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## Independent Auditor's Report

To the Members of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Akums Lifesciences Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

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

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

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

Chartered Accountants

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

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



## **Independent Auditor's Report to the members of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) on the financial statements for the year ended 31 March 2022 (cont'd)**

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

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

### **Responsibilities of Management for the Financial Statements**

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

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

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



## **Independent Auditor's Report to the members of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) on the financial statements for the year ended 31 March 2022 (cont'd)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
  - 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 30 to the financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2022;



## Independent Auditor's Report to the members of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) on the financial statements for the year ended 31 March 2022 (cont'd)

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
- iv.
  - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 (e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 (f) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

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



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



UDIN: 22507892AKYGAV7692

**Place:** New Delhi  
**Date:** 15 June 2022

**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) on the financial statements for the year ended 31 March 2022**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has a working capital limit in excess of Rs 50.00 million, sanctioned by banks on the basis of security of current assets during the year. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and. However, we have

**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) on the financial statements for the year ended 31 March 2022**

not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, , duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹) in millions	Amount paid under protest (₹) in millions	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income tax laws	Income tax	734.44	-	FY 2016-17	High Court	-

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and did not have any term loans outstanding at the beginning of the current year. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has made private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with

**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) on the financial statements for the year ended 31 March 2022**

respect to the same. Further, the amounts so raised have been utilized by the Company for the purposes for which these funds were raised.

- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 324.24 million and 4,588.12 million respectively.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities

# Walker Chandiok & Co LLP

**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) on the financial statements for the year ended 31 March 2022**

falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) According to the information and explanations given to us, although the Company fulfilled the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

*Tarun*

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

UDIN: 22507892AKYGAV7692



**Place:** New Delhi  
**Date:** 15 June 2022



# Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) on the financial statements for the year ended 31 March 2022

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

1. In conjunction with our audit of the financial statements of Akums Lifesciences Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### Responsibilities of Management for Internal Financial Controls

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

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

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

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

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



# Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) on the financial statements for the year ended 31 March 2022 (cont'd)

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

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

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



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

UDIN: 22507892AKYGAV7692

Place: New Delhi  
Date: 15 June 2022



**Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)**  
**CIN : U24231CH1996PLC017755**  
**Balance sheet as at 31 March 2022**  
*(All amounts in ₹ millions unless otherwise stated)*

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2a	2,055.92	1,736.99
(b) Right-of-use assets	44	10.39	10.58
(c) Capital work-in-progress	2b	114.36	1.95
(d) Intangible assets	2a	11.36	-
(e) Financial assets			
(i) Investments	3	1.43	1.43
(ii) Other financial assets	4	49.52	39.79
(f) Non-current tax assets (net)	5	7.31	-
(g) Deferred tax assets (net)	41(b)	-	-
(h) Other non-current assets	6	0.49	0.60
<b>Total non-current assets</b>		<b>2,250.78</b>	<b>1,791.33</b>
<b>(2) Current assets</b>			
(a) Inventories	7	1,107.44	89.21
(b) Financial assets			
(i) Trade receivables	8	731.38	-
(ii) Cash and cash equivalents	9	2.46	10.94
(iii) Other financial assets	10	1.24	-
(c) Other current assets	11	379.97	91.18
<b>Total current assets</b>		<b>2,222.49</b>	<b>191.33</b>
<b>Total assets</b>		<b>4,473.27</b>	<b>1,982.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	12	50.00	45.00
(b) Other equity	13	144.86	676.11
<b>Total equity</b>		<b>194.86</b>	<b>721.11</b>
<b>(2) Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	2,660.24	541.22
(ii) Lease liabilities	44	10.04	10.25
(iii) Other financial liabilities	15	0.14	408.83
(b) Provisions	16	5.28	-
<b>Total non-current liabilities</b>		<b>2,675.70</b>	<b>960.30</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	150.00	-
(ii) Trade payables	18		
A) Outstanding dues of micro and small enterprises		57.41	8.83
B) Outstanding dues of creditors other than micro and small enterprises		1,083.08	98.52
(iii) Lease liabilities	44	1.23	0.60
(iv) Other financial liabilities	19	302.05	192.20
(b) Other current liabilities	20	8.34	1.11
(c) Provisions	21	0.60	-
<b>Total current liabilities</b>		<b>1,602.71</b>	<b>301.26</b>
<b>Total equity and liabilities</b>		<b>4,473.27</b>	<b>1,982.67</b>

Summary of significant accounting policies and other explanatory information (1-53)

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

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

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

Place : New Delhi  
Date : 15 June 2022



For and on behalf of Board of Directors of  
**Akums Lifesciences Limited**  
(formerly known as Parabolic Drugs Limited)

**Dharamvir Malik**  
Director  
DIN: 06758188

**Shekhar Bhaskar Bhirud**  
Director  
DIN: 07485844

**Rama Shanker**  
Director  
DIN: 06932049



**Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)**

**CIN : U24231CH1996PLC017755**

**Statement of profit and loss for the year ended 31 March 2022**

(All amounts in ₹ millions unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>INCOME</b>			
I. Revenue from operations	22	1,360.87	6.72
II. Other income	23	31.13	0.01
III. <b>Total income (I+II)</b>		<b>1,392.00</b>	<b>6.73</b>
<b>IV. EXPENSES</b>			
Cost of materials consumed		1,433.54	13.74
Purchase of stock in trade		78.25	-
Change in inventories of work-in- progress, finished goods and stock-in-trade	24	(469.78)	(15.51)
Employee benefits expense	25	231.37	9.11
Other expenses	26	342.12	25.38
<b>Total expenses</b>		<b>1,615.50</b>	<b>32.72</b>
V. <b>Earnings before finance costs, depreciation and amortization, tax and exceptional items (EBITDA)(III-IV)</b>		<b>(223.50)</b>	<b>(25.99)</b>
Finance costs	27	100.74	3.43
Depreciation and amortization expense	2 and 44	202.01	209.43
VI. <b>Loss before exceptional items and tax</b>		<b>(526.25)</b>	<b>(238.85)</b>
VII. <b>Exceptional items</b>	28	-	(4,901.61)
VIII. <b>Loss before tax (VI-VII)</b>		<b>(526.25)</b>	<b>(5,140.46)</b>
IX. <b>Tax expense :</b>			
Current tax		-	-
Deferred tax credit		-	(342.91)
		-	(342.91)
X. <b>Loss for the year (VIII-IX)</b>		<b>(526.25)</b>	<b>(4,797.55)</b>
XI. <b>Other comprehensive income</b>			
Items that will not be reclassified to the statement of profit and loss		-	-
Income-tax related to items that will not be reclassified to the statement of profit and loss		-	-
XII. <b>Total comprehensive loss (X+XI) (comprising loss for the year and other comprehensive loss for the year)</b>		<b>(526.25)</b>	<b>(4,797.55)</b>
XIII. <b>Earnings per equity share</b>	29	<b>(105.25)</b>	<b>(1,066.12)</b>
Basic and diluted			
Face value ₹ 10 each (31 March 2021: ₹ 10 each)			

Summary of significant accounting policies and other explanatory information (1-53)

This is the 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 Lifesciences Limited**  
(formerly known as Parabolic Drugs Limited)



**Tarun Gupta**  
Partner  
Membership No.507892

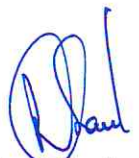




**Dharamvir Malik**  
Director  
DIN: 06758188



**Shekhar Bhaskar Bhirud**  
Director  
DIN: 07485844



**Rama Shanker**  
Director  
DIN: 06932049

Place : New Delhi  
Date : 15 June 2022



Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)  
CIN : U24231CH1996PLC017755  
Statement of change in equity for the year ended 31 March 2022  
(All amounts in ₹ millions unless otherwise stated)

a. Equity share capital

Particulars	No. of shares	Amount
<b>Equity shares of ₹ 10 each</b>		
Balance as at 31 March 2020	61,892,014	618.92
Extinguishment during the year (refer note 45(ii))	(61,892,014)	(618.92)
Issued during the year (refer note 45(i))	4,500,000	45.00
<b>Balance as at 31 March 2021/ 1 April 2021</b>	<b>4,500,000</b>	<b>45.00</b>
Add: Issued during the year	500,000	5.00
<b>Balance as at 31 March 2022</b>	<b>5,000,000</b>	<b>50.00</b>

b. Other equity

Particulars	Share application money pending allotment	Reserves and Surplus			Total
		Capital reserve	Securities premium	Retained earnings	
Balance as at 31 March 2020	260.01	3.34	1,631.18	(11,663.67)	(9,769.14)
Loss for the year	-	-	-	(4,797.55)	(4,797.55)
Impact on account of application of Resolution plan (refer note 45)	(255.01)	15,497.81	-	-	15,242.80
<b>Balance as at 31 March 2021/ 1 April 2021</b>	<b>5.00</b>	<b>15,501.15</b>	<b>1,631.18</b>	<b>(16,461.22)</b>	<b>676.11</b>
Loss for the year	-	-	-	(526.25)	(526.25)
Share issued during the year	(5.00)	-	-	-	(5.00)
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>15,501.15</b>	<b>1,631.18</b>	<b>(16,987.47)</b>	<b>144.86</b>

Summary of significant accounting policies and other explanatory information (1-53)

