DELCURE LIFESCIENCES LIMITED

303, Plot No. 2, 3rd Floor, Vardhman Plaza, Saraswati Vihar, Delhi, 110034

BALANCE SHEET AS AT MARCH 31,2021

(Rs. in Lakhs)

	Particulars	Notes	As at March 31,2021	As at March 31,2020
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	2	45.86	57.12
	(b) Right of use assets	2	-	266.64
	(c) Intangible assets	2	0.91	1.20
	(d) Financial assets			
	(i) Other financial assets	3	51.46	15.88
	(e) Other non-current assets	4	0.70	0.14
	Total non-current assets		**98.94**	**340.98**
(2)	**Current assets**			
	(a) Inventories	5	194.54	524.84
	(b) Financial assets			
	(i) Trade receivables	6	337.70	1,041.18
	(ii) Cash and cash equivalents	7	53.32	97.74
	(c) Current tax assets	8	0.51	0.01
	(d) Other current assets	9	225.42	228.83
	Total current assets		**811.49**	**1,892.60**
	Total assets		**910.43**	**2,233.58**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	10	50.00	50.00
	(b) Other equity	11	(16,147.59)	(22,991.52)
	Total equity		**(16,097.59)**	**(22,941.52)**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	12	15,234.83	21,770.00
	(ii) Lease liability		-	184.00
	(iii) Other financial liabilities	13	17.00	131.50
	(b) Provisions	14	-	115.59
	Total non-current liabilities		**15,251.83**	**22,201.10**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	15	348.50	2.98
	(ii) Trade payables	16		
	-total outstanding dues of micro and small enterprises		-	-
	-total outstanding dues of creditors other than micro and small enterprises		1,015.56	1,732.23
	(iii) Lease liability		-	82.51
	(iv) Other financial liabilities	17	267.23	932.10
	(b) Other current liabilities	18	124.90	220.19
	(c) Provisions	19	-	4.00
	Total current liabilities		**1,756.19**	**2,974.01**
	Total equity and liabilities		**910.43**	**2,233.58**
	Significant accounting policies	1		

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached

For V.P. Gupta & Co

Chartered Accountants
(Firm Registration No.000699N)

FRN : 000699N DELHI Chartered Accountants

CA V.P.Gupta
Partner
Membership No.080557
Place : Delhi
Date : 2|09|2021

For and on behalf of Board of Directors of
Delcure Lifesciences Limited

Bhagat Ram
Director
DIN 06765761

Vrinda Seth
Director
DIN 06401027

DELCURE LIFESCIENCES LIMITED
303, Plot No. 2, 3rd Floor Vardhman Plaza, Saraswati Vihar, Delhi, 110034
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs)

	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I.	Revenue from operations			
	Sales of goods	20	3,748.52	5,590.18
II.	Other income	21	9,845.26	7.31
III.	**Total (I+II)**		**13,593.78**	**5,597.50**
	Purchase of stock-in-trade	22	1,585.50	1,904.24
	Change in inventories of stock-in-trade	23	330.30	111.98
	Employee benefits expenses	24	1,967.76	2,345.66
	Other expenses	25	1,774.71	2,481.60
IV.	**Total**		**5,658.27**	**6,843.47**
	Earnings before interest, tax, depreciation and amortization (EBITDA) (III-IV)		**7,935.51**	**(1,245.98)**
	Finance costs	26	1,079.72	2,275.11
	Depreciation and amortization	2	11.86	100.45
V.	**Loss before tax(LBT)**		**6,843.93**	**(3,621.54)**
VI.	**Tax expenses**			
	Current tax		-	-
	Deferred tax		-	-
VII.	**Loss after tax (LAT)(V-VI)**		**6,843.93**	**(3,621.54)**
VIII.	**Other comprehensive income/(Loss)**			
	Items that will not be reclassified subsequently to profit or loss			
	Re-measurement gains/(losses) on defined benefit liability-Gratuity		-	1.76
	Income tax effect on above		-	-
	Other comprehensive income/(Loss)		-	**1.76**
	Total comprehensive income/(Loss) (VII+VIII)		**6,843.93**	**(3,619.78)**
IX.	**Earnings per equity share**	27		
	Basic & diluted earnings per share		**1,368.79**	**(723.96)**
	[Nominal value of share Rs.10/- (Rs. 10/-) each]			
	Significant accounting policies.	1		

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached

For V.P. Gupta & Co

Chartered Accountants
(Firm Registration No.000699N)

V.P. Gupta & Co. Chartered Accountants FRN : 000699N DELHI

CA V.P.Gupta
Partner
Membership No.080557
Place: Delhi
Date: 02/09/2021
UDIN: 21080557AAAACT9587

For and on behalf of Board of Directors of Delcure Lifesciences Limited

Bhagat Ram
Director
DIN 06765761

Vrinda Seth
Director
DIN 06401027

DELCURE LIFESCIENCES LIMITED
303, Plot No. 2, 3rd Floor Vardhman Plaza, Saraswati Vihar, Delhi, 110034

