Walker Chandiok & Co LLP
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Independent Auditor's Report

To the Members of Maxcure Nutravedics Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Maxcure Nutravedics Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 is responsible for the other information. The other information comprises the information included in the Director's report, but 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.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Report to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2021 (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 this 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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- 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; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

11. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, Anil Jain DD & Co., who have expressed an unmodified opinion on those financial statements vide their audit report dated 27 August 2020.

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

13. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying 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 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 3 September 2021 as per Annexure II expressed unmodified opinion; and

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Report to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2021 (cont'd)

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company, as detailed in note 35 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

Tarun

Tarun Gupta
Partner
Membership No.: 507892

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

UDIN: 21507892AAAAGB7956

Place: New Delhi
Date: 3 September 2021

Annexure I to the Independent Auditor's Report of even date to the members of Maxcure Nutravedics Limited, on the financial statements for the year ended 31 March 2021

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising property, plant and equipment, capital work-in-progress, right-of-use assets and intangible assets.

(b) The fixed assets comprising 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 verification of the fixed assets comprising property, plant and equipment and right-of-use assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the company has not entered into any transaction covered under Section 185 and Section 186 in respect of loans, guarantees and security.

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

(b) The due outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure I to the Independent Auditor's Report of even date to the members of Maxcure Nutravedics Limited, on the financial statements for the year ended 31 March 2021 (cont'd)

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹) in lacs	Amount paid under Protest (₹) in lacs	Period to which the amount relates	Forum where dispute is pending	Remark, if any
Income Tax Laws	Income Tax	53.05	53.05	FY 2017-2018	Commissioner of Income Tax	

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank. Further, the Company has no loans or borrowings payable to financial institution or government and no outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

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

Tarun

Tarun Gupta
Partner
Membership No.: 507892

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

UDIN: 21507892AAAAGB7956

Place: New Delhi
Date: 3 September 2021

Annexure II to the Independent Auditor's Report of even date to the members of Maxcure Nutravedics Limited on the financial statements for the year ended 31 March 2021

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 Maxcure Nutravedics Limited (the 'Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the company considering the essential components 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.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Tarun

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 21507892AAAAGB7956

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 3 September 2021

MAXCURE NUTRAVEDICS LIMITED
CIN- U74899DL1994PLC057323
Balance sheet as at 31 March 2021
(All amounts in lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2a	2,643.01	2,044.96
(b) Right-of- use assets	46	183.46	185.94
(c) Capital work-in-progress	2b	15.99	323.34
(d) Intangible assets	2a	0.35	2.14
(e) Financial assets			
(i) Investments	3	1,400.00	2,400.87
(ii) Loans	4	22.27	37.27
(iii) Others financial assets	5	170.37	274.78
(f) Non-current tax assets (net)	6	315.81	342.79
(g) Other non current assets	7	1.90	38.58
Total non-current assets		4,753.16	5,650.67
(2) Current assets			
(a) Inventories	8	4,981.10	4,637.36
(c) Financial assets			
(i) Investments	9	0.10	-
(ii) Trade receivables	10	6,242.33	9,436.68
(iii) Cash and cash equivalents	11	940.35	1,454.32
(iv) Bank balances other than (iii) above	12	119.68	-
(v) Other financial assets	13	18.15	18.26
(c) Other current assets	14	1,537.54	957.59
Total current assets		13,839.25	16,504.21
Total assets		18,592.41	22,154.88
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	5.00	5.00
(b) Other equity	16	9,743.07	9,136.15
Total equity		9,748.07	9,141.15
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17	26.97	22.10
(b) Provisions	18	94.17	71.20
(c) Deferred tax liabilities (net)	19	163.75	201.42
Total non-current liabilities		284.89	294.72
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	1,465.00	2,747.46
(ii) Trade payables	21		
(A) Total outstanding dues to micro and small enterprises		393.12	205.43
(B) Total outstanding dues of creditors other than micro and small enterprises		6,319.80	9,213.76
(iii) Other financial liabilities	22	239.50	243.49
(b) Other current liabilities	23	139.52	307.27
(c) Provisions	24	2.51	1.60
Total current liabilities		8,559.45	12,719.01
Total equity and liabilities		18,592.41	22,154.88