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

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

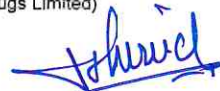


Tarun Gupta  
Partner  
Membership No.507892

For and on behalf of Board of Directors of  
**Akums Lifesciences Limited**  
(formerly known as Parabolic Drugs Limited)



Dharamvir Malik  
Director  
DIN: 06758188



Shekhar Bhaskar Bhirud  
Director  
DIN: 07485844



Rama Shanker  
Director  
DIN: 06932049

Place : New Delhi  
Date : 15 June 2022



**Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)**

CIN : U24231CH1996PLC017755

**Cash flow statement for the year ended 31 March 2022**

(All amounts in ₹ millions unless otherwise stated)

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

Particulars	Current borrowings	Non-Current borrowings	Lease liabilities	Total
<b>Balance as at 31 March 2020</b>	<b>1,757.14</b>	<b>9,446.60</b>	<b>-</b>	<b>11,203.75</b>
Cash flows				
Proceeds	-	538.11	-	538.11
Non-cash changes				
<b>New leases</b>	<b>-</b>	<b>-</b>	<b>10.78</b>	<b>10.78</b>
Interest on lease liability	-	-	0.07	0.07
Interest on borrowings	-	3.11	-	-
Impact of implementation of resolution plan credited to capital reserve (refer note 45)	(1,757.14)	(9,446.60)	-	(11,203.75)
<b>Balance as at 31 March 2021/ 1 April 2021</b>	<b>-</b>	<b>541.22</b>	<b>10.85</b>	<b>548.97</b>
Cash flows				
Proceeds	150.00	2,106.75	-	2,256.75
Repayments	-	-	(1.86)	(1.86)
Non-cash changes				
<b>New leases</b>	<b>-</b>	<b>-</b>	<b>1.38</b>	<b>1.38</b>
Interest on borrowings	-	12.26	-	-
Interest on lease liability	-	-	0.91	0.91
<b>Balance as at 31 March 2022</b>	<b>150.00</b>	<b>2,660.24</b>	<b>11.27</b>	<b>2,806.14</b>

Summary of significant accounting policies and other explanatory information (1-53)

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

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



**Tarun Gupta**  
Partner  
Membership No.507892

For and on behalf of Board of Directors of  
**Akums Lifesciences Limited**  
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**Dharamvir Malik**  
Director  
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Director  
DIN: 07485844



**Rama Shanker**  
Director  
DIN: 06932049

Place : New Delhi  
Date : 15 June 2022



## 1 Company overview and summary of significant accounting policies

### 1.1 Company overview

Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited) is a vertically integrated, research based, pharmaceutical manufacturer and exporter, specializing in development and manufacturing of Pharmaceutical products. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Delhi, India. Post acquisition through CIRP process as detailed in note 45, the Company is now a subsidiary of Akums Drugs and Pharmaceuticals Limited.

The financial statements for the year ended 31 March 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 15 June 2022.

### 1.2 Basis of preparation

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

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

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

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

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

#### Overall considerations

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

#### Standards issued but not yet effective

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

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

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

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

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

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

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

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

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

• Ind AS 102 Share Based Payments - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.

• Ind AS 103 Business Combinations - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.

• Ind AS 114 Regulatory Deferral Accounts - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.

• Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.

• Ind AS 38 Intangible Assets - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.

• Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

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

1.3 Use of judgment, estimates and assumptions

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

**Judgements, estimates and assumptions**

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

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

- a) **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.
- 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/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of Company's assets.

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- d) **Provisions and contingent liabilities** – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the circumstances, when the outcome is not probable, Company accounts for that as a contingent liability.
- e) **Employee benefits** – Management's estimate of the employee benefits is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the employee benefits amount and the annual defined benefit expenses.

#### 1.4 Property, plant and equipment

##### Recognition and initial measurement

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

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

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

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

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

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

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

##### De-recognition

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

#### 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.

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**Subsequent measurement (amortization)**

All intangible assets are accounted for using the cost model whereby capitalized costs are amortized 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 amortized over a period of 5 years. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates.

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

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

**De-recognition**

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

**1.6 Financial instruments**

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

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

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

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

**Non-derivative financial assets**

*Classification and subsequent measurement*

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

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

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

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

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

**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.



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#### Non-derivative financial liabilities

##### Subsequent measurement

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

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 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

#### 1.8 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.

#### 1.9 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 Group'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.

#### 1.10 Provisions, contingent liabilities and contingent assets

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

*Contingent liability is disclosed for:*

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

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



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#### 1.11 Operating expenses

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

#### 1.12 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.

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.

#### 1.13 Taxes

##### Current Income Tax

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

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

##### Deferred tax

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

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

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

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

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

#### 1.14 Employee benefits

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

##### Defined contribution plans

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

##### Defined benefit plans: unfunded

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



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

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

*Other long-term employee benefits*

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

*Short-term employee benefits*

All employee benefits payable wholly within twelve months of rendering services (such as, salaries, wages, short-term compensated absences, performance incentives, expected cost of bonus, ex-gratia, etc.) are classified as short-term employee benefits. Expense in respect of short-term employee benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee. As on the closing date, there are no employees existed in the Company.

**1.15 Cash flow statement**

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

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

**1.16 Inventories**

Inventories include raw material, stock-in-trade, stores and spares, work in progress, finished goods 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, stock-in-trade and packing materials are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost includes direct expenses and is determined on the basis of weighted average method.

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

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

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

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

**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 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 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.



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*R. K. Singh*



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 Other income

Other income is comprised primarily of interest income.

##### Interest

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

#### 1.19 Leases

##### The Company as a lessee

The Company's lease asset classes primarily consist of lease for building. 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, if any.

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

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

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

#### 1.20 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 42.

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

#### 1.21 Earnings before finance costs, depreciation and amortisation and tax (EBITDA)

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

##### Measurement of EBITDA

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



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## 1.22 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.

## 1.23 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.

## 1.24 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.

## 1.25 Amendment to Accounting Standards (Ind AS) issued but not yet effective

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

### Ind AS 103 – Reference to Conceptual Framework

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

### Ind AS 16 – Proceeds before intended use

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

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

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

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

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

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Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)

CIN : U24231CH1996PLC017755

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

2a. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipments										Intangible assets	
	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Office equipment	Computers	Research and development equipments	Electrical Installation	Pollution Control Equipments	Total	Software
<b>Gross block</b>												
As at 1 April 2020	39.94	990.33	2,873.43	133.57	5.97	12.25	13.52	350.48	249.71	-	4,669.20	7.12
Additions during the year	-	-	96.31	0.03	1.02	0.84	1.52	2.22	-	-	101.94	-
Disposals/ written off (refer note 46)	-	-	(1,212.00)	(131.42)	(4.97)	(12.25)	(13.16)	(350.48)	-	-	(1,724.28)	(7.12)
As at 31 March 2021/1 April 2021	39.94	990.33	1,757.74	2.18	2.02	0.84	1.88	2.22	249.71	-	3,046.86	-
Additions during the year	-	34.86	299.72	19.13	7.89	8.19	12.72	122.79	33.92	5.21	544.43	13.06
Disposals/ written off	-	-	(74.54)	-	-	-	-	(3.57)	-	-	(78.11)	-
As at 31 March 2022	39.94	1,025.19	1,982.92	21.31	9.91	9.03	14.60	121.44	283.63	5.21	3,513.18	13.06
<b>Accumulated depreciation and amortisation</b>												
As at 1 April 2020	-	267.32	1,208.21	110.32	5.84	11.70	12.84	167.61	110.35	-	1,894.19	7.12
Charge for the year	-	21.88	145.47	12.44	0.29	0.04	0.04	16.12	12.95	-	209.23	-
Disposals/ written off (refer note 46)	-	-	(589.12)	(122.72)	(4.61)	(11.74)	(12.84)	(183.73)	-	-	(924.76)	(7.12)
Impairment charge (refer note 46)	-	-	130.98	-	-	-	-	-	0.23	-	131.21	-
As at 31 March 2021/1 April 2021	-	289.20	895.54	0.04	1.52	-	0.04	-	123.53	-	1,309.87	-
Charge for the year	-	21.98	133.56	1.35	0.68	1.66	2.01	4.25	32.44	0.36	198.29	1.70
Disposals/ written off	-	-	(50.89)	-	-	-	-	(0.01)	-	-	(50.90)	-
As at 31 March 2022	-	311.18	978.21	1.39	2.20	1.66	2.05	4.24	155.97	0.36	1,457.26	1.70
<b>Net carrying value</b>												
As at 31 March 2021	39.94	701.13	862.20	2.14	0.50	0.84	1.84	2.22	126.18	-	1,736.99	-
As at 31 March 2022	39.94	714.01	1,004.71	19.92	7.71	7.37	12.55	117.20	127.66	4.85	2,055.92	11.36

Notes:

- Refer note 34 for disclosures of contractual commitments for the acquisition of property, plant and equipment.
- Refer note 31 for details of assets pledged as security by the Company.
- Title deeds of all the immovable property held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Company.
- Plant & equipments capitalised in the current year, includes RS 70.59 million towards indirect expenses (employee benefit expenses, power and fuel expenses etc)

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Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)

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

2b. Ageing of capital work-in-progress for 31 March 2022 and 31 March 2021 is as below:

31 March 2022 Particulars	Ageing			Total
	Less than 1 year	1-2 years	More than 3 years	
Buildings	1.39	-	-	1.39
Plant and equipments	112.97	-	-	112.97
	114.36	-	-	114.36