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

a. Equity share capital

Particulars	**No. of shares**	**Rs. in Lakhs**
Equity shares of Rs. 10/- each issued, subscribed and fully paid		
As at April 01,2019	**500,000**	**50.00**
Add: Issued during the year	-	-
As at March 31,2020	**500,000**	**50.00**
Add: Issued during the year	-	-
As at March 31,2021	**500,000**	**50.00**

b. Other equity

(Rs. in Lakhs)

Particulars	**Other equity**		
	Retained Earnings	**Other comprehensive income**	**Total Other Equity attributable to equity holders of the Company**
Balance as of April 1, 2019	**(19,394.82)**	**23.08**	**(19,371.74)**
Loss for the year	(3,621.54)	-	(3,621.54)
Comprehensive income for the year	-	1.76	1.76
Balance as of March 31,2020	**(23,016.36)**	**24.84**	**(22,991.52)**
Loss for the year	6,843.93	-	6,843.93
Comprehensive income for the year	-	-	-
Balance as of March 31,2021	**(16,172.43)**	**24.84**	**(16,147.59)**

Significant accounting policies(Note-1)

The description of nature and purpose of each of the above reserve within equity is as under:
Retained earnings- Retained earnings are the profits/(loss) that the Company has earned/incurred till date.

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached

For V.P. Gupta & Co
Chartered Accountants
(Firm Registration No.000699N)

V.P. Gupta & Co.
CA
FRN : 000699N
DELHI
Chartered Accountants

CA V.P.Gupta
Partner
Membership No.080557

Place : Delhi
Date : 02/09/2021
UDIN : 21080557AAAACT9587

For and on behalf of Board of Directors of Delcure Lifesciences Limited

Bhagat Ram
Director
DIN 06765761

Vrinda Seth
Director
DIN 06401027

DELCURE LIFESCIENCES LIMITED
303, Plot No. 2, 3rd Floor Vardhman Plaza, Saraswati Vihar, Delhi, 110034
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs)

Particulars		2020-21	2019-20
A. Cash flow from(used in) operating activities			
Net profit before tax		**6,843.93**	**(3,621.54)**
Adjustments for			
Other interest income		-	(2.22)
Depreciation and amortization		11.86	100.45
Provision for gratuity and leave encashment		(119.60)	54.61
Finance cost		1,068.97	2,264.10
Loss/(profit) on termination of Lease		(17.66)	-
Loss/(profit) on sale of assets		1.26	0.34
Operating profit before working capital changes		7,788.77	(1,204.26)
Adjustments for working capital changes			
Inventories		330.30	111.98
Trade receivables		703.48	(326.24)
Other financial assets-non current		(17.79)	1.26
Current tax assets		(0.50)	0.31
Other current assets		3.41	(55.80)
Other non-current assets		(0.56)	1.33
Other financial liabilities-non-current		(114.50)	5.00
Trade payables		(716.67)	1,436.99
Other financial liabilities-current		(664.87)	595.40
Other current liabilities		(95.29)	(9.06)
Cash generated from operations		7,215.79	556.90
Direct taxes paid		-	-
Net cash from/(used in) operating activities	**(A)**	**7,215.79**	**556.90**
B. Cash Flow from/(used in) investing activities			
Purchase of property, plant &equipment &intangible assets		(3.29)	(10.52)
Sale of property ,plant and equipment		1.71	0.37
Net cash from (used in) investing activities	**(B)**	**(1.58)**	**(10.15)**
C. Cash Flow from/(used in) financing activities			
Proceeds/(repayment) from/of secured borrowings		345.51	(1,001.08)
Proceeds from unsecured borrowings(net)		(6,535.17)	2,877.00
Payment of lease liabilities		-	(67.84)
Finance costs		(1,068.97)	(2,264.10)
Net Cash from/(used in) financing activities	**(C)**	**(7,258.63)**	**(456.02)**
Increase/(Decrease) in cash and cash equivalents	**(A+B+C)**	**(44.42)**	**90.72**
Cash and cash equivalents(opening balance)		97.74	7.01
Cash and cash equivalents(closing balance)(Note 7)		**53.32**	**97.74**
Change in cash and cash equivalents		**(44.42)**	**90.72**
Significant accounting policies.	**Note- 1**		

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached

For V.P. Gupta & Co

Chartered Accountants
(Firm Registration No.000699N)

CA V.P.Gupta
Partner
Membership No.080557
Place : Delhi
Date : 02/09/2021
UDIN: 21080557AAAACT9587

For and on behalf of Board of Directors of
Delcure Lifesciences Limited

Bhagat Ram
Director
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FRN : 000699N
DELHI
Chartered Accountants

DELCURE LIFESCIENCES LIMITED

303, Plot No. 2, 3rd Floor Vardhman Plaza, Saraswati Vihar, Delhi, 110034

Notes to the financial statements for the year ended on March 31, 2021

1 Company overview and significant accounting policies

1.1 Company overview

Delcure Lifesciences Limited ("the Company") is engaged in marketing of the pharmaceutical formulation. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Delhi, India. The Company is the wholly owned subsidiary of Akums Drugs & Pharmaceuticals Ltd. The financial statements are approved for issue by the Company's Board of Directors on ....