Summary of significant accounting policies and other explanatory information 1-48

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

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

Tarun

Tarun Gupta
Partner
Membership No.507892

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place : New Delhi
Date : 3 September 2021

For and on behalf of Board of Directors of
Maxcure Nutravedics Limited

Nidhi

Nidhi Sharma
Director
DIN: 03170443

Parveen Soni
Director
DIN: 00332902

MAXCURE NUTRAVEDICS LIMITED *

MAXCURE NUTRAVEDICS LIMITED
CIN- U74899DL1994PLC057323
Statement of profit and loss for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
INCOME			
I. Revenue from operations	25	38,519.06	49,709.31
II. Other income	26	401.54	319.04
III. **Total income (I+II)**		38,920.60	50,028.35
EXPENSES			
Cost of materials consumed		6,174.42	5,423.38
Purchase of stock-in-trade		24,429.91	41,350.89
Change in inventories of finished goods, stock-in-trade and work-in-progress	27	1,727.03	(2,536.43)
Employee benefits expense	28	2,275.88	1,782.96
Other expenses	29	1,773.15	1,199.07
IV. **Total expenses**		36,380.39	47,219.88
V. **Earnings before finance costs, depreciation and amortisation and tax (EBITDA) (III-IV)**		2,540.21	2,808.47
Finance costs	30	184.72	57.56
Depreciation and amortisation	2 & 46	230.11	207.24
VI. **Profit before exceptional items and tax**		2,125.38	2,543.67
VII. Exceptional items	45	(1,000.00)	-
VIII. **Profit before tax (PBT) (VI- VII)**		1,125.38	2,543.67
IX. Tax expense:	41		
Current income-tax			
Current year		560.31	617.31
Previous year		-	5.45
Deferred tax (credit)/ charge		(38.73)	134.48
		603.80	1,786.43
X **Profit for the year (VIII-IX)**			
XI. **Other comprehensive income**			
Items that will not be reclassified to profit and loss			
Re-measurement gains/(loss) on defined benefit liability		4.17	(9.16)
Less: Tax effect on above		(1.05)	2.67
Other comprehensive income/ (loss), net of tax		3.12	(6.49)
XII. **Total comprehensive income (X+XI) (comprising of profit for the year and other comprehensive income for the year)**		606.92	1,779.94
XIII. **Earnings per equity share**			
(Face value ₹ 10 (31 March 2020: ₹ 10) each)			
Basic and diluted	31	1,207.60	3,572.86
Summary of significant accounting policies and other explanatory information	1-48		

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

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

Tarun

Tarun Gupta
Partner
Membership No.507892

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place : New Delhi
Date : 3 September 2021

For and on behalf of Board of Directors of
Maxcure Nutravedics Limited

Nidhi

Nidhi Sharma
Director
DIN: 03170443

Parveen Soni
Director
DIN: 00332902

MAXCURE NUTRAVEDICS LIMITED *

MAXCURE NUTRAVEDICS LIMITED
CIN- U74899DL1994PLC057323
Statement of change In equity for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)

a) Equity share capital

Particulars	No. of shares	Amount
As at 1 April 2019	50,000	5.00
Changes in equity share capital	-	-
As at 31 March 2020	50,000	5.00
Changes in equity share capital	-	-
As at 31 March 2021	50,000	5.00

b) Other equity

Particulars	Other equity	
	Retained earnings	Total
As at 1 April 2019	7,356.21	7,356.21
Other comprehensive income for the year, net of tax		-
- Remeasurement of defined benefit plans	(6.49)	(6.49)
Profit for the year	1,786.43	1,786.43
As at 31 March 2020 / 1 April 2020	9,136.15	9,136.15
Other comprehensive income for the year, net of tax		
- Remeasurement of defined benefit plans	3.12	3.12
Profit for the year	603.80	603.80
As at 31 March 2021	9,743.07	9,743.07

Summary of significant accounting policies and other explanatory information 1-48