31 March 2021 Particulars	Ageing			Total
	Less than 1 year	1-2 years	More than 3 years	
Plant and equipments	1.95	-	-	1.95
	1.95	-	-	1.95

Notes :

1. There are no such project under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022 and 31 March 2021.
2. Plant & equipments in CWIP for the current year, includes Rs 68.54 million towards indirect expenses (employee benefit expenses, power and fuel expenses etc)

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**Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)**

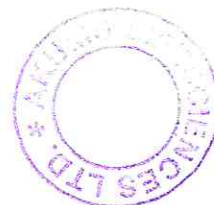
CIN : U24231CH1996PLC017755

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

(All amounts in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>3. Investments</b>		
<b>Unquoted, long - term, trade</b>		
(measured at cost)		
<b>Investments in equity instruments</b>		
<b>a. Investments in subsidiaries</b>		
Nil (31 March 2021: 49,50,000) equity shares of Parabolic Research Labs Limited of Nil (31 March 2021: ₹ 10) each	-	49.50
Nil (31 March 2021: 12,50,000) equity shares of Ziven Lifesciences Ltd of Nil (31 March 2021: ₹10) each	-	12.50
	<u>-</u>	<u>62.00</u>
Less: Provision for impairment on investments in subsidiary (refer note 46)	<u>-</u>	<u>(62.00)</u>
	-	-
<b>b. Investment in others</b>		
(unquoted, long term, non-trade, carried at fair value through profit and loss)		
18,750 (31 March 2021: 18,750) equity shares of Nimbua Greenfield (Punjab) Ltd of ₹10 (31 March 2021: ₹ 10) each	0.19	0.19
55,000 (31 March 2021: 55000) equity shares of Mohali Green Environment Private Ltd ₹ 10 (31 March 2021: ₹ 10) each	1.24	1.24
	<u>1.43</u>	<u>1.43</u>
Aggregate amount of unquoted investment	1.43	63.43
Aggregate amount of impairment in value of investment	-	62.00
<b>4. Other financial assets</b>		
<b>Unsecured, considered good</b>		
Security deposits	<u>49.52</u>	<u>39.79</u>
	<u>49.52</u>	<u>39.79</u>
Refer note 39 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		
<b>5. Non current tax assets</b>		
<b>Unsecured, considered doubtful</b>		
Income-tax (net of provisions)	<u>7.31</u>	<u>-</u>
	<u>7.31</u>	<u>-</u>
<b>6. Other non-current assets</b>		
Capital advances	0.37	0.60
Advances other than capital advances:		
Prepaid expenses	<u>0.12</u>	<u>-</u>
	<u>0.49</u>	<u>0.60</u>
<b>7. Inventories</b>		
<b>(mode of valuation refer note 1.16 on inventories)</b>		
Raw materials		
on hand	487.80	64.19
in transit	78.07	-
Packing materials	1.73	-
Work-in-progress	156.06	15.51
Stores and spares		
on hand	38.73	9.51
in transit	15.82	-
Stock-in-trade	12.16	-
Finished goods	<u>317.07</u>	<u>-</u>
	<u>1,107.44</u>	<u>89.21</u>

Refer note 28 and 46 for details.



**Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)**

**CIN : U24231CH1996PLC017755**

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
<b>8. Trade receivables</b>		
(a) Trade receivables considered good-unsecured	731.38	-
(b) Trade receivables which have significant increase in credit risk	272.23	272.23
	1,003.61	272.23
Less: Provision for impairment (refer note 28 and 46)	(272.23)	(272.23)
	731.38	-
Dues from related party (refer note 38) (net of provision)	97.25	3.64
All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. Refer note 39 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.		
<b>9. Cash and cash equivalents</b>		
Balance with scheduled banks		
-In current accounts	1.84	10.94
Cash on hand	0.62	-
	2.46	10.94
<b>10. Other financial assets</b>		
<b>Unsecured, considered doubtful</b>		
Loans and advances to related parties	-	44.61
Provision for impairment on loan to subsidiary	-	(44.61)
Balance with statutory authorities	1.24	-
	1.24	-
Dues from related party (refer note 38) (net of provision)	-	-
<b>Note:</b>		
Refer note 28 and 46 for details. Refer note 39 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses		
<b>11. Other current assets</b>		
<b>Unsecured, considered good</b>		
Balances with statutory authorities	329.42	84.02
Advance to suppliers and others	36.64	4.26
Prepaid expenses	13.91	2.90
	379.97	91.18

**Note:**

Refer note 28 and 46 for details.

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**Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)**

CIN : U24231CH1996PLC017755

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

(All amounts in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>12. Equity share capital</b>		
<b>Authorised</b>		
72,000,000 (31 March 2021 : 72,000,000) equity shares of ₹10 (31 March 2021 : ₹10) each	720.00	720.00
<b>Issued</b>		
5,000,000 (31 March 2021 : 5,000,000) equity shares of ₹ 10 (31 March 2021: ₹ 10) each	50.00	50.00
<b>Issued, subscribed &amp; fully paid up</b>		
5,000,000 (31 March 2021 : 4,500,000) equity shares of ₹ 10 (31 March 2021: ₹ 10) each	50.00	45.00
	<b>50.00</b>	<b>45.00</b>

**12a Reconciliation of the number of shares outstanding at the beginning and at the end of the year:**

	As at 31 March 2022	As at 31 March 2021
Number of shares outstanding at the beginning of the year	4,500,000	61,892,014
Less: extinguished during the year (refer note 45)	-	(61,892,014)
Add: issued during the year	500,000	4,500,000
<b>Number of shares outstanding at the end of the year</b>	<b>5,000,000</b>	<b>4,500,000</b>

**12b Terms/rights attached to equity shareholders**

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. Each holder of equity shares 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.

**12c Details of shareholders holding more than 5% shares in the Company\*:**

Name of shareholders	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
Akums Drugs and Pharmaceuticals Limited (including nominees)#	5,000,000	100%	4,500,000	100%

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

**12d Disclosure of shareholding of promoters:**

**Disclosure of shareholding of promoters as at 31 March 2022:**

Name of promoter	As at 31 March 2022		As at 31 March 2021		% change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Akums Drugs and Pharmaceuticals Limited (including nominees)	5,000,000	100%	4,500,000	100%	-

**Disclosure of shareholding of promoters as at 31 March 2021:**

Name of promoter	As at 31 March 2021		As at 31 March 2020		% change during the year
	No. of Shares	% Holding	No. of Shares	% Holding	
Akums Drugs and Pharmaceuticals Limited (including nominees)	5,000,000	100%	-	-	100%

**Note :** During the FY 2020-21, pursuant to resolution plan approved by NCLT and there has been a change in the shareholding pattern of the Company. For further details of the plan, refer note 45.

**12e** 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 except for issuance of 61,892,014 shares to the financial creditors per order of NCLT. (refer note 45 for further details).

**12f** No shares have been reserved for issue under options.



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Particulars	As at 31 March 2022	As at 31 March 2021
<b>13. Other equity</b>		
<b>Share application money pending allotment</b>		
Balance as at the beginning of the year	5.00	260.01
Less: extinguishment of share application money pursuant of NCLT order (refer note 45)	-	(260.01)
Add: effect of implementation of the NCLT order (refer note 45)	-	5.00
Less: shares issued during the year	(5.00)	-
Balance as at the end of the year	-	5.00
<b>Capital reserve</b>		
Balance as at the beginning of the year	15,501.15	3.34
Add: effect of implementation of the NCLT order (refer note 45)	-	15,497.81
Balance as at the end of the year	15,501.15	15,501.15
<b>Securities premium</b>		
Balance as at the beginning/end of the year	1,631.18	1,631.18
<b>Retained earnings</b>		
Balance as at the beginning of the year	(16,461.22)	(11,663.67)
Add: Addition during the year	(526.25)	(4,797.55)
Balance as at the end of the year	(16,987.47)	(16,461.22)
	144.86	676.11

**Nature and purpose of reserves****Share application money pending allotment**

The share application money pending allotment represents amount received on the application on which allotment is not yet made.

**Capital reserve**

Capital reserves represents the difference between value of net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations and includes gain on extinguishment of equity shares.

**Securities premium**

Securities premium account is used to record premium received on issue of shares. The account is utilised in accordance with the provisions of the Companies Act, 2013.

**Retained earnings**

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

**14. Borrowings****Term loan****Unsecured**

Loan from related party (refer note 1 below)	2,660.24	541.22
	2,660.24	541.22

Refer note 45 for the details in respect of amount settled through CIRP process.

**Details of the security and repayment terms of the above borrowings**

1. The loan from related party include the unsecured loan taken from holding company carrying an interest rate of 7% p.a. (effective 1 October 2021 and 8% from 1 April 2021 to 30 September 2021) (31 March 2021: 8% p.a.) and is repayable in November 2025.



