		
11b. Trade receivables		
Trade receivables considered good (unsecured)	21,166.35	17,768.51
Trade receivables-credit impaired	573.83	146.88
	21,740.18	17,915.39
Less: Allowance for expected credit losses	573.83	146.88
	21,166.35	17,768.51
11.1 Dues to related party (refer note 40)	6,357.28	2,710.41
11.2 Refer note 39 for information on trade receivables pledged as security by the Company.		
11.3 Refer note 43 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		
12. Cash and bank balances		
12a. Cash and cash equivalents		
Balance with scheduled banks		
in current accounts	3.71	1,631.00
in deposit accounts with original maturity of less than 3 months	-	2,545.27
Cash on hand	10.86	17.14
	14.57	4,193.41
Refer note 43 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		
Refer note 39 for assets pledged as security by the Company		
12b. Other bank balances		
Deposits with original maturity of more than 3 months and remaining maturity of less than 12 months	85.00	3,054.59
	85.00	3,054.59
Refer note 39 for assets pledged as security by the Company		
13. Loans		
Loan receivables -considered good (unsecured) (Refer note 40 and 49)*	1,265.00	6,595.00
	1,265.00	6,595.00
*Loans given to related parties are repayable on demand and carries an interest rate in the range of 8% to 12% p.a (31 March 2020: 9% to 12% p.a). The loan is provided to these companies for meeting their working capital requirement.		
Refer note 43 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		
14. Other financial assets		
Unsecured, considered good		
Rental receivables (refer note 40)	-	38.60
Dues from partnership firm and LLPs (refer note 40)	548.96	1,188.62
Other loans and advances*	87.18	669.36
	636.14	1,896.58
(Refer note 33 for exceptional items)		
*Net of interest receivable written off of Rs. 971.51 lakhs (31 March 2020: Rs. nil)		
* includes interest receivable from related parties amounting to Rs. 47.17 lakhs (31 March 2020: Rs. 629.34 lakhs)		
15. Other current assets		
Unsecured, considered good		
Advance to suppliers	409.29	264.82
Prepaid expenses	244.70	165.16
Balance with statutory authorities	2,828.44	3,177.79
	3,482.43	3,607.77



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Particulars	As at 31 March 2021	As at 31 March 2020
16. Equity share capital		
Authorised		
15,00,000 (31 March 2020: 12,00,000) equity shares of ₹ 10 (31 March 2019: ₹ 10) each	150.00	150.00
Issued, subscribed and fully paid up		
13,00,585 (31 March 2020: 13,00,585) equity shares of ₹ 10 (31 March 2019: ₹ 10) each	130.06	130.06
	130.06	130.06

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	13,00,585	130.06	11,75,000	117.50
Add: Issued during the year	-	-	1,25,585	12.56
At the end of the year	13,00,585	130.06	13,00,585	130.06

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 ₹ 50,000 lakhs 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*

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% Holding	No. of shares	% Holding
Sanjeev Jain	5,52,054	42.45	5,52,054	42.45
Sandeep Jain	5,52,179	42.46	5,52,179	42.46
Ruby QC Investment Holding Pte Ltd.	1,96,227	15.09	1,96,227	15.09

*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 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.

16.5 No shares have been reserved for issue under options.

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Particulars	As at 31 March 2021	As at 31 March 2020
17. Other equity		
(a) Securities premium		
Balance as at beginning/ end of the year	112.50	112.50
(b) Retained earnings		
Balance as per last financial statements	89,001.76	83,952.42
Add: Profit/ (loss) for the year	(14,542.80)	5,085.85
Add: Other comprehensive income for the year		
- Remeasurement of defined benefit plans	15.52	(36.51)
Balance as at end of the year	74,474.48	89,001.76
(c) Put option reserve		
Balance as per last financial statements	(18,012.43)	-
Less: Liability on account of instrument issued during the year treated as financial liability	-	(18,012.43)
Balance as at end of the year	(18,012.43)	(18,012.43)
Total	56,574.55	71,101.83

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.

Other comprehensive income

Represents 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 43)	55,739.95	50,357.69
Security deposit received		
from customers	266.67	241.24
from others	63.25	56.83
	56,069.87	50,655.76

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 ₹ 50,000 lakhs 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 ₹ 17,999.87 lakhs and the face value of the equity shares directly issued to the Investor by the Company amounting to ₹ 12.56 lakhs with a corresponding adjustment of ₹ 18,012.43 lakhs 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 ₹ 5,382.27 (31 March 2020: ₹ 357.69) lakhs is disclosed within "other expenses" in the standalone statement of profit and loss.

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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 2021

(All amounts in lakhs unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
19. Provisions		
(a) Provision for employee benefits		
Gratuity (refer note 38)	570.66	496.10
Compensated absences (refer note 38)	180.15	121.19
	750.81	617.29

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:

Accelerated depreciation and amortisation for tax purposes on property, plant and equipment and intangible assets	3,145.40	3,264.92
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Deferred tax assets consists of:

Expenses allowable under Income Tax Act, 1961 on payment basis	348.53	365.98
Lease liability	35.73	2.28
Provision for expected credit loss	200.52	51.32
Provision for sales tax	612.32	612.32
Provision for diminution in value of loans given	5,323.66	-

Deferred tax liabilities (net)

Refer note 44 for movement of tax

(3,375.36)	2,233.02
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21. Borrowings

Secured

Loan repayable on demand (from bank)

Working capital loan (refer note a, b and c)	2,271.43	3,580.42
	2,271.43	3,580.42

Notes:

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

	Amount outstanding as at	
	As at	As at
	31 March 2021	31 March 2020
(a) Working capital from State Bank of India		
Cash Credit facility received from State Bank of India has been secured by Company's all current assets (present and future) at Company's head office and hypothecation of stocks, book debts and fixed & movable assets of the unit I, II & III; equitable mortgage by deposit of title deeds in respect of land at Haridwar of the unit I, II & III and personal guarantee of directors of the Company. The loan is repayable on demand and carries an interest rate in the range of 7.85% to 9.00% p.a.(previous year 8.90% to 9.25% p.a.)	2,249.36	3,554.16
(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 8.40% to 10.75% p.a.(previous year 10.85% to 11.05% p.a.)	0.96	26.26
(c) Overdraft facility from Oriental Bank of Commerce		
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.	21.11	-
	2,271.43	3,580.42

Refer note 39 for assets pledged as security

Refer note 43 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile



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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 2021

(All amounts in lakhs unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
22. Trade payables		
Total outstanding dues of micro and small enterprises (ref note 48): and	948.41	661.86
Total outstanding dues of creditors other than micro and small enterprises	8,038.16	10,182.82
	8,986.57	10,844.68
Dues to related parties (refer to note 40)	842.96	22.54
Refer note 43 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of the maturity profile		
23. Other financial liabilities		
Employee payables	937.65	928.69
Payable for property, plant and equipment	43.41	97.66
	981.06	1,026.35
24. Other current liabilities		
Advance from customers	256.86	271.89
Statutory dues payable	189.71	206.16
	446.57	478.05
25. Provisions		
Provision for employee benefits		
Gratuity (refer note 38)	15.42	8.59
Compensated absences (refer note 38)	14.47	6.53
Provision for sales tax (refer note 35(b))	1,752.28	1,752.28
	1,782.17	1,767.40
Note:		
Movement of other provisions in accordance with Ind AS 37		
Opening provisions	1,752.28	1,752.28
Add: Provision made during the year	-	-
Less: Provision utilised during the year	-	-
Closing provisions	1,752.28	1,752.28

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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 2021

(All amounts in lakhs unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
26. Revenue from operations		
Sale of finished products	75,555.43	67,432.81
Sale of other products	3,226.31	2,475.95
	78,781.74	69,908.76
Other operating revenues		
Job work income	3,465.82	3,133.64
Testing charges and others	1,029.37	272.61
Sale of scraps	376.17	375.53
	83,653.10	73,690.54
Refer Note 41 in terms of disclosures required under Ind AS 115		
27. Other income		
Interest income on:		
fixed deposits	212.38	356.35
loans given to related parties (refer note 40)	4,325.25	5,236.76
Others	-	12.22
Share of profit from investment in LLP and partnership firm	548.95	532.65
Foreign currency translations	17.57	6.85
Rental income	165.60	165.60
Income from government grants / subsidy	15.78	31.84
Liabilities not payable/ writtenoff	3.54	147.28
Profit on sale of property, plant and equipment	-	3.01
Miscellaneous income	252.73	59.81
	5,541.80	6,552.37
28. Change in inventory of finished goods and work in progress		
Opening stock		
Finished goods	1,890.98	901.53
Work-in-progress	1,088.96	2,930.03
	2,979.94	3,831.56
Less: Closing stock		
Finished goods	1,099.90	1,890.98
Work-in-progress	815.77	1,088.96
	1,915.67	2,979.94
Change in inventory of finished goods and work in progress (A-B)	1,064.27	851.62
29. Employee benefits expense		
Salaries, wages and bonus	11,531.18	11,582.58
Contributions to provident and other funds (refer note 38)	391.13	412.39
Staff welfare expense	342.96	375.07
	12,265.27	12,370.04

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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 2021

(All amounts in lakhs unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
30. Other expenses		
Consumption of stores and spare parts	1,381.21	1,460.51
Job charges paid	1,906.35	1,433.51
Power and fuel	2,864.11	3,374.06
Rent	109.70	101.37
Repairs and maintenance		
Plant and equipments	768.15	814.79
Buildings	135.40	132.62
Others	888.21	780.63
Travelling expense	54.15	115.08
Vehicle running expense	38.95	36.01
Fees and subscription	209.33	208.35
Legal and professional expenses	718.38	548.72
Payment to auditors (refer note 37)	30.42	18.17
Bad debts written off	67.07	129.32
Provision for expected credit loss on trade receivables	573.83	146.88
Commission on sales	204.23	132.00
Selling and distribution expenses	124.39	45.71
Loss on remeasurement of put option liability (refer note 18.1)	5,382.27	357.69
Loss on sale of property, plant and equipment	2.83	-
Staff recruitment	129.10	17.71
Corporate social responsibility expense (refer note 42)	211.35	173.75
Miscellaneous expenses	639.72	666.22
	16,439.15	10,693.10
31. Finance costs		
Interest		
on short-term borrowings from banks	14.85	226.68
on income-tax	2.32	182.10
Interest expense on lease liability	51.26	13.52
Other borrowing costs	13.50	11.28
	81.93	433.58
32. Depreciation and amortisation expense		
Depreciation on property, plant and equipment	2,345.60	2,307.56
Amortisation of right-of-use assets (refer note 50)	143.93	90.81
Depreciation on investment property	51.30	51.33
Amortisation of intangible assets	69.53	76.35
	2,610.36	2,526.05

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33 Exceptional items

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Diminution in the value of loans given	24,949.51	-

The Company, in earlier years, had granted loan of ₹ 24,949.51 lakhs 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 testing for recoverability of the loan so given and decided to impair the outstanding loan. Accordingly, ₹ 9,714.69 lakhs (previous year - ₹ nil) in respect of interest accrued on loan given has been written off by the Company while the amount of ₹ 15,234.83 lakhs (previous year - ₹ nil) has been provided by the Company in these standalone financial statements.