1.2 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).The financial statements have been prepared on accrual basis on historical cost convention, except as stated otherwise.Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.The financial statements including notes thereon are presented in Indian rupees, which is the functional currency of the company. All the financial information presented in Indian rupees has been rounded to the nearest lakhs as per the requirement of Schedule III to the Act, unless stated otherwise.

1.3 Use of judgment, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgement, 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.

Judgment, estimates and assumptions

The Company based its judgement, 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 judgement and key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Significant judgement, estimates and assumptions

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company is having brought forward losses and unabsorbed depreciation that may be used to offset taxable income. The Company has tax planning opportunities available that could support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax losses carried forward.

The Company has created deferred tax asset on other deductible temporary differences. Deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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b) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

c) Property, plant and equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on past experience of the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgement involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

d) Recognition and measurement of defined benefit obligations

The cost of defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

e) Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgement around estimating the ultimate outcome of such past events and measurement of the obligation amount.

f) Lease

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

1.4 Classification of assets and liabilities into current/non-current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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Based on the nature of products and the time between acquisition of assets and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classifications of assets and liabilities.

1.5 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.
The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Particulars	Useful lives
Right of Use("ROU")	Period of lease
Furniture and fittings	10 years
Office equipment	5 years
Vehicles	8 years
Computer	3 years
Computer server & networking	6 years

(the management believes as per past experience that the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013, as given above, best represent the period over which management expects to use these assets except right of use.)
Residual value of property, plant and equipment has been taken as five percent of the cost of the assets.
Depreciation methods, useful lives and residual values are reviewed in each financial year end and adjusted prospectively, if appropriate.
Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred.
The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

1.6 Intangible assets

Intangible assets acquired are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.
The Company uses a presumption that the useful life of an intangible asset is five years from the date when the asset is available for use. The cost thereof is amortised over a period of 5 years.
Amortization methods and useful lives are reviewed in each financial year end and adjusted prospectively, if appropriate.
The cost and related accumulated amortization are eliminated from the financial statements upon de-recognition of the intangible asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

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1.7 Financial instruments

1.7.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

1.7.2 Subsequent measurement

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

1.7.3. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.8 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses assumptions that are based on market conditions and risks existing at each reporting date.

1.9 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

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Chartered Accountants

1.10 Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. The expenses relates to provision is presented in statement of profit and loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

1.11 Foreign currency

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value denominated in a foreign currency, are reported using the exchange rate at the date of the fair value determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting a Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

1.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting dividend, if any and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares, if any.

V.P. & Co. FRN : 000699N DELHI Chartered Accountants

1.13 Taxes

Tax expense comprises current and deferred tax. Tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or recognized in other comprehensive income.

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. Current income tax for current and prior periods is recognized at the amount expected to be paid to the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided 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 unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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.

1.14 Employees benefits

(i) Gratuity

The Company provides for gratuity, a defined retirement benefit, covering eligible employees. The Company provides a lump-sum payment for gratuity to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit(PUC) method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an liability. Gains and losses through re-measurements of the net defined benefit liability, which are not subsequently be reclassified to statement of profit and loss, are recognized in other comprehensive income.

(ii) Provident fund

Retirement benefits, in the form of Provident Fund, is defined as a contribution plan and the contribution is charged to the Statement of Profit and Loss of the year when the contribution to the fund is due. There is no obligation other than the contribution payable to the provident fund.

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Chartered Accountants

(iii)Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit(PUC) method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.15 Cash flow statement

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

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

1.16 Valuation of inventories

Inventory comprises of traded goods and is measured at lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, measured by applying the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

1.17 Revenue recognition

Ind AS 115 five step model is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

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

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

- 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 godown) which coincides with the performance obligation under the contract with the customer.

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.

1.18 Interest Income

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

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1.19 Borrowings Cost

Borrowings cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings.

Borrowings cost relating to acquisition or construction of qualifying assets, which take substantial period of time to get ready for its intended use, are also capitalized to the extent they relate to the period till such assets are ready to be put to use. Other borrowings costs are recognized as expenses in the period in which these are incurred.

1.20 Leases

Where the Company is lessee

The Company's lease asset classes primarily consist of leases for office and warehouse. 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 depreciation and impairment losses.

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

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

1.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

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

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

1.22 Measurement of EBITDA

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)and does not include depreciation and amortization expense, finance cost and tax expense.