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Particulars	As at 31 March 2022	As at 31 March 2021
<b>15. Other financial liabilities</b>		
Payable to financial creditors on account of NCLT order (refer note 45)	-	408.83
Security deposits received	0.15	-
	0.14	408.83
<b>16. Provisions</b>		
<b>Provision for employee benefits</b>		
-Gratuity (refer note 36)	3.06	-
-Compensated absences (refer note 36)	2.22	-
	5.28	-
<b>17. Borrowings</b>		
<b>Secured</b>		
Working capital loan from banks (refer notes below)	150.00	-
	150.00	-
<b>Notes:</b>		
	<b>Outstanding balance</b>	
	<b>As at</b>	<b>As at</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>Working Capital Loan from HDFC Bank Limited</b>		
Working Capital Loan taken from HDFC Bank Limited is secured by hypothecation (pari passu) of current assets, movable fixed assets, immovable fixed assets and carries an interest rate in the range of 4.25% p.a. to 4.50% p.a. (previous year : nil) and is repayable after minimum 7 days to maximum 180 days of utilisation of facility.	150.00	-
<b>Cash Credit facility from HDFC Bank Limited (Refer Note 19 Book overdraft)</b>		
Cash Credit facility from HDFC Bank Limited is secured by hypothecation (pari passu) of current assets, movable fixed assets, immovable fixed assets and carries an interest rate of 7.70% (previous year : nil)	-	-
	150.00	-
Refer note 31 for assets pledged against borrowing facilities		
Refer note 45 for the details in respect of amount settled through CIRP process.		
Refer note 33 for summary of the quarterly statements submitted to the bank and its reconciliation with the amounts appearing in the books of accounts.		
Refer note 39 for disclosure of the fair value in respect of financial liability measured at amortised cost and analysis of maturity profile.		
<b>18. Trade payables</b>		
Total outstanding dues of micro and small enterprises (refer note 43)	57.41	8.83
Total outstanding dues of creditors other than micro and small enterprises	1,083.08	98.52
	1,140.49	107.35
Dues to related party (refer note 38)	324.13	67.29
Refer note 45 for the details in respect of amount settled through CIRP process.		
Refer note 48 for disclosure in respect of ageing of the above payables.		
Refer note 39 for disclosure of the fair value in respect of financial liability measured at amortised cost and analysis of maturity profile.		
<b>19. Other financial liabilities</b>		
Creditors for capital goods	5.75	17.04
Employee payable	33.90	-
Payable to financial creditors	213.88	72.15
Interest accrued and due on borrowings	0.40	-
Book overdraft*	48.12	-
Other expenses payable	-	103.01
	302.05	192.20
Dues to related party (refer note 38)	-	102.60
Refer note 45 for the details in respect of amount settled through CIRP process.		
Refer note 39 for disclosure of the fair value in respect of financial liability measured at amortised cost and analysis of maturity profile.		

\*Refer Note 17 for details related to terms and conditions.



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Particulars	As at 31 March 2022	As at 31 March 2021
<b>20. Other current liabilities</b>		
Advance from customers	0.42	0.50
Statutory liabilities	7.92	0.61
	<b>8.34</b>	<b>1.11</b>

Refer note 45 for the details in respect of amount settled through CIRP process.

**21. Provisions**

**Provision for employee benefits**

Gratuity (refer note 36)	0.01	-
Compensated absences (refer note 36)	0.59	-
	<b>0.60</b>	<b>-</b>

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Particulars	As at 31 March 2022	As at 31 March 2021
<b>22. Revenue from operations</b>		
Sale of goods		
Domestic	1,178.38	-
Export	41.57	-
Sale of traded goods	65.97	-
<b>Other operating revenue</b>		
Scrap sale	14.95	6.72
Consultancy income	60.00	-
	<b>1,360.87</b>	<b>6.72</b>
(refer note 37 for disclosures under Ind AS 115)		
<b>23. Other income</b>		
Interest income on bank deposits at amortised cost	0.24	0.01
Benefit arise on settlement of financial creditors	30.24	-
Miscellaneous	0.65	-
	<b>31.13</b>	<b>0.01</b>
<b>24. Change in inventories of work-in-progress, finished goods and stock-in-trade</b>		
<b>Work in progress</b>		
Opening stock	15.51	4.43
Less: Impairment of inventory (refer note 46)	-	(4.43)
Less: closing stock	(156.06)	(15.51)
	<b>(140.55)</b>	<b>(15.51)</b>
<b>Finished goods</b>		
Opening stock	-	-
Less: closing stock	(317.07)	-
	<b>(317.07)</b>	<b>-</b>
<b>Stock-in-trade</b>		
Opening stock	-	-
Less: closing stock	(12.16)	-
	<b>(12.16)</b>	<b>-</b>
	<b>(469.78)</b>	<b>(15.51)</b>
<b>25. Employee benefits expense</b>		
Salaries and other benefits	206.20	8.73
Contribution to provident and other funds (refer note 36)	17.93	0.23
Staff welfare expenses	7.24	0.15
	<b>231.37</b>	<b>9.11</b>

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Particulars	As at 31 March 2022	As at 31 March 2021
<b>26. Other expenses</b>		
Consumption of stores and spare parts	70.04	3.19
Power and fuel	90.35	4.01
Rent	1.03	0.10
Repair and maintenance	102.37	9.97
Insurance	3.96	1.59
Travelling	1.11	0.43
Fees and subscription	8.87	0.59
Legal and professional expenses	4.29	2.35
Payment to auditors	0.90	0.50
Foreign exchange loss	4.73	-
Loss on sale of property, plant and equipment	23.21	-
Security expense	8.26	-
Miscellaneous	23.00	2.65
	<b>342.12</b>	<b>25.38</b>
<b>27. Finance costs</b>		
Interest expense on borrowings		
on non-current borrowings	99.81	3.36
on lease liability	0.91	0.07
Other borrowing costs	0.02	-
	<b>100.74</b>	<b>3.43</b>
<b>28. Exceptional items</b>		
Effect of implementation of resolution plan (refer note A below)	-	987.19
Impairment on property, plant and equipment and other assets (refer note B below)	-	(390.43)
Impairment on financial assets (refer note C below)	-	(385.62)
Other exceptional items (refer note D below)	-	(4,313.25)
Loss on assets discarded/written off	-	(799.50)
	<b>-</b>	<b>(4,901.61)</b>
<b>A. Effect of implementation of resolution plan (refer note 45 and 46 for details of effects of resolution plan):</b>		
Pursuant to CIRP proceedings & implementation of resolution plan, there has been a gain of ₹ 987.19 millions on account of following:-		
(i) Operational creditors extinguishment	-	953.71
(ii) Employee liabilities extinguishment	-	22.18
(iii) Statutory liabilities extinguishment	-	11.30
	<b>-</b>	<b>987.19</b>
<b>B. Impairment on property, plant and equipment and other assets:</b>		
(i) Impairment on property, plant and equipment (refer note 2a)	-	(131.21)
(ii) Impairment on capital work in progress (refer note 2b)	-	(65.18)
(iii) Impairment on tax assets	-	(60.52)
(iv) Impairment on other assets	-	(133.52)
	<b>-</b>	<b>(390.43)</b>
<b>C. Impairment on financial assets:</b>		
(i) Impairment on inventory	-	(6.78)
(ii) Impairment on investments	-	(62.00)
(iii) Impairment on trade receivables	-	(272.23)
(v) Impairment on other financial assets	-	(44.61)
	<b>-</b>	<b>(385.62)</b>
<b>D. Other exceptional items:</b>		
(i) Additional claims admitted in CIRP (refer note 45)	-	(4,306.64)
(ii) Miscellaneous	-	(6.61)
	<b>-</b>	<b>(4,313.25)</b>

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Particulars	As at 31 March 2022	As at 31 March 2021
<b>29. Earning per share</b>		
Earnings per share (EPS) as per Ind AS-33 is calculated as under:		
Net loss for calculation of basic and diluted EPS (₹) (A)	(526.25)	(4,797.55)
Total number of equity shares outstanding at the end of the year	5,000,000	4,500,000
Weighted average number of equity shares in calculating basic and diluted EPS (B)*	5,000,000	4,500,000
Basic and diluted EPS (₹) (A/B)	(105.25)	(1,066.12)

**30. Contingent liabilities and litigations**

	Year ended 31 March 2022	Year ended 31 March 2021
Income-tax matters	734.44	-

**Notes:**

1. During the current year, the Company has received a demand of Rs. 734.44 million vide assessment order passed under section 144 of the Income tax act, 1961 for the AY 2017-18. The Company has contested against the order and has filed a writ petition contesting the demand. The petition is pending at Hon'ble High Court of Chandigarh which has granted a stay subsequent to balance sheet date.

Considering the demand raised pertains to period prior to acquisition and all the statutory liabilities have been given effect in the NCLT order passed on 12 January 2021, the said demand is considered to be non-tenable and hence no provision has been accounted for in the books of accounts. (Also, refer note 2 below)

2. As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to January 12, 2021 ("Effective Date") stand extinguished.

Furthermore, the Resolution Plan, among other matters, provides that except to the extent of the amount payable to the relevant Financial Creditors, Operational Creditors and other dues in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Financial Creditors, Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Financial Creditors, Operational Creditors (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished.

Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Financial Creditors, Operational Creditors (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Financial Creditors, Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

**31. Assets pledged as security**

	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Inventories	1,107.44	-
Trade receivables	731.38	-
Cash and cash equivalents	2.46	-
Other current assets	379.97	-
<b>Total current assets pledged as security</b>	<b>2,221.25</b>	<b>-</b>
<b>Non-current</b>		
Property, plant and equipment	2,055.92	-
<b>Total non-current assets pledged as security</b>	<b>2,055.92</b>	<b>-</b>
<b>Total assets pledged as security</b>	<b>4,277.18</b>	<b>-</b>

The assets pledged against the loans taken by the Company pertains to current year borrowings only. The company didn't had any borrowing in the previous year from any outside lender except loan from holding company which is not having any charge on the assets of the Company.