34 Earning per equity share (EPS)

Profit/ (loss) attributable to equity shareholders (₹)	(14,542.80)	5,085.85
Total number of equity shares outstanding at the end of the year	13.01	13.01
Weighted average number of equity shares in calculating basic and diluted EPS	13.01	12.23
Nominal value per share (₹)	10.00	10.00
Basic and diluted EPS (₹)	(1,117.82)	415.95

35 Contingent liabilities and litigations

(i) Liabilities under export scheme (refer note (a) below)	42.82	42.82
(ii) Demand raised by sales tax authorities (refer note (b) below)	1,501.92	1,336.90
(iii) Corporate guarantee given (refer note (c) below)	1,428.10	614.49
(iv) Others (refer note (d) below)	3.33	3.33

Notes:

(a) Upto the end of the year, the Company had saved ₹ 42.82 lakhs 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 ₹ 256.90 lakhs 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 ₹ 887.82 lakhs 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 ₹ 1,606.17 lakhs (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 ₹ 513.09 lakhs under protest against the said demands.

The Company, as a matter of prudence, has provided an amount of ₹ 1,752.28 lakhs (including interest of Rs. 283.20 lakhs) for the period March 2010 to March 2013. The management has classified the balance demand of ₹ 137.03 lakhs and also interest of ₹ 1,364.89 lakhs (calculated at 15% per annum for the period 01 April 2013 to 31 March 2021) 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 financial statements.

- (c) Corporate guarantees given represents guarantees given to banks for the loans taken by subsidiary companies.
- (d) 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 ₹ 3.33 lakhs (2020: ₹ 3.33 lakhs). 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.
- (e) 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.



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	Year ended 31 March 2021	Year ended 31 March 2020
36 Capital and other commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	440.80	40.00
37 Payment to auditor		
(a) as auditor	29.00	18.00
(b) for reimbursement of expenses	1.42	0.17
	30.42	18.17
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 2021	Year ended 31 March 2020
Company's contribution to Provident Fund	363.44	376.64
Company's contribution to Employees' State Insurance Scheme	27.69	35.75
	391.13	412.39
B Defined benefit plan - Gratuity		
(i) Present value of defined benefit obligation as at the end of the year		
	Year ended 31 March 2021	Year ended 31 March 2020
Non-current	570.66	496.10
Current	15.42	8.59
	586.08	504.69
(ii) Movement in the present value of defined benefit obligation recognised in the balance sheet		
	Year ended 31 March 2021	Year ended 31 March 2020
Present value of the obligation as at the beginning of the year	504.69	344.23
Service cost	109.99	102.41
Interest cost	34.27	26.37
Benefits paid	(39.02)	(24.44)
Actuarial gain/ (loss) recognised during the year in other comprehensive income	(23.85)	56.12
Present value of the obligation as at end of the year	586.08	504.69
(iii) Expense recognised in the statement of profit and loss consists of:		
	Year ended 31 March 2021	Year ended 31 March 2020
Service cost	109.99	102.41
Interest cost	34.27	26.37
Net impact on profit before tax	144.26	128.78
Actuarial gain/ (loss) recognised during the year in other comprehensive income	23.85	(56.12)
Amount recognised in total comprehensive income	168.11	72.66
(iv) Breakup of actuarial gain/(loss):		
Actuarial gain/ (loss) from change in demographic assumption	-	0.22
Actuarial gain/ (loss) from change in financial assumption	-	(52.62)
Actuarial gain/ (loss) from experience adjustment	23.85	(3.72)
Total actuarial gain/ (loss)	23.85	(56.12)
(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)	6.79%	6.79%
Future salary increase (per annum)	5.50%	5.50%
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Average future service (in years)	23.78 years	24.74 years

Notes:
- The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.

- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.



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Employees benefits (cont'd)

(vii) Sensitivity analysis for gratuity liability

	Year ended 31 March 2021	Year ended 31 March 2020
Impact of change in discount rate		
Present value of obligation at the end of the year	586.08	504.69
- Impact due to increase of 0.5 %	(35.10)	(32.18)
- Impact due to decrease of 0.5 %	38.47	35.38
Impact of change in salary increase		
Present value of obligation at the end of the year	586.08	504.69
- Impact due to increase of 0.5 %	38.36	35.31
- Impact due to decrease of 0.5 %	(35.38)	(32.37)

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

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

	As at 31 March 2021	As at 31 March 2020
Within next 12 months	15.42	8.59
Between 1-5 years	122.27	69.04
Beyond 5 years	448.39	427.06
	586.08	504.69

C Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Remeasurement as a result of experience adjustments and changes in the actuarial assumption are recognised in the standalone statement of profit and loss.

39 Assets pledged as security (refer note 21)

	As at 31 March 2021	As at 31 March 2020
Current		
Inventories	6,835.66	10,291.62
Cash and cash equivalents	97.33	4,040.23
Other bank balances	85.00	3,054.59
Loans	1,265.00	6,595.00
Other financial assets	2,474.62	1,475.61
Other current assets	2,071.66	3,055.25
Trade receivables	14,601.40	13,383.94
Total current assets pledged as security	27,430.67	41,896.24
Non-current		
Property, plant and equipment	17,173.97	19,038.62
Total assets pledged as security	44,604.64	60,934.86

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40 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 2021	31 March 2020
(a) Members of the same group			
Subsidiaries			
Abbott Pharma Limited	India	100%	100%
Akumentis Healthcare Limited	India	92%	77%
Akums Healthcare Limited. (w.e.f. 29 December 2020)	India	100%	-
Akums Lifescience Limited. *(w.e.f. 16 January 2021)	India	100%	-
Amazing Research Laboratories Limited	India	100%	100%
AVHA Lifesciences Private Limited	India	100%	100%
Delcure Lifesciences Limited	India	100%	100%
Maxcure Nutravedics Limited	India	100%	100%
Malik Lifesciences Private Limited	India	100%	100%
May and Baker Pharmaceuticals Limited	India	100%	100%
Nicholas Healthcare Limited	India	100%	100%
Plenteous Pharmaceuticals Limited	India	100%	100%
Pure and Cure Healthcare Private Limited	India	100%	100%
Sarvagunaushdhi Private Limited	India	100%	100%
Unosource Pharma Limited	India	100%	100%
Akum Impex LLP	India	100%	100%
Upadhrish Reserchem LLP	India	100%	100%
Step down subsidiary of Company			
Medibox Digital Solutions Private Limited**	India	84%	60%
Cure Sure Pharma (Partnership firm)	India	77%	77%
(b) Associate of the Company			
AUSL Pharma		40%	40%