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

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

Tarun

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 3 September 2021

For and on behalf of Board of Directors of
Maxcure Nutravedics Limited

Nidhi Sharma
Director
DIN: 03170443

Parveen Soni
Director
DIN: 00332902

MAXCURE NUTRAVEDICS LIMITED *

MAXCURE NUTRAVEDICS LIMITED
CIN- U74899DL1994PLC057323
Statement of cash flows for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities			
Profit before tax		**1,125.38**	**2,543.67**
Adjustments for:			
Depreciation and amortisation		230.11	207.24
Loss/(gain) on sale of property, plant and equipment		(0.12)	(0.11)
Dimunition in the value of long-term investments		1,000.00	-
Finance costs		184.72	57.56
Interest income		(14.57)	(17.93)
Allowance for expected credit loss		14.00	2.34
Unrealized foreign currency loss/(gain)		(210.34)	172.20
Operating Profit before working capital changes		**2,329.18**	**2,964.97**
Adjustments for movement in working capital changes			
Inventories		(343.73)	(3,164.18)
Trade receivables		3,390.70	(3,162.64)
Financial assets		15.11	-
Other assets		(579.95)	(684.31)
Trade payables		(2,706.27)	6,654.92
Other liabilities		(167.75)	128.25
Other financial liabilities		82.06	329.90
Provisions		28.06	18.76
Cash flow generated from operations (gross)		2,047.41	3,085.67
Direct taxes paid		(533.33)	(935.85)
Net cash flow generated from operating activities	**(A)**	**1,514.08**	**2,149.82**
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress, capital advances and payable towards property, plant and equipment)		(569.99)	(643.19)
Proceeds from sale of property plant and equipment		9.06	8.35
Investment in / proceeds from long-term investments		0.87	(1,200.87)
Investment in current investments		(0.10)	-
Investment in deposits having original maturity of more than 3 months		(15.28)	(125.17)
Interest received		14.57	17.93
Net cash (used in) investing activities	**(B)**	**(560.87)**	**(1,942.95)**
C. Cash flow from financing activities			
Proceeds/ (repayment) of short-term borrowings (net)		(1,282.46)	874.37
Interest paid		(184.72)	(57.56)
Net cash flow (used in) / generated from financing activities	**(C)**	(1,467.18)	816.81
Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	**(513.97)**	1,023.68
Cash and cash equivalents as at the beginning of the year		1,454.32	430.64
Cash and cash equivalents as at end of year		940.35	1,454.32

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MAXCURE NUTRAVEDICS LIMITED *

MAXCURE NUTRAVEDICS LIMITED
CIN- U74899DL1994PLC057323
Statement of cash flows for the year ended 31 March 2021
(All amounts in lakhs unless otherwise stated)

Components of cash and cash equivalent are as below:

	As at 31 March 2021	As at 31 March 2020
Balance with scheduled banks		
in current accounts	938.51	1,449.80
Cash on hand	1.84	4.52
	940.35	1,454.32

Note 1: The above cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of cash flows'.
Note 2: Disclosures as required in terms of Amendment to Ind AS 7 'Statement of cash flows' related to the change in financial liabilities arising from financing activity is as below

Particulars	Short-term borrowings	Total
Net debt as on 1 April 2019	1,873.09	**1,873.09**
Cash flows		-
Proceeds (net)	874.37	**874.37**
Balance as on 31 March 2020	**2,747.46**	**2,747.46**
Cash flows		
Repayments (net)	(1,282.46)	**(1,282.46)**
Balance as on 31 March 2021	**1,465.00**	**1,465.00**

Summary of significant accounting policies and other explanatory information 1-48

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

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

Tarun

Tarun Gupta
Partner
Membership No.507892

Place : New Delhi
Date : 3 September 2021

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of Board of Directors of Maxcure Nutravedics Limited

Nidhi Sharma
Director
DIN: 03170443

Parveen Soni
Director
DIN: 00332902

MAXCURE NUTRAVEDICS LIMITED *

MAXCURE NUTRAVEDICS LIMITED
CIN- U74899DL1994PLC057323
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021

1 Company overview and summary of significant accounting policies

1.1 Company overview

The Company is engaged in manufacturing of Ayurvedic and Nutraceuticals products and trading of raw materials and packing materials used in pharma industry. The Company follows a business model of contract manufacturing i.e. goods manufactured for other customers under their brand names. The Company is a public limited Company (deemed public) incorporated and domiciled in India and has its registered office at Delhi, India. The Company is wholly owned subsidiary of Akums Drugs and Pharmaceuticals Limited.