Further, the Company was acquired as part of NCLT proceedings, various lenders have created charge on the assets of the Company. Same was duly settled in NCLT proceedings and financial creditors will start settling charges post payment of agreed settlement amounts. Refer Note 50 for charge details for both years.

32. There are no loans which have been given to promoters, directors, KMP and related parties.

**33. Reporting to banks/ financial institutions**

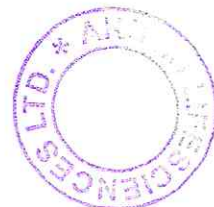
The Company is regular in submission of quarterly stock statements with banks for the borrowings sanctioned against hypothecation of current assets. Further, all the quarterly statements of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.



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**34. Capital and other commitments**

Particulars	As at	As at
	31 March 2022	31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	84.55	12.03

**35. Payment to auditors**

Particulars	Year ended	Year ended
	31 March 2022	31 March 2021
Payment to auditor as		
(a) auditor	0.87	0.50
(b) for reimbursement of expenses	0.03	-
	<u>0.90</u>	<u>0.50</u>

**36. Employees benefit obligation**

**A. Defined contribution plans**

	As at	As at
	31 March 2022	31 March 2021
The amount recognised as expense towards contribution to defined contribution plans for the year is as below:		
Company's contribution to provident fund	12.76	0.21
Company's contribution to employees' state insurance scheme	0.79	0.02
Company's contribution to staff labour welfare fund	4.38	0.00
Total	<u>17.93</u>	<u>0.23</u>

**B. Defined benefit plan – gratuity**

(i) Present value of defined benefit obligation as at the end of the year	Year ended	Year ended
	31 March 2022	31 March 2021
Non-current	3.06	-
Current	0.01	-
	<u>3.07</u>	<u>-</u>

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

	Year ended	Year ended
	31 March 2022	31 March 2021
Present value of defined benefit obligation as at the beginning of the year		
Current service costs	2.88	-
Past service costs including curtailment gains/losses	0.19	-
Interest costs	-	-
Benefits paid	-	-
Actuarial loss/(gain) on obligation	-	-
Present value of defined benefit obligation as at the end of the year	<u>3.07</u>	<u>-</u>

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

	Year ended	Year ended
	31 March 2022	31 March 2021
Current service cost	3.07	-
Interest costs	-	-
Net impact on profit before tax	3.07	-
Actuarial loss/(gain) recognised during the year	-	-
Amount recognised in total comprehensive income	<u>3.07</u>	<u>-</u>

(iv) Breakup of actuarial gain/(loss)

	Year ended	Year ended
	31 March 2022	31 March 2021
Actuarial (gain)/loss from change in demographic	-	-
Actuarial (gain)/loss from change in financial assumption	-	-
Actuarial (gain)/loss from experience adjustment	-	-
Total actuarial (gain)/loss	<u>-</u>	<u>-</u>

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(v) Actuarial assumptions

	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	7.18%	-
Rate of increase in compensation levels	0.06	-
<b>Attrition rate:</b>		
Up to 30 years	0.03	-
from 31-44 years	0.02	-
Above 44	0.01	-
Retirement age	58.00	-
Mortality rate	100% of IALM(2012-14)	-

Notes:

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

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

(vi) Sensitivity analysis for gratuity liability

	Year ended 31 March 2022	Year ended 31 March 2021
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the period	3.07	-
Impact due to increase of 0.50%	(0.19)	-
Impact due to decrease of 0.50 %	0.21	-
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the period	3.07	-
Impact due to increase of 0.50%	0.21	-
Impact due to decrease of 0.50 %	(0.19)	-

Note:

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

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

Within next 12 months	0.01	-
Between 1-5 years	0.87	-
Beyond 5 years	2.19	-
	<b>3.07</b>	<b>-</b>

The Company does not have any employee as on 31 March 2021 and hence no provision has been created as at end of preceding period

(viii) Expected contribution

The expected future employer contributions for defined benefit plan ₹ 2.78 million as at 31 March 2022 [31 March 2021 : ₹ nil].

(ix) Other long-term employee benefits

An amount of ₹ 2.81 million [31 March 2021 : ₹ nil] pertains to expense towards compensated absences.

37. Revenue from contracts with customers

(i) Disaggregation of revenue

	As at 31 March 2022	As at 31 March 2021
<b>Sale of products</b>		
Domestic	1,178.38	-
Export	41.57	-
<b>Sale of traded goods</b>	65.97	-
<b>Other operating revenue</b>		
Sale of scrap	14.95	6.72
Consultancy income	60.00	-
	<b>1,360.87</b>	<b>6.72</b>



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(ii) Assets and liabilities related to contracts with customers

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	0.42	-	0.50

Receivable is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Contract liabilities		Contract liabilities	
	Advances from customers		Advances from customers	
Opening balance		0.50		21.20
Addition during the year		0.42		0.50
Revenue recognised during the year		0.50		21.20
Closing balance		0.42		0.50

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

38. Related party disclosures

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

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

I. Relationships

a) Parent company

Akums Drugs and Pharmaceuticals Limited (w.e.f 16 January 2021)

b) Subsidiary companies

Ziven Lifesciences Limited  
 Parabolic Research Labs Limited

c) Key management personnel (KMP) of the Company or its parent

Name	Designation
Mr. Shekhar Bhaskar Bhirud (w.e.f 16 January 2021)	Director
Mr. Rama Shanker (w.e.f. 31 March 2021)	Director
Mr. Dharamvir Malik (w.e.f. 31 March 2021)	Director
Mr. Dharam Chand Jain (w.e.f. 16 January 2021 till 31 March 2021)	Director
Mr. Sandeep Jain (w.e.f. 16 January 2021 till 31 March 2021)	Director
Mr. Pranav Gupta (till 12 January 2021)	Managing director
Mr. Vineet Gupta (till 12 January 2021)	Whole time director
Mr. Jagjit Singh Chahal (till 12 January 2021)	Director

d) Fellow subsidiaries\*

Maxcure Nutravedics Limited (w.e.f. 16 January 2021)  
 Malik Lifesciences Private Limited (w.e.f. 16 January 2021)  
 Pure and Cure Healthcare Private Limited (w.e.f. 16 January 2021)  
 Sarvagunaushdhi Private Limited (w.e.f. 16 January 2021)  
 Upadhrish Reserchem LLP (w.e.f. 16 January 2021)  
 AUSL Pharma (w.e.f. 16 January 2021)

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

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Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)

CIN : U24231CH1996PLC017755

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

(All amounts in ₹ millions unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2022	31 March 2021
(a) Transactions during the year		
<b>Inter-corporate loan receipt</b>		
Akums Drugs and Pharmaceuticals Limited	3,129.76	556.40
<b>Inter-corporate loan repaid</b>		
Akums Drugs and Pharmaceuticals Limited	(1,019.90)	(18.29)
<b>Interest on Inter-corporate loan</b>		
Akums Drugs and Pharmaceuticals Limited	95.24	3.36
<b>Purchase of goods</b>		
Maxcure Nutravedics Limited	425.00	56.71
Others	0.29	0.32
<b>Expenses Paid</b>		
Akums Drugs and Pharmaceuticals Limited	0.01	-
<b>Gurantee commission paid</b>		
Akums Drugs and Pharmaceuticals Limited	3.50	-
<b>Expenses paid by group companies</b>		
Akums Drugs and Pharmaceuticals Limited	241.68	-
<b>Sale of goods</b>		
Akums Drugs and Pharmaceuticals Limited	67.88	-
Malik Lifesciences Pvt. Ltd.	114.53	-
Maxcure Nutravedics Limited	80.70	-
Pure and Cure Healthcare Pvt. Ltd.	4.56	-
Others	17.14	-
<b>Purchase of assets</b>		
Akums Drugs and Pharmaceuticals Limited	1.77	-
Pure and Cure Healthcare Pvt. Ltd.	0.27	-
Upadhrish Reserchem LLP	0.37	-
<b>Sitting Fees</b>		
Rama Shankar	0.04	-
Dharamvir Malik	0.04	-
<b>Director Remuneration*</b>		
Shekhar Bhaskar Bhirud	23.25	-

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

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Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)

CIN : U24231CH1996PLC017755

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

(All amounts in ₹ millions unless otherwise stated)

II Summary of related party transactions-

Particulars	31 March 2022	31 March 2021
(b) Balance outstanding at the year end		
<b>Non-Current borrowings</b>		
Akums Drugs and Pharmaceuticals Limited	2,660.24	541.22
<b>Trade receivable</b>		
Ziven Lifesciences Limited	-	3.64
AUSL Pharma	12.91	-
Malik Lifesciences Pvt. Ltd.	60.86	-
Maxcure Nutravedics Limited	18.11	-
Others	5.38	-
<b>Provision for expected credit loss for trade receivables</b>		
Ziven Lifesciences Limited	-	3.64
<b>Short term loans and advances</b>		
Ziven Lifesciences Limited	-	44.61
<b>Provision for expected credit loss for loans given</b>		
Ziven Lifesciences Limited	-	44.61
<b>Trade payable</b>		
Akums Drugs and Pharmaceuticals Limited	122.72	-
Maxcure Nutravedics Limited	324.13	66.91
Others	0.97	0.37
<b>Other financial liability (including interest payable)</b>		
Akums Drugs and Pharmaceuticals Limited	-	8.16
Maxcure Nutravedics Limited	-	94.44