(c) Key management personnel (KMP)

Name	Designation
Mr. Sandeep Jain	Whole Time Director
Mr. Sanjeev Jain	Whole Time Director
Mr. Vijay Pal Singh Rawat	Whole Time Director (till 10 October 2020)
Mr. Deepak Gurudas Haldankar	Whole Time Director (from 29 September 2020)
Mr. Nand Lal Kalra	Independent Director
Ms. Neena Vivek	Independent Director
Mr. Amit Varma	Nominee Director
Mr. Dharamveer Malik	Company Secretary#
Mr. Vinod Raheja	Chief Financial Officer# (from 1 July 2020)

as per Companies Act, 2013

(d) Relatives of KMP***

Mr. Kanishk 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

* During the year ended 31 March 2021, the Company completed the acquisition of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) pursuant to a corporate insolvency resolution process implemented under The Insolvency and Bankruptcy Code, 2018

** The Company through its wholly whoned subsidiary Maxcure Nutravedics Limited, is exercising control over Medibox Digital Solutions Private Limited and is holding 60% indirect stake. Further, Company has acquired a direct stake of 24% in the current year.

*** 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 2021

(All amounts in lakhs unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2021	31 March 2020
(a) Transactions during the year		
Inter-corporate loan given		
Amazing Research Laboratories Limited	400.00	1,643.28
AVHA Lifesciences Private Limited	3,117.50	1,066.00
Delcure Lifesciences Limited	2,209.00	2,927.04
Maxcure Nutravedics Limited	7,079.00	2,090.00
Malik Lifesciences Private Limited	2,170.00	7,586.17
May and Backer Pharmaceuticals Limited	200.00	537.30
Plenteous Pharmaceuticals Limited	1,165.00	850.00
Pure and Cure Healthcare Private Limited	13,340.00	14,075.00
Unosource Pharma Limited	76.00	1,402.95
Upadhrish Reserchem LLP	1,000.00	100.00
Sarvagunaushdhi Private Limited	-	870.48
AUSL Pharma	-	1,085.00
Akums Healthcare Limited	1,945.82	-
Medibox Digital Solutions Private Limited	95.00	-
Nicholas Healthcare Limited	261.00	-
Akums Lifesciences Limited	5,564.02	-
Inter-corporate loan repaid		
Amazing Research Laboratories Limited	380.50	85.50
AVHA Lifesciences Private Limited	1,077.50	95.00
Delcure Lifesciences Limited	1.00	50.04
Maxcure Nutravedics Limited	7,364.00	1,340.00
Malik Lifesciences Private Limited	5,475.00	2,136.17
May and Backer Pharmaceuticals Limited	495.00	358.05
Plenteous Pharmaceuticals Limited	91.00	277.00
Pure and Cure Healthcare Private Limited	12,270.00	12,085.00
Unosource Pharma Limited	2,117.00	1,852.00
Upadhrish Reserchem LLP	239.00	415.00
Sarvagunaushdhi Private Limited	-	10.00
AUSL Pharma	85.00	200.00
Akums Healthcare Limited	157.00	-
Nicholas Healthcare Limited	16.00	-
Akums Lifesciences Limited	182.88	-
Loan written off		
Delcure Lifesciences Limited	8,743.18	-
Interest receivable written off		
Delcure Lifesciences Limited	971.51	-
Provision created on loans given		
Delcure Lifesciences Limited	15,234.83	-
Provision created on trade receivable		
Delcure Lifesciences Limited	400.00	-
Interest received		
Amazing Research Laboratories Limited	159.83	112.30
AVHA Lifesciences Private Limited	136.54	65.65
Delcure Lifesciences Limited	1,058.15	2,172.60
Maxcure Nutravedics Limited	144.13	11.67
Malik Lifesciences Private Limited	971.77	945.79
May and Backer Pharmaceuticals Limited	37.86	33.14
Plenteous Pharmaceuticals Limited	135.28	114.97
Pure and Cure Healthcare Private Limited	765.14	530.01
Unosource Pharma Limited	718.14	1,105.65
Upadhrish Reserchem LLP	42.19	21.78
Sarvagunaushdhi Private Limited	-	79.52



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Akums Drugs and Pharmaceuticals Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in lakhs unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2021	31 March 2020
AUSL Pharma	103.73	43.69
Medibox Digital Solutions Private Limited	0.56	-
Akums Healthcare Limited	12.08	-
Nicholas Healthcare Limited	2.80	-
Akums Lifesciences Limited	33.58	-
Sales of goods and others		
Akumentis Healthcare Limited	3,068.81	1,790.11
Amazing Research Laboratories Limited	515.03	247.75
AVHA Lifesciences Private Limited	1,080.53	719.62
Delcure Lifesciences Limited	583.29	599.47
Maxcure Nutravedics Limited	733.96	100.30
Malik Lifesciences Private Limited	667.21	485.73
May and Backer Pharmaceuticals Limited	19.71	12.43
Plenteous Pharmaceuticals Limited	5,243.89	1,099.39
Pure and Cure Healthcare Private Limited	2,351.10	1,701.65
Unosource Pharma Limited	6,387.18	4,283.45
Upadhrish Reserchem LLP	118.80	161.41
Akums Health and Education Society	1.76	-
Sarvagunaushdhi Private Limited	216.18	91.09
Cure Sure Pharma-Other Party	3.68	2.85
Akums Lifesciences Limited	3.25	-
Sales of property, plant and equipment		
Amazing Research Laboratories Limited	-	1.00
Maxcure Nutravedics Limited	37.59	1.07
Malik Lifesciences Private Limited	-	0.55
Plenteous Pharmaceuticals Limited	-	1.00
Pure and Cure Healthcare Private Limited	177.54	17.75
Upadhrish Reserchem LLP	50.81	4.69
Sarvagunaushdhi Private Limited	-	0.88
Cure Sure Pharma-Other Party	-	7.34
Expenses received		
Akumentis Healthcare Limited	23.89	12.22
Amazing Research Laboratories Limited	5.63	9.18
AVHA Lifesciences Private Limited	48.50	4.01
Delcure Lifesciences Limited	0.55	0.78
Maxcure Nutravedics Limited	1,118.26	26.35
Malik Lifesciences Private Limited	67.17	51.75
May and Backer Pharmaceuticals Limited	1.55	4.96
Plenteous Pharmaceuticals Limited	5.57	9.75
Pure and Cure Healthcare Private Limited	17.92	133.42
AUSL Pharma	-	0.03
Unosource Pharma Limited	16.45	12.22
Upadhrish Reserchem LLP	0.46	2.57
Sarvagunaushdhi Private Limited	0.34	5.59
Cure Sure Pharma-Other Party	0.02	-
Nicholas Healthcare Limited	2.52	-
Purchase of goods and others		
AVHA Lifesciences Private Limited	59.84	1.71
Maxcure Nutravedics Limited	6,821.73	5,055.12
Malik Lifesciences Private Limited	2,558.56	2,404.43
Plenteous Pharmaceuticals Limited	24.60	10.86
Pure and Cure Healthcare Private Limited	5,525.31	2,159.07
Unosource Pharma Limited	5.31	87.23
Upadhrish Reserchem LLP	625.61	276.96