The financial statements for the year ended 31 March 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 3 September 2021

1.2 Basis of preparation of financial statements

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

The financial statements have been prepared under the historical cost convention basis except for certain financial assets and liabilities (including derivative instruments) 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 (` or Rs), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs in two decimals as per the requirement of Schedule III to the Act, unless otherwise stated.

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

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, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

Standards issued but not yet effective

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

1.3 Use of judgment, estimates and assumptions

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

Judgements, estimates and assumptions

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

Significant judgements, estimates and assumptions

a) Recognition of deferred tax assets - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

b) Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c) Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of Company's plant and equipment.

d) Provisions – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

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

f) Contingent liabilities – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

MAXCURE NUTRAVEDICS LIMITED

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 and loss as incurred.

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

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

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

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

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'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred.

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

1.5 Intangible assets

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

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

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

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

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- 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.

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.

Derivative financial instruments

The Company uses derivative financial instruments principally to manage its exposure to fluctuations in exchange rates arising from financing activities. Derivative financial instruments are classified as current or non-current assets or liabilities based on their maturity dates. Embedded derivatives are separated from the host contract and accounted for separately if they are not closely related to the host contract. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or 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.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

1.8 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

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written of when management deems them not to be collectible. Impairment is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

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 Company's latest approved budget, adjusted as necessary to exclude the effects of future re-organisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessment of the time value of money and asset-specific risk factors.

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1.10 Provisions and contingent liabilities

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

Contingent liability is disclosed for:

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

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

1.11 Operating expenses

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

1.12 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.

1.13 Earnings per share

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

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.

1.14 Taxes

Current Income Tax

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

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

Deferred tax

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

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

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

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

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1.15 Employees benefits

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

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

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

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

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

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

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

Termination benefits
Termination benefits are recognised as an expense in the period in which they are incurred. The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:
- when the entity can no longer withdraw the offer of those
- when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

1.16 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.

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

Cost of raw materials and packing materials is computed on weighted average basis.
(ii) Stores and spares - at cost or net realisable value, whichever is less. Cost is computed on weighted average basis.
(iii) Work in progress - includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.
(iv) Finished goods - includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.
Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for expired stock and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

1.18 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 from services is recognized in accordance with the terms of contract when the services are rendered and the related costs are incurred.
Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer.
Revenue also excludes goods and service tax (GST) collected from customers, since GST not received by the Company on its own account. Rather, it is collected tax on value added to the commodity/services by the seller, on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Accordingly, it is excluded from revenue. Revenue from the sale of goods is net of returns.

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1.19 **Other income**

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

Interest income

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

1.20 **Government grants and subsidy**

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.

1.21 **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.

1.22 **Leases**

The Company as a lessee

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

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.
Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition

In the previous year, fffective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

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

1.23 **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 notes.

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

1.24 **Measurement of EBITDA**

Earnings before interest, tax, depreciation and amortisation (EBITDA)

The Company presents EBITDA in the statement of profit and loss; this is not specifically required by Ind AS 1. 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 shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Measurement of EBITDA

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

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2a. Property, plant and equipment