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39 Financial Instruments

A Financial assets and liabilities

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

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>Financial assets measured at amortised cost:</b>			
Other financial assets	4	49.52	39.79
Trade receivables	8	731.38	-
Cash and cash equivalents	9	2.46	10.94
<b>Total</b>		<b>783.36</b>	<b>50.73</b>
<b>Financial liabilities measured at amortised cost:</b>			
Lease liability	44	11.27	10.85
Borrowings	14 & 17	2,810.24	541.22
Other financial liabilities	15 & 19	302.19	601.03
Trade payables	18	1,140.48	107.35
<b>Total</b>		<b>4,264.18</b>	<b>1,260.45</b>

B Fair values hierarchy

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

The categories used are as follows:

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

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

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

As at 31 March 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through profit or loss:</b>				
Investment in others	-	-	1.42	1.42

As at 31 March 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through profit or loss:</b>				
Investment in others	-	-	1.42	1.42

Valuation process and technique used to determine fair value

Measurement of fair values (Level 3)

(i) The following table presents the changes in level 3 items for the periods ended on 31 March 2022 and 31 March 2021:

Particulars	Investment in others
As at 31 March 2021	1.42
Acquisition	-
As at 31 March 2022	1.42

Valuation inputs and relationships to fair value

Particulars	Valuation Technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Investment in others (unquoted)	Fair valued through profit or loss. As there is no significant difference between carrying value and fair value, hence, valued at cost.	It is a SPV contract for Effluent treatment plant.	The estimated value would increase/(decrease) in profit before tax on completion of significant part of SPV Contract.

(ii) The Company enters into forward contracts with banks for hedging foreign currency risk of its borrowings and receivables and payables arising from import and export of goods. Fair values of such forward contracts are determined based on spot current exchange rates and forward foreign currency exchange premiums on similar contracts for the remaining maturity on the balance sheet date.

B.2 Financial assets and liabilities measured at amortised cost

Fair value of financial assets and liabilities measured at amortised cost

As at 31 March 2022	Level	Carrying value	Fair value	Reference
<b>Financial assets</b>				
Other financial assets	3	49.52	49.52	refer note 'a'
Trade receivables	3	731.38	731.38	refer note 'a'
Cash and cash equivalents	3	2.46	2.46	refer note 'a'
<b>Financial liabilities</b>				
Lease Liability	3	11.27	11.27	refer note 'b'
Borrowings	3	2,810.24	2,810.24	refer note 'b'
Other financial liabilities	3	302.19	302.19	refer note 'a'
Trade payables	3	1,140.48	1,140.48	refer note 'a'
<b>As at 31 March 2021</b>				
<b>Financial assets</b>				
Other financial assets	3	39.79	39.79	refer note 'a'
Cash and cash equivalents	3	10.94	10.94	refer note 'a'
<b>Financial liabilities</b>				
Lease Liability	3	10.85	10.85	refer note 'b'
Borrowings	3	541.22	541.22	refer note 'b'
Other financial liabilities	3	601.03	601.03	refer note 'a'
Trade payables	3	107.35	107.35	refer note 'a'

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

(b) All the non current borrowing facilities availed by the Company from unrelated parties are fixed rate facilities which are not subject to changes in underlying interest rate indices. Current borrowing rate is similar to the fixed rate of interest on these facilities, hence fair value is not significantly different from the carrying value.



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**C Financial Risk Management****Risk Management**

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

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

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

**C.1 Credit risk**

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

**(a) Credit risk management**

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

- (i) Low credit risk
- (ii) Moderate credit risk
- (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 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	Cash and cash equivalents, investment in others, financial assets measured at amortised cost	12 month expected credit loss
Moderate credit risk	Trade receivables	Trade receivables - Life time expected credit loss

Financial assets that expose the entity to credit risk –

Particulars	At at 31 March 2022	At at 31 March 2021
<b>Low credit risk</b>		
Cash and cash equivalents	2.46	10.94
Investments in others	1.43	1.43
Other financial assets	49.52	39.79
<b>High credit risk</b>		
Trade receivables	1,003.61	272.23
Investments	-	62.00
<b>Total</b>	<b>1,057.02</b>	<b>386.39</b>

**Cash and cash equivalents and bank deposits**

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

**Trade receivables**

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

**(b) Expected credit losses for financial assets****(i) Financial assets (other than trade receivables)**

Company provides for expected credit losses on other financial assets by assessing individual financial instruments for expectation of any credit losses.

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

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

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31 March 2022	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	2.46	0.00%	-	2.46
Investments in others	1.43	0.00%	-	1.43
Other financial assets	49.52	0.00%	-	49.52

31 March 2021	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	10.94	0.00%	-	10.94
Investments	1.43	0.00%	-	1.43
Other financial assets	39.79	0.00%	-	39.79

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

As at 31 March 2022 and 31 March 2021, the Company considered the individual probabilities of default of its financial assets (other than trade receivables) and determined that in respect of counterparties with low credit risk, no default events are considered to be possible within the 12 months after the reporting date. In respect of trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses using a simplified approach.

As at 31 March 2022	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	384.15	0.00%	-	384.15
Between one to six month overdue	347.23	0.00%	-	347.23
Between six month to one year overdue	-	0.00%	-	-
Greater than one year overdue	272.23	100.00%	272.23	-
Total	1,003.61		272.23	731.38

As at 31 March 2021	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	-	0.00%	-	-
Between one to six month overdue	-	0.00%	-	-
Between six month to one year overdue	-	0.00%	-	-
Greater than one year overdue	272.23	100.00%	272.23	-
Total	272.23		272.23	-

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

Reconciliation of loss allowance	Trade receivables
Loss allowance as at 31 March 2020	272.23
Charge in statement of profit and loss	-
Release to statement of profit and loss	-
Loss allowance as at 31 March 2021	272.23
Charge in statement of profit and loss	-
Release to statement of profit and loss	-
Loss allowance on 31 March 2022	272.23

## C.2 Liquidity risk

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

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

## (a) Financing arrangements

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

Particulars	As at 31 March 2022	As at 31 March 2021
Working capital facility	200.00	311.89

## (b) Maturities of financial liabilities

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

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

31 March 2022	Less than 1	1-2 years	2-3 years	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowings (including current maturities of non current) along with estimated future interest obligation	-	-	2,660.24	-	2,660.24
Lease Liabilities	1.23	0.71	0.73	8.60	11.27
Trade payables	1,140.49	-	-	-	1,140.49
Other financial liabilities	302.05	-	-	-	302.05
Total	1,443.77	0.71	2,660.97	8.60	4,114.05



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31 March 2021	Less than 1	1-2 years	2-3 years	More than 3 years	Total
<b>Non-derivatives</b>					
Borrowing (including current maturities of non current debt) along with estimated future interest obligation	-	-	538.11	-	538.11
Lease liabilities	0.60	0.71	0.73	8.81	10.85
Trade payables	107.34	-	-	-	107.34
Other financial liabilities	195.31	72.15	336.68	-	604.14
<b>Total</b>	<b>303.25</b>	<b>72.86</b>	<b>875.52</b>	<b>8.81</b>	<b>1,260.44</b>

**C.3 Market risk****(a) Foreign currency risk**

The Company is exposed to foreign exchange risk in the normal course of its business. Multiple currency exposures arise from commercial transactions like sales, purchases, borrowings, recognized financial assets and liabilities (monetary items). Certain transactions of the Company act as natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adapts the policy of selective hedging based on risk perception of management. The Company does not have any foreign currency exposure outstanding as on balance sheet date as at 31 March 2022 and 31 March 2021.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount (₹ in millions)	Foreign currency (in millions)	Amount (₹ in millions)	Foreign currency (in millions)
<b>Trade payables</b>				
USD	271.55	3.65	-	-
<b>Trade Receivable</b>				
USD	6.92	0.09	-	-

Foreign exchange risk sensitivity analysis has been performed on the foreign currency exposures in the Company's financial assets and financial liabilities at the reporting date, net of derivative contracts for hedging those exposures. Reasonably possible changes are based on an analysis of historic currency volatility, together with any relevant assumptions regarding near-term future volatility.