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Akums Drugs and Pharmaceuticals Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in lakhs unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2021	31 March 2020
Sarvgunaushdhi Private Limited	5.38	21.38
Cure Sure Pharma-Other Party	-	0.13
AUSL Pharma	112.09	-
Purchase of assets		
Maxcure Nutravedics Limited	1.22	0.38
Malik Lifesciences Private Limited	20.93	6.45
Pure and Cure Healthcare Private Limited	11.69	43.14
Unosource Pharma Limited	-	587.77
Upadhrish Reserchem LLP	3.81	3.55
AUSL Pharma	-	7.48
Expenses paid		
Malik Lifesciences Private Limited	-	393.66
Pure and Cure Healthcare Private Limited	65.47	1,045.42
Unosource Pharma Limited	61.92	2.16
Upadhrish Reserchem LLP	0.01	518.24
Sarvgunaushdhi Private Limited	1.48	0.58
Rent received		
Amazing Research Laboratories Limited	18.77	16.80
AVHA Lifesciences Private Limited	18.90	18.00
Maxcure Nutravedics Limited	36.00	36.00
Malik Lifesciences Private Limited	129.60	129.60
May and Backer Pharmaceuticals Limited	20.03	19.08
Plenteous Pharmaceuticals Limited	16.38	15.60
Sarvgunaushdhi Private Limited	12.60	9.00
Corporate guarantee charges		
Amazing Research Laboratories Limited	1.00	1.25
Delcure Lifesciences Limited	5.00	5.00
May and Backer Pharmaceuticals Limited	2.50	2.50
Plenteous Pharmaceuticals Limited	2.50	2.08
Capital contribution		
Upadhrish Reserchem LLP	-	6.00
Akum Impex LLP	-	1.00
Profit share from investment in Partnership firm/ LLP		
Akum Impex LLP	0.02	0.01
AUSL Pharma	34.71	52.44
Upadhrish Reserchem LLP	514.22	480.20
Investment through acquisition of shares		
Unosource Pharma Limited	-	1,786.00
Akumentis Healthcare Limited	5,750.00	-
Akums Lifesciences Limited	450.00	-
Akums Healthcare Limited	10.00	-
Medibox Digital Solutions Private Limited	300.21	-
Payment made towards further investment in subsidiaries		
Mr. Sanjeev Jain	-	2,058.12
Mr. Sandeep Jain	-	2,058.12



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Akums Drugs and Pharmaceuticals Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in lakhs unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2021	31 March 2020
Remuneration paid*		
Mr. Sanjeev Jain	331.78	108.02
Mr. Sandeep Jain	331.78	286.77
Mr. Vijay Pal Singh Rawat	-	39.91
Mr. Kanishk Jain	-	9.06
Mr. Deepak Haldankar	20.59	-
Rent paid		
Mr. Sanjeev Jain	38.40	37.41
Mr. Sandeep Jain	48.00	47.88
Mr. D.C. Jain	3.00	2.97
Sitting fees		
Mr. Nand Lal Kalra	1.40	1.00
Mr. Narendr Dev Sachdeva	-	0.40
Ms. Neena Vivek	1.20	1.20
Professional charges		
Mr. D.C. Jain	18.00	15.00