Particulars	Property, plant and equipment								Total	Intangible assets
	Buildings	Plant and Equipment	Furniture and Fittings	Vehicles	Office Equipment	Computers	Research and development equipments	Electrical Installation		Software
Gross block										
As at 1 April 2019	749.90	1,723.94	56.99	3.75	37.41	25.86	222.79	250.07	**3,070.70**	18.59
Additions during the year	-	265.35	0.89	-	4.87	10.61	7.80	32.02	**321.54**	-
Disposals	-	(7.94)	-	-	-	-	-	(2.78)	**(10.72)**	-
Balance as at 31 March 2020	**749.90**	**1,981.35**	**57.88**	**3.75**	**42.27**	**36.47**	**230.59**	**279.31**	**3,381.53**	**18.59**
Additions during the year	349.93	352.41	16.64	25.93	14.26	15.41	29.64	28.61	**832.83**	-
Disposals	-	(6.07)	-	-	(0.48)	-	-	(3.95)	**(10.50)**	-
Balance as at 31 March 2021	**1,099.83**	**2,327.69**	**74.52**	**29.68**	**56.06**	**51.88**	**260.23**	**303.97**	**4,203.85**	**18.59**
Depreciation and amortisation										
As at 1 April 2019	188.84	632.27	25.00	0.52	26.46	20.26	104.96	139.20	**1,137.52**	13.21
Charge for the year	23.60	116.00	5.73	0.43	3.60	2.29	22.79	27.08	**201.52**	3.24
On disposals	-	(0.37)	-	-	-	-	-	(2.10)	**(2.47)**	-
Balance as at 31 March 2020	**212.44**	**747.90**	**30.73**	**0.96**	**30.05**	**22.55**	**127.75**	**164.18**	**1,336.57**	**16.45**
Charge for the year	23.63	138.36	5.38	1.16	4.46	7.08	20.08	25.69	**225.84**	1.79
On disposals	-	(1.62)	-	-	(0.07)	-	(0.11)	(0.13)	**(1.57)**	-
Balance as at 31 March 2021	**236.07**	**884.63**	**36.11**	**2.12**	**34.58**	**29.63**	**147.95**	**189.74**	**1,560.84**	**18.24**
Net block										
As at 31 March 2020	**537.45**	**1,233.46**	**27.15**	**2.79**	**12.22**	**13.92**	**102.84**	**115.13**	**2,044.96**	**2.14**
As at 31 March 2021	**863.76**	**1,443.06**	**38.41**	**27.55**	**21.47**	**22.26**	**112.28**	**114.23**	**2,643.01**	**0.35**

Note:

1. Refer note 32 for information on property, plant and equipment pledged as security by the Company.
2. Refer note 33 for disclosures of contractual commitments for the acquisition of property, plant and equipment.

2b. Capital work-in-progress

Particulars	Amount
As at 1 April 2019	1.68
Add: Additions during the year	323.34
Less: Capitalised during the year	(1.68)
As at 31 March 2020/ 1 April 2020	**323.34**
Add: Additions during the year	-
Less: Capitalised during the year	(307.35)
As at 31 March 2021	15.99

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Particulars	As at 31 March 2021	As at 31 March 2020
3. Investments		
A. Investments in equity instrument		
Investment in subsidary (measured at cost), Unquoted, Trade		
Medibox Digital Solutions Private Limited		
2,31,172 (31 March 2020: 8,686) equity share of ₹ 10 (31 March 2020: ₹ 10) each fully paid*	2,400.00	1.00
Less: Provision for dimunition in long-term investments (Refer note 45)	(1,000.00)	-
	1,400.00	1.00
B. Investment in preference shares		
Investment in subsidary (measured at cost), Unquoted, Trade		
Medibox Digital Solutions Private Limited		
Nil (31 March 2020 : 2,31,172 Compulsory Convertible Cumulative Participating Preference Shares (CCCPPS) of ₹ 10 each fully paid)*	-	2,399.87
	-	2,399.87
	1,400.00	2,400.87
Aggregate amount of unquoted investments	1,400.00	2,400.87
Aggregate amount of provision for dimunition in investments	1,000.00	-

*Note
During the financial year, 2,31,172 preference share held by the Company having face value of ` 10 each have been converted in equity share in the ratio 1:1 each having a face value of ` 10 each in accordance with the investment agreement entered by the Company with the holders of CCCPS intrsuments. Equity shares of the company, upon conversion of CCCPS shall rank pari-passu in all respect with the existing fully paid up equity shares of the company having face value of ` 10 each. Further, 8,676 equity shares have been transferred by the Company to another shareholder.

Particulars	As at 31 March 2021	As at 31 March 2020
4. Loans		
Unsecured, considered good		
Security deposits	22.27	37.27
	22.27	37.27
5. Other financial assets		
Unsecured, considered good		
Bank deposits with remaining maturity of more than 12 months*	170.37	274.78
	170.37	274.78

*pledged with bank and government authorities
Refer note 39 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

Particulars	As at 31 March 2021	As at 31 March 2020
6. Non-current tax assets (net)		
Advance tax (net of provisions) (Refer note no 41)	315.81	342.79
	315.81	342.79
7. Other non-current assets		
Unsecured, considered good		
Capital advances	1.90	38.58
	1.90	38.58