The impact on the Company's profit before tax and equity due to changes in the foreign currency exchange rates are given below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>USD Sensitivity</b>		
INR/USD - Increase by 1.47% (31 March 2019- 2.27%)	(3.99)	-
INR/USD - Decrease by 1.47% (31 March 2019 - 2.27%)	3.99	-

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

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. At 31 March 2022 and 31 March 2021, the Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

**Interest rate risk exposure**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	150.00	-
Fixed rate borrowing	2,660.24	541.22
<b>Total borrowings</b>	<b>2,810.24</b>	<b>541.22</b>

**Sensitivity**

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

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Interest sensitivity*</b>		
Interest rates – increase by 50 basis points	0.75	-
Interest rates – decrease by 50 basis points	(0.75)	-

\* Holding all other variables constant

**(ii) Financial assets**

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

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

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



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**40 Capital Management**

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

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**Gearing ratio**

Particulars	As at 31 March 2022	As at 31 March 2021
Total borrowings (including current maturities of non-current debt)	2,810.24	541.22
Less: Cash and cash equivalents	2.46	10.94
<b>Net debt</b>	<b>2,807.76</b>	<b>530.28</b>
Total equity	194.86	721.11
<b>Equity and net debt</b>	<b>3,002.62</b>	<b>1,251.39</b>
<b>Gearing ratio</b>	<b>93.51%</b>	<b>42.38%</b>

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41. Tax expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Tax expense:</b>		
Recognised in statement of profit and loss		
Current tax	-	-
Tax earlier years	-	-
Deferred tax	-	(342.91)
<b>Total tax expense</b>	<b>-</b>	<b>(342.91)</b>

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

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	(526.25)	(5,140.46)
Income tax using the Company's domestic tax rate * (refer note below)	25.17%	26.00%
Expected tax expense [A]	(132.45)	(1,336.52)
<b>Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense</b>		
Effect of non-deductible expenses	(23.24)	1,494.11
Deferred tax asset not recognised	155.68	(144.65)
Deferred tax liability written back	-	(342.91)
Others	-	(2.94)
<b>Total adjustments [B]</b>	<b>132.45</b>	<b>993.62</b>
<b>Actual tax expense/(credit) [C=A+B]</b>	<b>-</b>	<b>(342.91)</b>
<b>* Domestic tax rate applicable to the Company has been computed as follows</b>		
Base tax rate	22.00%	25.00%
Surcharge	10.00%	0.00%
Cess (% of tax)	4.00%	4.00%
Applicable rate of tax	<b>25.17%</b>	<b>26.00%</b>

Note: The Taxation Laws (Amendment) Ordinance, 2019 (2019 Tax Ordinance) provided the Company with an option to move to a lower tax rate of 25.17% accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax (MAT) credit and certain other concessional tax rate benefits enjoyed by the Company. The Company had reviewed the implications of 2019 Tax Ordinance on its tax liability for the year 2021-22 and had decided to shift to be taxed as per new regime.

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

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax assets</b>		
-Disallowance under I Tax Act, 1961	70.94	98.57
-Others-unused tax losses	2,066.92	2,453.70
<b>Total</b>	<b>2,137.86</b>	<b>2,552.27</b>
<b>Deferred tax liabilities</b>		
-Property, plant & equipment and Intangible assets	129.20	135.00
<b>Total</b>	<b>129.20</b>	<b>135.00</b>
<b>Deferred tax assets after set off</b>	<b>2,008.66</b>	<b>2,417.27</b>

Due to temporary difference and unused tax losses for above items, deferred tax assets (net) has been worked out to ₹ 2,008.66 millions (₹ 2,417.27 millions). Deferred tax asset is 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. Accordingly, as a matter of prudence, management has decided not to recognise deferred tax assets in the books of accounts.

The applicable tax rate for financial year 2020-21 and 2021-22 is 26.00% and 25.17% respectively.

The amount and expiry date of unused tax losses as under:

Particulars	2021-22			2020-21		
	Unabsorbed depreciation	Business losses	Expiry date	Unabsorbed depreciation	Business losses	Expiry date
<b>Unused tax losses*</b>						
A.Y. 2010-11	1.20	-	31-Mar-18	1.20	-	31-Mar-18
A.Y. 2011-12	-	-	31-Mar-19	-	-	31-Mar-19
A.Y. 2012-13	122.03	-	31-Mar-20	122.03	-	31-Mar-20
A.Y. 2013-14	348.28	-	31-Mar-21	348.28	-	31-Mar-21
A.Y. 2014-15	342.55	-	31-Mar-22	342.55	1,565.57	31-Mar-22
A.Y. 2015-16	365.56	1,214.50	31-Mar-23	365.56	1,214.50	31-Mar-23
A.Y. 2016-17	371.74	3,051.43	31-Mar-24	371.74	3,051.43	31-Mar-24
A.Y. 2017-18	319.10	484.90	31-Mar-25	319.10	484.90	31-Mar-25
A.Y. 2018-19	274.52	-	31-Mar-26	274.52	-	31-Mar-26
A.Y. 2019-20	231.94	203.51	31-Mar-27	231.94	203.51	31-Mar-27
A.Y. 2020-21	199.89	62.79	31-Mar-28	199.89	62.79	31-Mar-28
A.Y. 2021-22	-	-	31-Mar-29	-	-	-
A.Y. 2022-23	218.75	399.82	31-Mar-30	-	-	-
	<b>2,795.56</b>	<b>5,416.95</b>		<b>2,576.81</b>	<b>6,582.70</b>	

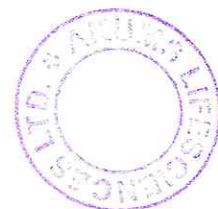
\*Depreciation of ₹ 2,795.56 millions (Previous year ₹ 2,576.81 millions) does not have expiry period.



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**42. Segment reporting**

The Company is primarily engaged in the manufacturing of Pharmaceutical products. Hence as per, chief operating decision maker, the sale of Pharmaceutical products has been considered as a single operating segment per Ind AS 108 'Operating Segments' and accordingly disclosures have been limited to single operating segment. The revenues of the Company are entirely domestic, revenues from customers are only in one geographical area i.e. with in India. In current year, revenue from one customer was more than 10% (Previous year - one).

**43. 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	Year ended 31 March 2022	As at 31 March 2021
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due	57.41	8.83
- Interest amount due	-	-
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Note: The above information is disclosed per the information available with the Company.

**44. Lease**

a) The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right of Use assets at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application.

b) The weighted average lessee's incremental borrowing rate applied to the lease liabilities on inception of lease was 8% p.a

c) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

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

**d) Amount recognised in balance sheet and statement of profit and loss:**

Particulars	Category of Right-of-use assets	
	Building	
Balance as at 1 April 2020		-
Add: Additions during the year		10.78
Less: Amortisation charged on the right-of-use assets		0.20
Balance as at 1 April 2021		10.58
Add: Additions during the year		1.38
Less: Amortisation charged on the right-of-use assets		1.57
Balance as at 31 March 2022		10.39

**e) Lease payment not recognised as lease liability**

	Year ended 31 March 2022	Year ended 31 March 2021
Expenses relating to short term leases(included in other expenses)	1.03	0.10
	1.03	0.10

f) The total cash outflow for leases for the year ended 31 March 2022 was ₹ 1.86 millions (31 March 2021 : ₹ nil) millions.

**g) Future minimum lease payments as on 31 March 2022 and 31 March 2021 are as follows:**

Minimum Lease payments due	Year ended 31 March 2022		
	Lease payment	Finance charges	Net present value
Within 1 Year	2.02	0.79	1.23
1-5 Year	7.36	2.39	4.97
More than 5 years	5.90	0.83	5.07
Total	15.28	4.01	11.27

Minimum Lease payments due	Year ended 31 March 2021		
	Lease payment	Finance charges	Net present value
Within 1 Year	1.44	0.84	0.60
1-5 Year	6.42	2.62	3.80
More than 5 years	7.76	1.31	6.45
Total	15.62	4.77	10.85



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45. The Corporate Insolvency Resolution Process ("CIRP") was initiated pursuant to a petition filed by one of its operational creditor, Weather Makers Private Limited ("WMPL") under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). WMPL filed the petition before the National Company Law Tribunal, Principal Bench, Chandigarh ("Adjudicating Authority") vide Company Petition IB No 102/Chd/CHD/2018, Company Application (CA) No. 316/2018 dated 23 August 2018. The adjudicating authority admitted the said petition and the CIRP for the Company commenced on 30 August 2018. Akums Drugs and Pharmaceuticals Ltd. (ADPL) filed its resolution plan on 13 March 2019 and the same was approved by the Committee of Creditors (COC) on 20 May 2019. The CIRP culminated into the approval of the Resolution Plan submitted by ADPL by the adjudicating authority vide its order dated 12 January 2021 ("Order").

Accordingly keeping in view the order dated 12 January 2021:

(i) The reconstituted board of directors in its meeting held on 16 January 2021 approved the issue of 5,000,000 equity shares of ₹ 10/- each aggregating to ₹ 50.00 millions. On an application made by ADPL 4,500,000 equity shares of ₹ 10 each were allotted to ADPL for an amount of ₹ 45.00 millions, representing 100.00% of the paid up equity share capital of the Company.

(ii) The reconstituted board of directors in its meeting held on 16 January 2021 approved extinguishment of 61,892,014 equity shares of ₹ 10 each held by previous shareholders aggregating to ₹ 618.92 millions alongwith extinguishment of share application money pending allotment of ₹ 260.01 millions as per approved resolution plan.

(iii) In terms of Part-III, para 6.3.3 of the resolution plan, financial creditors opting for re-structured repayment option shall be issued equity shares of 10% of the issued, subscribed and paid-up share capital of the Company. These shares are required to be allotted to JM Financial Asset Reconstruction Company (JMFARC) Limited after completion of certain activities by JMFARC Limited. An amount of ₹ 5.00 millions has been retained as share application money for the said purpose.

(iv) ADPL has infused an amount of ₹ 45.00 millions towards equity share capital and has infused an amount of ₹ 538.11 millions as loan for the purpose payment of CIRP cost, employee dues, statutory dues, dues of operational creditors and dues of financial creditors as per approved resolution plan.