* Excluding the post employment benefits

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Akums Drugs and Pharmaceuticals Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in lakhs unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2021	31 March 2020
(b) Balance outstanding at the year end		
Inter-corporate loan given		
AVHA Lifesciences Private Limited	3,200.00	1,160.00
Amazing Research Laboratories Limited	2,170.00	2,150.50
Delcure Lifesciences Limited	15,234.83	21,770.00
Malik Lifesciences Private Limited	10,395.00	13,700.00
Maxcure Nutravedics Limited	465.00	750.00
May and Backer Pharmaceuticals Limited	135.00	430.00
Plenteous Pharmaceuticals Limited	2,584.00	1,510.00
Pure and Cure Healthcare Private Limited	8,560.00	7,490.00
Unosource Pharma Limited	8,351.71	9,730.40
Sarvagunaushdhi Private Limited	3,800.00	3,800.00
Upadhrish Reserchem LLP	821.00	60.00
AUSL Pharma	800.00	885.00
Medibox Digital Solutions Private Limited	95.00	-
Nicholas Healthcare Limited	245.00	-
Akums Lifesciences Limited	5,381.14	-
Akums Healthcare Limited	1,788.82	-
Trade receivable		
Akumentis Healthcare Limited	95.57	677.99
AVHA Lifesciences Private Limited	636.21	109.77
Amazing Research Laboratories Limited	216.42	102.77
Delcure Lifesciences Limited	180.48	636.38
Nicholas Healthcare Limited	2.52	-
Maxcure Nutravedics Limited	15.75	56.02
Malik Lifesciences Private Limited	85.35	-
May and Backer Pharmaceuticals Limited	1.52	7.85
Plenteous Pharmaceuticals Limited	3,807.60	320.51
Unosource Pharma Limited	903.08	685.59
Sarvagunaushdhi Private Limited	240.18	109.67
Akums Health and education society	0.23	0.78
AUSL Pharma	-	0.03
Cure Sure Pharma	1.14	3.06
Upadhrish Reserchem LLP	0.46	-
Pure and Cure Healthcare Private Limited	85.41	-
Akums Lifesciences Limited	3.73	-
Akums Lifesciences Limited (Exp.)	81.63	-
Interest receivable		
Amazing Research Laboratories Limited	-	12.52
Delcure Lifesciences Limited	-	508.46
Unosource Pharma Limited	-	76.40
AUSL Pharma	-	31.95
Nicholas Healthcare Limited	1.40	-
Medibox Digital Solutions Private Limited	0.34	-
Akums Lifesciences Limited	31.06	-
Akums Healthcare Limited	14.37	-
Rent receivable		
Maxcure Nutravedics Limited	-	38.60
Trade payable		
Sarvagunaushdhi Private Limited	2.37	7.78
Plenteous Pharmaceuticals Limited	0.12	12.16
AUSL Pharma	47.23	2.60
AVHA Lifesciences Private Limited	59.84	-
Pure and Cure Healthcare Private Limited	234.84	-
Maxcure Nutravedics Limited	400.45	-



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Akums Drugs and Pharmaceuticals Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

(All amounts in lakhs unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2021	31 March 2020
Malik Lifesciences Private Limited	74.76	-
Medibox Digital Solutions Private Limited	2.36	-
Upadhrish Reserchem LLP	1.25	-
Unosource Pharma Ltd.	19.74	-
Security deposit payable		
AVHA Lifesciences Private Limited	9.00	9.00
Amazing Research Laboratories Limited	8.40	8.40
May and Backer Pharmaceuticals Limited	9.54	9.54
Plenteous Pharmaceuticals Limited	7.80	7.80
Sarvagonaushdhi Private Limited	6.00	6.00
Other payable		
Mr. Sanjeev Jain	-	100.00
Mr. Sandeep Jain	-	100.00
Corporate guarantee**		
Amazing Research Laboratories Limited	200.00	199.02
Delcure Lifesciences Limited	348.50	2.98
May and Backer Pharmaceuticals Limited	432.29	342.47
Plenteous Pharmaceuticals Limited	447.31	70.02

***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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41 Disclosure required under Ind AS 115 - Revenue from customers

A Disaggregation of revenue:

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products		
Revenue from sale of goods - manufactured	75,555.43	67,432.81
Revenue from sale of goods - others	3,226.31	2,475.95
Other operating revenue		
Job work charges	3,465.82	3,133.64
Testing charges	1,029.37	272.61
Sale of scrap	376.17	375.53
	83,653.10	73,690.54

B Contract balances

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

	Year ended 31 March 2021	Year ended 31 March 2020
Contract liabilities		
Advance received from customers	256.86	271.89
Total contract liabilities	256.86	271.89
Receivables		
Trade receivables	21,166.35	17,768.51
Total receivables	21,166.35	17,768.51

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 2021	As at 31 March 2020
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	271.89	85.41
Addition during the year	256.86	271.89
Revenue recognised during the year	271.89	85.41
Closing balance	256.86	271.89

The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.

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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42 Corporate social responsibility

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

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

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Unspent balance as at the beginning of the year	-	-
Gross amount required to be spent during the year	195.01	173.75
Amount spent during the year		
- On purposes other than above	(211.35)	(173.75)
Unspent balance as at the end of the year	-	-

43 Financial instruments

A Financial instruments by category

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

Particulars	Amortised cost	
	As at 31 March 2021	As at 31 March 2020
Financial assets		
Trade receivables	21,166.35	17,768.51
Cash and cash equivalents	14.57	4,193.41
Other bank balances	85.00	3,054.59
Loans	49,158.47	63,759.80
Other financial assets	1,498.35	5,537.51
Total financial assets	71,922.74	94,313.82
Financial liabilities		
Borrowings	2,271.43	3,580.42
Trade payables	8,986.57	10,844.68
Lease liabilities	1,842.14	191.34
Other financial liabilities	1,310.98	1,324.42
Financial liabilities carried at fair value		
Liability arising out of put option	55,739.95	50,357.69
Total financial liabilities	70,151.07	66,298.55

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 2021 are carried at cost, per the option availed by the Company under the relevant provision of Ind AS. Hence the same has not been considered in the above table.

B. Fair values hierarchy

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

The categories used are as follows:

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

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

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

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

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss					
Investment in current investment	31 March 2021	-	1,900.65	-	1,900.65
	31 March 2020	-	-	-	-
Financial liabilities at fair value through profit and loss					
Liability arising out of put option	31 March 2021	-	-	55,739.95	55,739.95
	31 March 2020	-	-	50,357.69	50,357.69



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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
	31 March 2021	31 March 2020	
Liability arising out of put option	55,739.95	50,357.69	Growth rate

B.3 Sensitivity analysis

Description	Year ended 31 March 2021	Year ended 31 March 2020
Impact on liability arising on account of put options fair value if change in growth rate		
- Impact due to increase of 0.5%	26.91	18.42
- Impact due to decrease of 0.5%	(26.91)	(18.42)

B.4 The following table presents the changes in level 3 items for the periods ended 31 March 2021 and 31 March 2020