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2. Property, plant & equipments, intangible assets and right of use assets

(Rs. in Lakhs)

Particulars	Tangible assets					Total of tangible assets	Right of Use ("ROU")	Intangible assets	Total assets
	Furniture and fittings	Office equipment	Vehicles	Computers	Computer Server & Networking			Software (acquired)	
Gross carrying value as at 1st April 2019	21.16	26.92	34.70	19.71	12.96	115.43	-	10.51	125.94
Additions during the year	-	1.30	5.25	2.74	-	9.30	354.37	1.22	364.89
Disposal during the year	-	(1.88)	-	(5.02)	-	(6.90)	-	-	(6.90)
Gross carrying value as at March 31, 2020	**21.16**	**26.34**	**39.95**	**17.43**	**12.96**	**117.83**	**354.37**	**11.73**	**483.93**
Additions during the year	-	2.11	-	-	1.18	3.29	-	-	3.29
Disposal during the year	-	(9.43)	-	(0.39)	-	(9.82)	-	-	(9.82)
Impact of termination of lease	-	-	-	-	-	-	(354.37)	-	(354.37)
Gross carrying value as at March 31, 2021	**21.16**	**19.02**	**39.95**	**17.04**	**14.13**	**111.30**	**-**	**11.73**	**123.03**
Depreciation/Amortization									
Accumulated as at 1st April, 2019	9.65	18.83	0.75	14.16	11.08	54.46	-	10.25	64.71
Charge for the year	2.02	2.36	4.25	3.00	0.82	12.45	87.73	0.27	100.45
On disposals	-	(1.53)	-	(4.66)	-	(6.20)	-	-	(6.20)
Accumulated As at March 31,2020	**11.67**	**19.66**	**4.99**	**12.50**	**11.89**	**60.72**	**87.73**	**10.52**	**158.97**
Charge for the year	2.02	2.30	4.74	2.25	0.26	11.57	-	0.29	11.86
On disposals	-	(6.74)	-	(0.11)	-	(6.85)	-	-	(6.85)
Impact of termination of lease	-	-	-	-	-	-	(87.73)	-	(87.73)
Accumulated as at March 31, 2021	**13.68**	**15.23**	**9.74**	**14.64**	**12.15**	**65.44**	**-**	**10.81**	**76.25**
Net carrying value									
At March 31, 2020	**9.49**	**6.68**	**34.96**	**4.93**	**1.06**	**57.12**	**266.64**	**1.20**	**324.96**
At March 31, 2021	**7.47**	**3.79**	**30.21**	**2.41**	**1.98**	**45.86**	**-**	**0.91**	**46.77**

1.The aggregate depreciation expense on right of use(ROU) assets is included under depreciation and amortization expenses in the statement of profit and loss.

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3. Other financial assets-non current

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposit with Govt. authority (incl. FDRs)	2.76	2.64
Security deposit with others	48.71	13.24
Total	**51.46**	**15.88**

4. Other non-current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	0.70	0.14
Total	**0.70**	**0.14**

5. Inventories

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(mode of valuation refer note 1.16 on inventories)		
Stock in trade (including stock in transit)	194.54	524.84
Total	**194.54**	**524.84**

6. Trade receivables-current

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables -considered good(secured)	-	-
-considered good(unsecured)	337.70	1,041.18
-which have significant increase in credit risk	-	-
	337.70	1,041.18
-credit impaired	446.34	92.56
Less: Allowance for credit losses	446.34	92.56
	-	-
Total	**337.70**	**1,041.18**

7. Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with scheduled banks-in current accounts	53.22	97.58
Cash in hand	0.09	0.15
Total	**53.32**	**97.74**

8.Current- tax assets

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax refundable	0.51	0.01
Total	**0.51**	**0.01**

9. Other current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)		
VAT credit inputs	22.43	22.43
GST receivables	112.99	28.38
Prepaid expenses(current)	17.24	20.30
Other loans and advances	72.76	157.72
Total	**225.42**	**228.83**

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10. Equity share capital

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
5,00,000 (5,00,000) Equity Shares of Rs.10/-each	**50.00**	**50.00**
Issued, subscribed & fully paid up		
5,00,000 (5,00,000) equity shares of Rs.10/-each	50.00	50.00
[5,00,000(4,50,000) shares are held by Akums Drugs & Pharmaceuticals Ltd- Holding Company and its nominees]		
Total	**50.00**	**50.00**

10.(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Rs.in Lakhs	No. of Shares	Rs.in Lakhs
At the beginning of the year	500,000	50.00	500,000	50.00
Add: Issued during the year	-	-	-	-
At the end of the year	**500,000**	**50.00**	**500,000**	**50.00**

10.(b) Terms/rights attached to equity shares

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

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

10.(c) Details of shareholders holding more than 5% shares in the Company.