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Particulars	As at 31 March 2021	As at 31 March 2020
8. Inventories		
(refer note 1.17 in respect of mode of valuation of inventories)		
Raw materials		
on hand	3,121.83	1,131.85
in transit	9.82	28.39
Packing materials		
on hand	398.92	265.97
in transit	0.60	3.52
Work-in-progress	182.57	282.52
Finished goods	268.44	180.06
Stock-in-trade		
on hand	15.64	1,124.83
in transit	938.52	1,529.16
Stores and spares		
on hand	44.07	84.66
in transit	0.69	6.20
	4,981.10	**4,637.36**

Refer note 32 for information on Inventory pledged as security by the Company.

9. Investments		
Current, unqouted (measured at fair value through profit and loss)		
Non- Trade		
Investment in mutual funds		
- 3.308 (previous year : Nil) units of HDFC Overnight fund - Direct Plan - Growth Option	0.10	-
	0.10	
Aggregate amount of unquoted investments and market value thereof	0.10	

Refer note 39 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

10. Trade receivables		
Considered good - unsecured	6,242.33	9,436.68
Credit impaired	14.00	-
Less : Allowance for expected credit losses	(14.00)	-
	6,242.33	**9,436.68**
Due from related party (refer note 38)	3,730.03	1,750.02

Refer note 39 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

11. Cash and cash equivalents		
Balance with banks		
in current accounts	938.51	1,449.80
Cash on hand	1.84	4.52
	940.35	**1,454.32**

Refer note 39 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

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Particulars	As at 31 March 2021	As at 31 March 2020
12.Other bank balances		
Unsecured, considered good		
Bank deposits with original maturity of more than 3 months and less than 12 months*	119.68	-
	119.68	**-**

*pledged with bank and government authorities

Refer note 39 for disclosure of fair value in respect of financial assets measured at amortised cost and assessment of expected credit losses respectively.

13. Other financial assets		
Unsecured, considered good		
Balance with statutory and other authorities	18.15	18.26
	18.15	**18.26**

14. Other current assets		
Unsecured, considered good		
Advance to suppliers and others*	1,177.68	496.81
Prepaid expenses	27.36	25.65
Balances with statutory authorities	309.10	424.59
Others	23.40	10.54
	1,537.54	**957.59**
* Includes recoverable from related party (refer note no 38)	944.38	-

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(All amounts in lakhs unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
15. Equity share capital		
Authorised		
250,000 (31 March 2020: 250,000) equity shares of ₹10 (31 March 2020 : ₹10) each	25.00	25.00
Issued, subscribed and fully paid up		
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 (31 March 2021: ₹ 10) each	5.00	5.00
	5.00	5.00

15.1 There has been no change in the number of shares outstanding at the beginning and at the end of the reporting period.

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

In the event of winding up of the Company, the equity shareholders 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.

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

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% holding	No. of shares	% holding
Akums Drugs and Pharmaceuticals Limited and its nominees	50,000	100%#	50,000	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.*

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

15.5 No shares have been reserved for issue under options.

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(All amounts in lakhs unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
16. Other equity		
Retained earnings		
Balance at the beginning of the year	9,136.15	7,356.21
Profit for the year	603.80	1,786.43
Other comprehensive income		
- Remeasurement of defined benefit plans, net of tax.	3.12	(6.49)
Balance at the end of the year	9,743.07	9,136.15

Nature and purpose of reserve

Retained earnings

The retained earnings represents the undistributed surplus of the Company earned from its business operations.

Other comprehensive income

Represents the actuarial gain/ loss arising on account of defined benefit plan

17. Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposit received		
from customers	20.34	15.98
from others	6.63	6.12
	26.97	22.10

18. Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
Gratuity (refer note 36)	70.65	58.72
Compensated absences (refer note 36)	23.52	12.48
	94.17	71.20

19. Deferred tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities comprises:		
Temporary differences of book and tax depreciation	205.49	226.79
	205.49	226.79
Deferred tax assets comprises:		
Provision for doubtful debts	3.52	-
Items that are tax deductible on payment basis	38.22	25.37
	41.74	25.37
Deferred tax liabilities (net)	163.75	201.42