Particulars	Liability arising out of put option
As at 1 April 2019	-
Add: Issue of equity shares	50,000.00
Add: fair value changes during the year	357.69
As at 31 March 2020	50,357.69
Add: Issue of equity shares	-
Add: fair value changes during the year	5,382.27
As at 31 March 2021	55,739.96

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 2021		31 March 2020	
	USD	INR	USD	INR
Trade receivables	95,310	36.72	1,17,440	88.86
Trade and other payables	-	-	1,53,302	115.71
Total	95,310	36.72	2,70,742	204.57

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 2021		31 March 2020	
		Increase	Decrease	Increase	Decrease
INR/USD- increase by 1.47%* (31 March 2020 1.47%)	USD	0.54	(0.54)	(0.39)	0.39

* 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	As at
	31 March 2021	31 March 2020
Variable rate borrowing	2,271.43	3,580.42
Fixed rate borrowing	-	-
Total borrowings	2,271.43	3,580.42

Sensitivity

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

Interest sensitivity*

Interest rates – increase by 100 basis points	22.71	35.80
Interest rates – decrease by 100 basis points	(22.71)	(35.80)

* 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.

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(i) Credit risk management

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

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

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

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

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

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

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

**Financial assets that expose the entity to credit risk –
31 March 2021**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	14.57	-	14.57
Other bank balances	85.00	-	85.00
Loans	49,158.47	-	49,158.47
Other financial assets	1,498.35	-	1,498.35
High credit risk			
Trade receivables	21,740.18	573.83	21,166.35
Total	72,496.57	573.83	71,922.74

31 March 2020

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	4,193.41	-	4,193.41
Other bank balances	3,054.59	-	3,054.59
Loans	63,759.80	-	63,759.80
Other financial assets	5,537.51	-	5,537.51
High credit risk			
Trade receivables	17,915.39	146.88	17,768.51
Total	94,460.70	146.88	94,313.82

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

As at 31 March 2021	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Less than 6 months	20,403.72	-	-	20,403.72
6 months - 1 years	520.60	-	-	520.60
More than 1 years	815.86	70.33%	573.83	242.03
Total	21,740.18		573.83	21,166.35

As at 31 March 2020	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Less than 6 months	16,563.20	-	-	16,563.20
6 months - 1 years	479.49	-	-	479.49
More than 1 years	285.17	-	-	285.17
More than 1 years	587.53	25.00%	146.88	440.65
Total	17,915.39		146.88	17,768.51

Reconciliation of loss provision – Trade receivables

Particulars	Total
Loss allowance on 1 April 2019	-
Changes in provision	146.88
Loss allowance on 31 March 2020	146.88
Changes in provision	426.95
Loss allowance on 31 March 2021	573.83

(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 2021	As at 31 March 2020
Working capital facility	4,251.07	3,919.58

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 2021

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	2,271.43	-	-	2,271.43
Trade payable	8,986.57	-	-	8,986.57
Lease liabilities	132.35	960.71	749.08	1,842.14
Other financial liabilities	981.06	56,069.87	-	57,050.93
Total	12,371.41	57,030.58	749.08	70,151.07

31 March 2020

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	3,580.42	-	-	3,580.42
Trade payable	10,844.68	-	-	10,844.68
Lease liabilities	97.95	93.39	-	191.34
Other financial liabilities	1,026.35	50,655.76	-	51,682.11
Total	15,549.40	50,749.15	-	66,298.55

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44 Taxes

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current taxes		
-on profit and loss	622.17	2,361.18
-tax for earlier years	17.34	199.81
Total	639.51	2,560.99
Deferred taxes	(5,608.38)	(81.29)
Tax expense	(4,968.87)	2,479.70

(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 2021	Year ended 31 March 2020
Profit before income taxes	(19,520.00)	7,585.16
Income tax using the Company's domestic tax rate *	34.94%	34.94%
Expected tax expense [A]	(6,821.00)	2,651.00

Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense

Additional benefit claimed on expenditure incurred on research and development	(62.00)	(669.52)
Effect of non-deductible expenses and others	1,896.79	298.41
Tax earlier years	17.34	199.81
Total adjustments [B]	1,852.13	(171.30)
Actual tax expense [C=A+B]	(4,968.87)	2,479.70

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

Base tax rate	30%	30%
Surcharge (% of tax)	12%	12%
Cess (% of tax)	4%	4%
Applicable rate of tax	34.94%	34.94%

Note:

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

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

Particulars	As at 31 March 2020	Recognised in OCI	Recognised in profit and loss	As at 31 March 2021
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(3,264.92)	-	119.52	(3,145.40)
Deferred tax assets consists of:				
Employee benefits	365.98	(8.33)	(9.12)	348.53
Provision for credit losses on financial assets	51.32	-	149.20	200.52
Lease liability	2.28	-	33.45	35.73
Provision for sales tax	612.32	-	-	612.32
Provision for diminution in value of loans given	-	-	-	5,323.66
Net deferred tax asset / (liability)	(2,233.02)	(8.33)	293.05	3,375.36

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Changes in deferred tax assets and liabilities for the year ended 31 March 2020:-

Particulars	As at 31 March 2019	Recognised in OCI	Recognised in profit and loss	As at 31 March 2020
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(3,094.41)	-	(170.51)	(3,264.92)
Deferred tax assets consists of:				
Employee benefits	167.78	19.61	178.59	365.98
Provision for credit losses on financial assets	-	-	51.32	51.32
Lease liability	-	-	2.28	2.28
Provision for sales tax	612.32	-	-	612.32
Net deferred tax asset / (liability)	(2,314.31)	19.61	61.68	(2,233.02)

45 Research and development expenditure

The Company has its research and development centres located in Haridwar and Mumbai which concentrates on the development of new pharmaceutical formulations. Research and development costs incurred amounted to Rs. 2,083.05 lakhs (31 March 2020: Rs. 2,228.05 lakhs) (including depreciation of Rs. 250.56 lakhs (31 March 2020: Rs. 238.25 lakhs) and interest expense of Rs. 14.00 lakhs (31 March 2020: Rs. 13.52 lakhs) recognised in these standalone financial statements.