Name of shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Akums Drugs & Pharmaceuticals Ltd and its nominees	500,000	100.00	500,000	100.00

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11.Other equity (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earning		
Balance as per last financial statements	(23,016.36)	(19,394.82)
Add: Addition during the year	6,843.93	(3,621.54)
	(16,172.43)	(23,016.36)
Other comprehensive income		
Balance as per last financial statements	24.84	23.08
Add: Addition during the year	-	1.76
	24.84	24.84
Total	**(16,147.59)**	**(22,991.52)**

12.Borrowings-non-current (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Working capital loan from holding Company (Interest rate @ 11% p.a. and repayable on demand)	15,234.83	21,770.00
Total	**15,234.83**	**21,770.00**

13.Other financial liabilities-non current (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposit from CFA	17.00	131.50
Total	**17.00**	**131.50**

14.Provisions-non current (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (unfunded)	-	64.52
Leave encashment (unfunded)	-	51.07
Total	**-**	**115.59**

15. Borrowings-current (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured loan		
Working capital loan from Yes Bank (Working capital loan taken from the bank is secured by way of hypothecation/mortgage of stocks, book debts, fixed/movable assets. Also corporate guarantee of Holding Company, repayable in next one year)	348.50	2.98
Total	**348.50**	**2.98**

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16.Trade payables-current (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables for goods		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of other than micro and small enterprises {includes balance payable to related parties amounting to Rs. 974.67 Lakhs (Previous year Rs. 1725.68 Lakhs)} [Refer note 36 & 42]	1,015.56	1,732.23
Total	**1,015.56**	**1,732.23**

17.Other financial liabilities-current (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Creditors for expenses	105.93	733.68
Expenses payable	161.31	198.43
Total	**267.23**	**932.10**

18.Other current liabilities (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	117.83	135.81
Statutory dues	7.07	84.38
Total	**124.90**	**220.19**

19.Provisions-current (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Gratuity (unfunded)	-	0.71
Leave encashment (unfunded)	-	3.29
Total	**-**	**4.00**

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20. Revenue from operations

(Rs. in Lakhs)

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Sale of goods	3,748.52	5,590.18
Total	**3,748.52**	**5,590.18**

21. Other income

(Rs. in Lakhs)

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Interest Income on bank deposits & other	0.11	0.11
Other interest income	-	2.22
Gain on termination of Lease	17.66	-
Liabilties not payable	9,819.42	-
Miscellaneous income	8.06	4.98
Total	**9,845.26**	**7.31**

22. Purchase of stock-in-trade

(Rs. in Lakhs)

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Purchases	1,585.50	1,904.24
Total	**1,585.50**	**1,904.24**

23. Change in inventory of stock in-trade

(Rs. in Lakhs)

Particulars		For the year ended March 31,2021	For the year ended March 31,2020
Opening stocks	(A)	524.84	636.82
Less: Closing stocks(including in transit)	(B)	194.54	524.84
Total	**(A-B)**	**330.30**	**111.98**

24. Employee benefits expense

(Rs. in Lakhs)

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Salaries and incentives	1,815.20	2,120.09
Contribution		
Provident fund	82.35	104.78
ESIC	9.58	14.21
Gratuity(provision)	-	29.48
Leave encashment(provision)	19.21	35.24
Staff welfare expenses	41.41	41.86
Total	**1,967.76**	**2,345.66**

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25. Other expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Rent paid		
-'Short term lease	90.99	13.24
Insurance	3.55	2.94
Bank charges	2.29	2.30
Commission for corporate guarantee	5.00	5.00
Electricity expenses	8.27	13.64
Recruitment expenses	0.14	0.77
Legal & professional expenses	39.14	122.76
Travelling expenses	397.79	642.30
Conveyance expenses	1.01	1.37
Telephone expenses	7.18	6.56
Postage expenses	1.54	4.70
Printing & stationery expenses	5.10	4.52
Repair & maintenance expenses-others	32.14	21.66
Office expenses	3.28	2.61
Business promotion expenses	509.15	1,311.38
Selling and distribution expenses	274.48	309.13
Allowance for credit loss/(reversal)	353.77	-
Director's sitting fees	0.22	0.16
Loss on sale/discard of property, plant and equipments	1.26	0.34
Miscellaneous expenses	37.94	15.74
Payment to auditors (refer note 30)	0.47	0.46
Total	**1,774.71**	**2,481.60**

26. Finance costs

(Rs. in Lakhs)

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Interest expense		
on borrowings from bank	10.82	62.91
on unsecured Loan from holding Company	1,058.15	2,172.60
on CFA's deposit	10.75	11.01
on lease liability	-	28.59
Total	**1,079.72**	**2,275.11**

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27. Earning per equity share

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

Particulars	For the year ended March 31,2021	For the year ended March 31,2020
Net profit(loss) for calculation of basic and diluted EPS(Rs.in Lakhs)	**6,843.93**	**(3,619.78)**
Total number of equity shares outstanding at the end of the year	500,000	500,000
Weighted average number of equity shares in calculating basic and diluted EPS	500,000	500,000
Basic and diluted EPS (Rs.)	**1,368.79**	**(723.96)**

28. Contingent liabilities (not provided for) and provisions

Contingent liabilities

There is no claim against the Company, which is to be acknowledged as debt and there is no other contingent liabilities.

29. Capital and other commitments

There is no outstanding capital and other commitments.

30. Payment to auditors

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Statutory auditors		
Statutory audit fees	0.35	0.35
Tax audit fees	0.05	0.05
Other services	0.07	0.06
Total	**0.47**	**0.46**

31. There is no earning or expenditure in foreign currency during the year.(expenditure in foreign exchange in FY 2019-20 was Rs 4.76 Lakhs).