Per the approved RP, the liabilities have been settled off in the following manner:

**A. Settlement of operational creditors, statutory dues and employee related payables (including CIRP cost) as per approved Resolution plan**

Particulars	Admitted claim	Book balance	Extinguishment	Amount payable as per RP	Amount paid	Outstanding as on 31 March 2021
CIRP cost	-	-	-	119.46	119.44	0.02
Workmen and employees	0.00	60.07	22.18	37.89	37.89	-
Government authorities	0.03	48.80	11.30	37.50	37.50	-
Other operational creditors	0.00	991.21	953.71	37.50	37.50	-
	0.03	1,100.08	987.19	232.35	232.33	0.02

The above extinguishment of ₹ 987.19 millions have been disclosed under exceptional items under operational liabilities (₹ 953.71 millions), employee liabilities (₹ 22.17 millions) and statutory liabilities (₹ 11.29 millions) extinguishment in note 26A. The balance payable of CIRP cost have been disclosed within other financial liabilities in these financial statements.

**B. Settlement of financial creditors as per approved Resolution plan**

Book balance of financial creditors as on 31 March 2020	10,849.16
Additional claims admitted in CIRP proceeding	4,306.64
<b>Total payable in respect of financial creditors</b>	<b>15,155.80</b>
<b>Settlement through:</b>	
Issuance and subsequent extinguishment of equity share capital	14,264.30
CIRP cost deduction	119.46
<b>Balance amount payable</b>	<b>772.04</b>
Transferred to share application money	5.00
Upfront payment	286.07
	<b>480.97</b>

**C. Calculation of capital reserve on extinguishment accounting:**

Extinguishment of equity share capital	618.92
Extinguishment of financial creditors*	14,618.88
Extinguishment of share application money	260.01
	<b>15,497.81</b>

\*It includes amount of ₹ 3,54.59 millions due to loans taken from other corporate entities and promoters.

**D. Movement in share application money pending allotment:**

Extinguishment on account of implementation of NCLT order	(260.01)
Effect of implementation of the NCLT order	5.00
	<b>(255.01)</b>

46. The Company post acquisition on 12 January 2021, had performed a detailed assessment on the recoverability and existence of all assets which were lying with the Company on the date of acquisition and has established the recoverable value for each caption of assets in accordance with Ind AS-36. Basis such detailed evaluation done, the management has recognised an impairment loss where recoverable value was noted lower than the carrying value of the assets. The impairment loss so recognised has been taken in exceptional items in the statement of profit and loss in accordance with relevant Ind AS. Below is the summary of the assets which were taken over and the recoverable value determined using the principles of Ind AS 36.

Particulars	Carrying value	Impairment loss/ Assets written off	Recoverable value as on 12 Jan 2021
Property, plant and equipment:			
Impairment of assets		131.21	
Loss of assets	1,967.66	799.50	1,036.95
Capital work in progress	65.18	65.18	-
Investments	62.00	62.00	-
Inventories	6.78	6.78	-
Trade receivables	272.23	272.23	-
Other financial assets	44.61	44.61	-
Other current assets	199.53	194.04	5.50
	<b>2,617.99</b>	<b>1,575.55</b>	<b>1,042.45</b>

The management post acquisition had also regularised the non-compliances as at the closing date in respect of internal audit reporting, filing of various statutory forms and reconciliation of the balances lying with statutory authorities. Further, since it was impracticable for the Company to determine the period specific effects of the above impairment losses noted in the carrying value of the aforementioned assets, hence the entire impairment loss note has been adjusted in the previous year statement of profit and loss in accordance with principles enunciated under Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.



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Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)

CIN : U24231CH1996PLC017755

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

(All amounts in ₹ millions unless otherwise stated)

47. In terms of clause 5 of schedule 2 Implementation provisions, immediately upon the order of Hon'ble NCLT, Company shall stand delisted in accordance with Regulation 3(3) of SEBI (Delisting of Equity Shares) Regulations, 2009. BSE vide its letter no. 20210804-8 dated 04 August 2021 has issued official notice regarding delisting of shares of the Company. Similarly, NSE vide its letter no. NSE/ENF/DELIST/APPL/2021-22/DLC-12 dated 04 August 2021 has withdrawn the listing with effect from 11 August 2021.

48. Ageing of trade receivables and trade payables as per Schedule III

31 March 2022		Outstanding for the following periods from due date of payment					Total
Particulars	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed trade receivables- considered good	384.15	347.23	-	-	-	731.38	
(ii) Undisputed trade receivables- credit impaired	-	-	-	-	272.23	272.23	
(iii) Disputed trade receivables- considered good	-	-	-	-	-	-	
(iv) Disputed trade receivables- credit impaired	-	-	-	-	-	-	
	<b>384.15</b>	<b>347.23</b>	<b>-</b>	<b>-</b>	<b>272.23</b>	<b>1,003.62</b>	

31 March 2021		Outstanding for the following periods from due date of payment					Total
Particulars	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed trade receivables- considered good	-	-	-	-	-	-	
(ii) Undisputed trade receivables- credit impaired	-	-	-	-	272.23	272.23	
(iii) Disputed trade receivables- considered good	-	-	-	-	-	-	
(iv) Disputed trade receivables- credit impaired	-	-	-	-	-	-	
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>272.23</b>	<b>272.23</b>	

Trade payables ageing

The table below analyse the outstanding trade payables:

31 March 2022		Outstanding for the following periods from due date of payment					Total
Particulars	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
MSME	-	57.41	-	-	-	57.41	
Others	-	1,083.02	0.06	-	-	1,083.08	
Unbilled dues*	-	-	-	-	-	-	
	<b>-</b>	<b>1,140.43</b>	<b>0.06</b>	<b>-</b>	<b>-</b>	<b>1,140.49</b>	

31 March 2021		Outstanding for the following periods from due date of payment					Total
Particulars	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
MSME	-	8.83	-	-	-	8.83	
Others	-	98.52	-	-	-	98.52	
Unbilled dues*	-	-	-	-	-	-	
	<b>-</b>	<b>107.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107.35</b>	

\*There are no unbilled dues as on 31 March 2022 and 31 March 2021.

49. Ratio Disclosures

Particulars	Numerator	Denominator	Current year	Previous year	% Variance
(a) Current ratio	Current Assets	Current liab	1.39	0.64	118%
(b) Debt - Equity ratio	Total debt	Shareholders equity	14.42	0.75	1822%
(c) Debt service coverage ratio	Earnings available for debt service	Debt Service	(0.08)	(0.05)	61%
(d) Return on equity ratio	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	(2.70)	(6.65)	-59%
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	1.61	(0.00)	-307878036%
(f) Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	3.72	0.00	7538551954%
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.14	-	NA
(h) Net capital turnover ratio	Net Sales	Working Capital	2.20	(0)	-3692%
(i) Net profit ratio	Net Profit	Net Sales	(0.39)	(714)	-100%
(j) Return on capital employed	Earning before interest and taxes	Capital Employed	(0.07)	(0)	261%
(k) Return on investment	Profit after tax	Investment	(0.18)	(4)	-95%

Reason for Variance

The Company was acquired from NCLT in previous year and this is the first year of operation for the company, hence the ratios are not comparable.

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Akums Lifesciences Limited (formerly known as Parabolic Drugs Limited)

CIN : U24231CH1996PLC017755

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

(All amounts in ₹ millions unless otherwise stated)

50. These are the list of charges as at 31 March 2022. Charges as at 1 April 2021 pertains to charges prior to NCLT Order. These charges will be vacated after full & final payment of all financial creditors. Management is expecting to pay all the financial creditors in the current financial year.

S.No	Particulars	As at 1 April 2021*	Created	Discharged	As at 31 March 2022
1	Central Bank Of India	400.00	-	-	400.00
2	Export-Import Bank Of India	300.00	-	-	300.00
3	Hdfc Bank Limited**	-	700.00	-	700.00
4	Jm Financial Asset Reconstruction Company Limited	2,569.00	-	(420.00)	2,149.00
5	Jm Financial Asset Reconstruction Company Private Limited	2,393.60	-	(2,393.60)	-
6	Sbicap Trustee Company Limited	9,437.50	-	-	9,437.50
7	Union Bank Of India	23.00	-	-	23.00
		<b>15,123.10</b>	<b>700.00</b>	<b>(2,813.60)</b>	<b>13,009.50</b>

\* Charges pertaining to period prior to 12 January 2021

\*\* This is a fresh charge i.e. post NCLT proceedings and assets are pledged against the security. Refer note 31 for the same.

51. The Company vide board resolution dated 09 December 2021 approved the merger of Akums Lifesciences Limited with Pure and Cure Healthcare Private Limited. The process of merger is in progress and is expected to be completed by end of next financial year. The merger with Pure and Cure Healthcare Private Limited will give the opportunity to utilise the brought forward losses of Akums Lifesciences Limited in merged entity as per the provisions of Section 72A of Income Tax Act, 1961.

## 52. Other Statutory information

(a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(b) The Company do not have any transactions with companies struck off.

(c) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

(f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

(g) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(h) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

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

As per our report of even date attached

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

  
Tarun Gupta  
Partner  
Membership No.507892

Place : New Delhi  
Date : 15 June 2022



For and on behalf of Board of Directors of  
Akums Lifesciences Limited  
(formerly known as Parabolic Drugs Limited)

  
Dharamvir Malik  
Director  
DIN: 06758188

  
Shekhar Bhaskar Bhirud  
Director  
DIN: 07485844

  
Rama Shanker  
Director  
DIN: 06932049