46 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 Rs. 12,037.25 Lakhs (31 March 2020: Rs. 10,065.15 Lakhs).

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47 Capital management

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

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

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

Particulars	As at	As at
	31 March 2021	31 March 2020
Short term borrowing	2,271.43	3,580.42
Less:		
Cash and cash equivalents	14.57	4,193.41
Other bank balances	85.00	3,054.59
Net debt (A)	2,171.86	(3,667.58)
Total equity* (B)	56,704.61	71,231.89
Gearing ratio (A/B)	3.69%	-5.43%

*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 2021 and 31 March 2020.

48 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	As at
	31 March 2021	31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due	948.41	661.86
- Interest amount due	-	-
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

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49 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 2021	Year ended 31 March 2020
a) Short term loan given for general corporate purpose				
Maxcure Nutravedics Limited	8%	on demand	465.00	750.00
AUSL Pharma	12%	on demand	800.00	885.00
AVHA Lifesciences Private Limited*			-	1,160.00
Sarvgunaushdhi Private Limited*			-	3,800.00
Total (A)			1,265.00	6,595.00
b) Long term loan given for general corporate purpose				
Amazing Research laboratories Limited	8%	November 2023	2,170.00	2,150.50
Akums Healthcare Limited	10%	November 2023	1,788.81	-
Akums Lifesciences Limited	10%	November 2023	5,381.14	-
AVHA Lifesciences Private Limited	8%	November 2023	3,200.00	-
Delcure Lifesciences Limited	8%	November 2023	-	21,770.00
Malik Lifesciences Private Limited	8%	November 2023	10,395.00	13,700.00
May and Baker Pharmaceuticals Limited	13%	November 2023	135.00	430.00
Medibox Digital Solutions Private Limited	10%	November 2023	95.00	-
Nicholas Healthcare Limited	8%	November 2023	245.00	-
Plenteous Pharmaceuticals Limited	8%	November 2023	2,584.00	1,510.00
Pure and Cure Healthcare Private Limited	8%	November 2023	8,560.00	7,490.00
Sarvgunaushdhi Private Limited	8%**	November 2023	3,800.00	-
Upadhrish Reserchem LLP	8%	November 2023	821.00	60.00
Unosource Pharma Limited	8%	November 2023	8,351.71	9,730.40
Total (B)			47,526.66	56,840.90
Total loans given (A+B)			48,791.66	63,435.90

*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 November 2023

** Effective 1 July 2019, the Company has charged no interest on the loan so given to the entity

c) Particulars of Investment made- Equity instruments*

Akumentis Healthcare Limited	1,707.85	200.00
Akums Healthcare Limited	10.00	-
Akums Lifesciences Limited	450.00	-
Amazing Research Laboratories Limited	19.50	19.50
AVHA Lifesciences Private Limited	1.00	1.00
Abbott Pharma Limited	6.46	6.46
Delcure Lifesciences Limited	72.50	72.50
Malik Lifesciences Private Limited	348.48	348.48
Maxcure Nutravedics Limited	804.21	804.21
May and Baker Pharmaceuticals Limited	5.00	5.00
Medibox Digital Solutions Private Limited	300.21	-
Nicholas Healthcare Limited	5.00	5.00
Plenteous Pharmaceuticals Limited	5.00	5.00
Pure and Cure Healthcare Private Limited	3,246.70	3,246.70
Sarvgunaushdhi Private Limited	1.00	1.00
Unosource Pharma Limited	1,800.00	1,800.00
Total (C)	8,782.91	6,514.85

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

Akumentis Healthcare Limited	4,242.15	-
Total (D)	4,242.15	-
Total investments made (C+D)	13,025.06	6,514.85

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

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

Amazing Research Laboratories Limited	200.00	199.02
Delcure Lifesciences Limited	348.50	2.98
May and Baker Pharmaceuticals Limited	432.29	342.47
Plenteous Pharmaceuticals Limited	447.31	70.02
Total (guarantee)	1,428.10	614.49



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50 Lease

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

(b) Practical expedients applied

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

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

(c) The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2020 is 9% p.a (1 April 2019: 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 2021:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Building	4	1-9 years	9 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 2020:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)	Average remaining lease term (years)
Building	1	2 years	2 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 2019 (on account of application of Ind AS 116)	-	-	-
Reclassification of property, plant and equipment (refer note 2)	1,226.44	-	1,226.44
Add: Additions during the year	-	260.42	260.42
Less: Amortisation charged on the right-of-use assets (refer note 32)	15.21	75.60	90.81
Balance as at 31 March 2020/ 1 April 2020	1,211.23	184.82	1,396.05
Add: Additions during the year	-	1,818.11	1,818.11
Less: Deletion during the year	-	134.32	134.32
Less: Amortisation charged on the right-of-use assets (refer note 32)	15.21	128.72	143.93
Balance as at 31 March 2021	1,196.02	1,739.89	2,935.91

(f) Lease payment not recognised as lease liability

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Expenses relating to short term leases(included in other expenses)	109.70	101.37
Total	109.70	101.37

(g) The total cash outflow for leases for the year ended 31 March 2021 was ₹ 74.57 lakhs. (31 March 2020: 82.60 lakhs)

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(i) 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	292.80	160.45	132.35
1-5 Year	1,239.74	494.97	744.77
More than 5 Year	1,139.73	174.71	965.02
Total	2,672.27	830.13	1,842.14

Future minimum lease payments as on 31 March 2020 are as follows:

Minimum Lease payments due	As on 31 March 2020		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	111.24	13.29	97.95
1-2 Year	97.29	3.90	93.39
Total	208.53	17.19	191.34

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

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



Tarun Gupta
Partner
Membership No: 507892



Place : New Delhi
Date : 27 September 2021

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



Vinod Raheja
Chief Financial Officer



Nand Lal Kalra
Director
DIN: 05268554