32. Details of stock, purchases and sales of formulation products (traded goods):

Pharmaceuticals products	2020-21	2020-21	2019-20	2019-20
	Qty(Nos.)	Rs in Lakhs	Qty(Nos.)	Rs in Lakhs
Opening stock	3,072,265	524.84	3,660,968	636.82
Purchases	10,635,753	1,585.50	13,139,240	1,904.24
Sales	12,429,783	3,748.52	13,727,943	5,590.18
Closing stock	1,278,235	194.54	3,072,265	524.84

1.Purchases includes samples of Rs.86.38 Lakhs (Rs.164.81 Lakhs).

2. Sales quantity includes samples & expired quantity.

33. At the end of the year, stock of traded goods value of Rs. 29.24 Lakhs (Rs.139.27 Lakhs) lying with the consignee agents have been duly accounted for in the stock in hand in the balance sheet.

34. Deferred taxes

The tax effects of significant temporary differences and unused tax losses that resulted in deferred tax assets and liabilities are as follows:

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Deferred tax assets		
-Disallowance under I Tax Act,1961	18.22	31.10
-Others-unused tax losses	2,587.95	4,787.77
-Others temporary differences	112.33	28.66
Total	**2,718.50**	**4,847.52**

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Deferred tax liabilities		
-Property, plant & equipment and Intangible assets	(1.68)	(0.99)
Total	**(1.68)**	**(0.99)**
Deferred tax assets after set off	**2,720.18**	**4,848.51**

The applicable Indian statutory tax rate for financial year 2019-20 and 2020-21 is 25.17%

Due to temporary difference and unused tax losses for above items, deferred tax assets (net) has been worked out to Rs. 2720.18 Lakhs (Rs 4848.51 Lakhs). As deferred tax asset shall be recognised for the temporary differences and carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. As a matter of prudence, during the year deferred tax assets (net) is not being recognized in the books of accounts.

35. Employees benefits

I. Details of employees benefits

A. Defined contribution plan

The Company contribute for Provident fund, a defined contribution plan, covering the eligible employees. The Company has recognised the following amount in statement of profit and loss:

(Rs. in Lakhs)

S. No.	Particulars	2020-21	2019-20
(a)	Employer's contribution to provident fund	82.35	104.78

B. Defined benefit plan

The Company provide gratuity, a defined benefit plan covering the eligible employees. The following provisions towards gratuity liability based on the projected unit credit (PUC) actuarial method as per actuarial valuation have been made by the Company:

(Rs. in Lakhs)

S. No.	Particulars	2020-21	(Rs. in Lakhs)
(a)	Provisions towards gratuity	-	65.23
The following assumptions are taken			
(i)	Discount rate	-	6.79%
(ii)	Future salary increase	-	5.50%
(iii)	Expected rate of return on plan assets	-	-

The details of the expenses recognised in Statement of Profit and Loss and accumulated liabilities in the Balance Sheet as at 31.03.2021 are as under:

(Rs. in Lakhs)

(I)	Expenses recognised in Statement of Profit & Loss	2020-21	2019-20
(a)	Service cost	-	26.48
(b)	Interest cost	-	2.99
(c)	Expenses recognised in the Statement of Profit and Loss	**-**	**29.48**

(Rs. in Lakhs)

(II)	Expenses recognised in Other Comprehensive Income(OCI)	2020-21	2019-20
(a)	Net cumulative actuarial gain/(loss) opening	-	-
(b)	Actuarial gain/(loss) for the year on Projected benefit obligation(PBO)	-	1.76
(c)	Expenses recognised in Other Comprehensive Income(OCI)	-	**1.76**

(Rs. in Lakhs)

(III)	Liabilities recognised in Balance Sheet	2020-21	2019-20
(a)	Present value of the obligation as at the beginning of the year	**65.23**	**39.06**
(b)	Expenses as above	-	29.48
(c)	Benefits paid	(24.10)	(1.55)
(d)	Total actuarial (gain)/loss on obligation	-	(1.76)
(e)	Liabilities written off	(1.88)	-
(f)	Balance transferred to Salary account for payment	(39.25)	-
(g)	Present value of the obligation as at 31.03.2021	**-**	**65.23**

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			(Rs. in Lakhs)
(IV)	Change in present value of obligation	2020-21	2019-20
(a)	Present value of the obligation as at the beginning of the year	65.23	39.06
(b)	Interest cost	-	2.99
(c)	Service cost	-	26.48
(d)	Benefits paid	(24.10)	(1.55)
(e)	Re-measurements	(1.88)	(1.76)
(f)	Balance transferred to Salary account for payment	(39.25)	-
(g)	Present value of the obligation as at the end of year	-	**65.23**

(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.