20. Borrowings -current

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Working capital loan from banks (refer note 20.1)	1,000.00	1,997.46
Unsecured		
Loan from related company (refer note 20.2)	465.00	750.00
	1,465.00	2,747.46

Notes :-

20.1 Working capital loan from banks	Balance oustanding 31 March 2021	Balance oustanding 31 March 2020
20(i) Working Capital loan from Citi Bank Ltd secured by hypothecation (first pari-passu charge) of stocks, current assets and mortgage of and movable fixed assets and carries an interest rate of 6.25% p.a. (previous year 7.80% p.a.) and is repayable after 7 days of utilisation of facility.	1,000.00	500.00
20(ii) Cash Credit from Citi Bank Ltd secured by hypothecation (first pari-passu charge) of stocks, current assets and mortgage of and movable fixed assets and carries an interest rate in the range of 8.05% to 10.15% p.a (8.00% to 9.35%% p.a. in previous year) and is repayable on demand.	-	1,263.20
20(iii) Cash Credit from IDFC Bank Ltd secured by hypothecation (first pari-passu charge) of stocks, current assets and mortgage of and movable fixed assets and carries an interest rate of 8.10% p.a. (9.5% p.a. in previous year).	-	234.26
	1,000.00	1,997.46

Refer note 32 for pledged against borrowing facilities.

20.2 The loan from related party include the unsecured loan taken from holding Company carrying an interest rate of 8% p.a (previous year : 8% p.a.) and is repayable in November 2023.

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Particulars	As at 31 March 2021	As at 31 March 2020
21.Trade payables		
Total outstanding dues of micro and small enterprises	393.12	205.43
Total outstanding dues of creditors other than micro and small enterprises (refer note 39 and 44)	6,319.80	9,213.76
	6,712.92	9,419.19
Due to related party (refer note 38)	36.68	56.02
22. Other financial liabilities		
Employee payable	193.57	116.37
Capital creditors	45.93	127.12
Total	239.50	243.49
23.Other current liabilities		
Advance from customers	54.81	242.12
Other payables		
Statutory dues	84.71	65.15
	139.52	307.27
24.Provisions		
Provision for employee benefits		
Gratuity (refer note 36)	1.10	0.90
Compensated absences (refer note 36)	1.41	0.70
	2.51	1.60

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Particulars		Year ended 31 March 2021	Year ended 31 March 2020
25.Revenue from operations			
Sale of finished products		12,269.71	7,677.61
Sale of traded products			
Domestic		25,026.33	40,128.20
Exports		110.25	550.03
Sale of others		224.51	120.43
Other operating revenues			
Job work income		839.39	1,208.08
Sale of scraps		48.87	24.96
		38,519.06	49,709.31

Refer Note 37 in terms of disclosures required under Ind AS 115

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
26.Other income			
Interest income on bank deposits at amortised cost		14.57	17.93
Subsidy income		1.44	208.84
Testing charges		93.34	65.28
Gain on foreign exchange transactions and translations		210.34	-
Gain on sale of property, plant and equipment		0.12	0.11
Miscellaneous receipts		81.73	26.88
		401.54	319.04

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
27. Change in inventory of finished goods, stock-in-trade and work in progress			
Opening stocks			
Finished goods		180.06	50.21
Work-in-progress		282.52	211.72
Stock-in-trade (including transit)		2,653.98	318.21
	(A)	3,116.56	580.14
Less: Closing stocks			
Finished goods		268.44	180.06
Work-in-progress		182.57	282.52
Stock-in-trade (including transit)		938.52	2,653.98
	(B)	1,389.53	3,116.56
Change in inventory of finished goods and work in progress	(A-B)	1,727.03	(2,536.42)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
28.Employee benefits expense			
Salaries, wages and bonus		2,139.26	1,668.56
Contribution to provident and other funds (refer note 36)		62.99	51.03
Staff welfare expenses		73.63	63.37
		2,275.88	1,782.96