C. Compensated absences

The following provisions towards compensated absences (i.e. leave encashment) based on the projected unit credit (PUC) actuarial method as per actuarial valuation have been made by the Company:

(Rs. in Lakhs)

S. No.	Particulars	2020-21	2019-20
(a)	Provision towards leave encashment	-	54.37

The following assumptions are taken:

(i)	Discount rate	-	6.79%
(ii)	Future salary increase	-	5.50%
(iii)	Expected rate of return on plan assets	-	-

The details of the expenses recognised in Statement of Profit and Loss and as accumulated liabilities in the Balance Sheet as at 31.03.2021 is as under:

(Rs. in Lakhs)

(I)	Expenses recognised in Statement of Profit and Loss	2020-21	2019-20
(a)	Service cost	19.21	26.64
(b)	Interest cost	-	2.12
(c)	Net actuarial (gain)/loss recognised in the year	-	6.47
(d)	Expenses recognised in the Statement of Profit & Loss	**19.21**	**35.24**

(Rs. in Lakhs)

(II)	Liabilities recognised in Balance Sheet	2020-21	2019-20
(a)	Present value of the obligation as at the beginning of the year	54.37	27.69
(b)	Interest cost	-	2.12
(c)	Current service cost	19.21	26.64
(d)	Net actuarial (gain)/loss recognised in the year	-	6.47
(e)	Benefits paid	(30.53)	(8.55)
(f)	Balance transferred to Salary account for payment	(43.05)	-
(g)	Present value of the obligation as at 31.03.2021	-	**54.37**

(Rs. in Lakhs)

(III)	Change in present value of obligation	2020-21	2019-20
(a)	Present value of the obligation as at the beginning of the year	54.37	27.69
(b)	Interest cost	-	2.12
(c)	Service cost	19.21	26.64
(d)	Benefits paid	(30.53)	(8.55)
(e)	Actuarial (gain)/loss on obligation	-	6.47
(f)	Balance transferred to Salary account for payment	(43.05)	-
(g)	Present value of the obligation as at the end of year	-	**54.37**

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(IV) Change in fair value of plan assets

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

II. Employees benefits cost includes **(Rs. in Lakhs)**

Particulars	2020-21	2019-20
Salaries and incentives	1,815.20	2,120.09
Defined contribution plan	82.35	104.78
Defined benefit plan	-	29.48
Others (including Staff welfare)	70.20	91.31
Total	**1,967.76**	**2,345.66**
	-	-

36. Related party disclosures

Related party disclosures, as required by Ind AS-24

List of related party followed by nature and volume of transactions is given below:

I. Related parties(other than where control exists) with whom transactions were taken place during year:

a) Parent

-Akums Drugs & Pharmaceuticals Ltd.

b) Key management personnel of the Company and that of its Parent

CEO

-Mr. Akshya Kumar Mahapatra(resigned w.e.f. 20.03.2021)

Directors of the Company

-Mr. Bhagat Ram, Ms Vrinda Seth, Mr. Kanishk Jain

Key management personnel of Parent of the Company

-Mr. Sanjeev Jain

c) Other related parties-fellow subsidiaries

-Maxcure Nutravedics Ltd.
-Malik Lifesciences Pvt. Ltd.
-Pure & Cure Healthcare Pvt. Ltd.
-Sarvagunausdhi Private Ltd.
-Akumentis Healthcare Limited

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II. During the current year, the following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lakhs)

Nature of Transactions	Name of Related Party							
	Parent		Key management person(KMP)					
	Akums Drugs & Pharmaceuticals Ltd		Director/KMP		Other Directors		KMP of Parent of the Company	
Transactions during the year	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Inter-Corporate Loan Taken(net)	2,208.00	2,877.00	-	-	-	-	-	-
Interest paid	1,058.15	2,172.60	-	-	-	-	-	-
Purchase of Goods	574.93	599.47	-	-	-	-	-	-
Expenses paid	7.13	5.78	-	-	-	-	-	-
Sales	0.07	-	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-	5.40	5.08
Remuneration paid- Mr. A.K. Mahapatra*	-	-	150.66	147.27	-	-	-	-
Director Sitting Fee	-	-	-	-	-	-	-	-
Bhagat Ram	-	-	-	-	0.08	0.08	-	-
Vrinda Seth	-	-	-	-	0.08	0.08	-	-
Kanishk Jain	-	-	-	-	0.06	-	-	-
Balances outstanding at year end								
Loan outstanding	15,234.83	21,770.00	-	-	-	-	-	-
Interest outstanding	-	508.46	-	-	-	-	-	-
Trade Payables	180.37	636.38	-	-	-	-	-	-
Other Payables	-	-	-	-	-	0.04	-	-
Corporate Guarantee given to bank	1,000.00	1,000.00	-	-	-	-	-	-

Nature of Transactions	Name of Related Party									
	Akumentis Healthcare Ltd		Maxcure Nutravedics Ltd		Malik Lifesciences (P) Ltd		Pure & Cure Healthcare (P) Ltd		Sarvagunausdhi Pvt Ltd	
Transactions during the year	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Purchase of Goods	40.33	-	88.10	137.36	179.06	318.45	396.91	687.86	-	-
Expenses paid	95.11	0.41	-	0.13	-	0.63	-	2.14	-	-
Sale of Goods	464.98	-	-	-	-	-	-	-	8.84	-
Balances outstanding at year end										
Trade receivables	138.01	-	-	-	-	-	-	-	4.32	-
Trade Payable	132.36	-	80.01	127.50	178.45	327.97	403.47	633.83	-	-

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37. Impairment of assets

In the opinion of the management there is no reduction in value of any assets, hence no provision is required in terms of Ind AS 36 "Impairment of Assets".

38. Segment reporting

Ind AS 108 establishes standards for the way that the Company's financial statement report information about operating segments and related disclosures about products, geographic areas, and major customers.

The Company's operations predominantly relate to marketing of "pharmaceuticals formulations" i.e. single business segment. Accordingly, information has been presented for entity-wide disclosures as under:

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Revenue- domestic	3,748.52	5,590.18
Revenue from customers amounting to 10% or more of Company's total revenue	547.08	-

39. Financial instruments

Financial instruments by category

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

(Rs. in Lakhs)

Particulars	2020-21	2019-20
	Amortised cost	Amortised cost
Assets:		
-Trade receivables	337.70	1,041.18
-Cash and cash equivalents	53.32	97.74
-Other financial assets (non-current)	51.46	15.88
Total	**442.48**	**1,154.79**
Liabilities:		
-Borrowings (current & non-current)	15,583.33	21,772.98
-Trade payables	1,015.56	1,732.23
-Lease liability	-	266.51
-Other financial liabilities-non current	17.00	131.50
-Other financial liabilities-current	267.23	932.10
Total	**16,883.12**	**24,835.32**

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 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:

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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.

a) Market risk

The Company operates domestically and the business is transacted in Indian rupees only. Consequently, the Company is not exposed to currency exchange risk.

b)Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables . Trade receivables are typically unsecured. Credit risk has always been managed by the Company by establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as Company's historical experience for customers.

The details in respect of percentage of revenues generated from top customer and top five customers:

(In %)

Particulars	2020-21	2019-20
Revenue from top customer(only one customer)	14.02%	8.17%
Revenue from top five customers	18.45%	29.62%

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Trade receivable ageing (more than six month)	-	281.59
Trade receivable ageing (others)	337.70	759.59
Total	**337.70**	**1,041.18**
	-	-

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances and the reversal for lifetime expected credit loss on customer balances is as under:

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Balance at the beginning of the year	92.56	92.56
Impairment loss recognised/ (reversed)	353.77	-
Amounts written off / (reversed)	-	-
Balance at the end of the year	**446.34**	**92.56**

Credit risk on cash and cash equivalents is limited as the Company balance lying with banks only.

c)Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. At the end of the current financial year, there is temporary negative working capital.

(Rs. in Lakhs)

Particulars	As on March 31,2021	As on March 31,2020
Working capital	(944.71)	(1,081.41)
Cash and cash equivalents included in above	53.32	97.74

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The details regarding the contractual maturities of significant financial liabilities as under:

(Rs. in Lakhs)

Particulars	**2020-21**	**2019-20**
	Less than 1 year	**Less than 1 year**
Financial liabilities	1,631.29	2,749.82

40. The holding Company has provided corporate guarantee of Rs.1,000 Lakhs for loan taken by the Company from the bank.

41. The Company has accumulated losses which are in excess of the net worth as at March 31, 2021. However, these accounts have been prepared on a "going concern" basis as the required financial support is being given by the Holding Company.

42. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

(Rs. in Lakhs)

Particulars	**2020-21**	**2019-20**
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year(more than 45 days)	-	-
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 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 Micro, Small and Medium Enterprises Development Act, 2006	-	-
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 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

43. Lease

The Company has terminated its Lease agreements and the Right of use (ROU) created in FY 2019-20 amounting Rs.354.37 Lakhs on lease liability and Security deposit is reversed along with accumulated depreciation Rs. 87.73 Lakhs during the year. Due to the termination process, the company earn gain on termination amounting Rs.17.66 Lakhs which is disclosed in "Other Income" note no 21. The impact of reversal is duly considered in the FInancial statements and the required disclosures are made accordingly.

44. Figures have been recasted/restated wherever necessary to conform to the current year's presentation.

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45. Figures in brackets relates to previous period.

46. The Company has opted for the provisions of Section 115BAA(1) of the Act and hence as a consequence in terms of Section 115JAA(8), the MAT Credit provisions of this section shall not apply to a person who has exercised the option under section 115BAA.

As per our report of even date attached

For V.P. Gupta & Co

Chartered Accountants
(Firm Registration No.000699N)

V.P. Gupta & Co. CA FRN : 000699N DELHI Chartered Accountants

CA V.P.Gupta
Partner
Membership No.080557

Place: Delhi
Date: 02/09/2021
UDIN: 21080557AAAACT9587

For and on behalf of Board of Directors of
Delcure Lifesciences Limited

Bhagat Ram
Director
DIN 06765761

Vrinda Seth
Director
DIN 06401027