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Particulars	Year ended 31 March 2021	Year ended 31 March 2020
29. Other expenses		
Consumption of stores and spare parts	203.48	96.44
Power and fuel	454.79	381.52
Rent	43.61	43.86
Repair and maintenance		
Plant and equipment	98.71	69.97
Building	13.82	4.74
other	78.28	62.10
Insurance	34.21	38.29
Travelling expense	1.61	4.28
Conveyance	2.44	1.55
Fees and subscription	7.79	10.36
Legal and professional expenses	530.36	21.65
Freight and cartage outward	19.72	51.00
Credit losses on financial assets	-	2.34
Net loss on foreign currency transactions	-	254.30
Provision for expected credit loss on trade receivables	14.00	-
Corporate social responsibility expenses (Refer note 43)	50.00	39.00
Payment to auditors (Refer note 34)	8.40	6.17
Miscellaneous	211.93	111.51
	1,773.15	**1,199.07**

30. Finance costs

Interest expense		
on working capital from bank	40.59	45.89
on unsecured loan from holding Company	144.13	11.67
	184.72	**57.56**

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Particulars	Year ended 31 March 2021	Year ended 31 March 2020

31. Earning per equity share

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

Net profit for calculation of basic and diluted EPS(₹) (A)	603.80	1,786.43
Total number of equity shares outstanding at the end of the year (nos. in Lakhs)	0.50	0.50
Weighted average number of equity shares in calculating basic and diluted EPS (nos. in Lakhs) (B)	0.50	0.50
Basic and diluted EPS (₹) (A/B)	1,207.60	3,572.86

32. Assets pledged as security (refer notes 20)	As at 31 March 2021	As at 31 March 2020
Current		
Inventories	4,981.10	4,637.36
Other bank balances	290.05	274.78
Trade receivables	6,242.33	4,637.36
Total current assets pledged as security	**11,513.48**	**9,549.50**
Non-current		
Property, plant and equipment	2,643.01	2,044.96
Total non-current assets pledged as security	**2,643.01**	**2,044.96**
Total assets pledged as security	14,156.49	11,594.46

33. Capital and other commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for(net of advances)	45.59	59.46

34. Payment to auditors

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
- as auditor	8.00	2.45
- for taxation matters	-	1.05
- for reimbursement of expenses	0.40	1.50
	8.40	5.00

35. Contingent liabilities and litigations

(i) Claim against the Company, not acknowledged as a debt.		
Income-tax matters (refer note a and b below)	53.05	53.05

a) During the year, for the A.Y. 2018-19 a demand of ` 1.98 lakhs was raised upon the Company by way of intimation under section 143(1) of Income Tax Act on account of disallowance of expenditure u/s 36(1)(va) in respect of credit towards provident fund, against which an appeal has been filed by the Company before the Commissioner of Income Tax (Appeals), New Delhi. Based on the discussion with the advocate, the Company believes that there is a fair chance of favorable decision in this case. Therefore, no provision is considered necessary against the same.

b) During the year, for the A.Y. 2018-19 a demand of ` 51.07 lakhs was raised upon the Company by way of intimation under section 143(2) of Income Tax Act on account by reducing the amount of deduction claimed u/s 80IC for the income arise from the operations of Haridwar unit, against which an appeal has been filed by the Company before the Commissioner of Income Tax (Appeals), New Delhi. Based on the discussion with the advocate, the Company believes that there is a fair chance of favorable decision in this case. Therefore, no provision is considered necessary against the same.

ii) Pursuant to judgement by the Hon'ble Supreme Court of India dated 28 February, 2019, it was held that basic wages, for the purpose of provident fund, should include certain allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. The company based on discussion with internal counsel, believes that the ruling would be applicable prospectively and accordingly the management has not provided for liability arising, if any for the past periods. Further, the management believes that it is compliant, in all material aspects, with all the relevant statutory requirement for the current year. Accordingly, the Company believes that this matter will not have any material adverse impact on the financial position of the Company.

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36. Employees benefits obligation

A. Defined contribution plan

Retirement benefits in the form of provident fund, superannuation fund and Employee State Insurance Scheme are defined contribution schemes. The company has no obligation, other than the contribution payable to provident fund. The company contribution to the defined plans is:

	Year ended 31 March 2021	Year ended 31 March 2020
The amount recognised as expense towards contribution to defined contribution plans for the year is as below:		
Company's contribution to Provident Fund	58.07	45.28
Company's contribution to Employees' State Insurance Scheme	4.92	5.75
Total	62.99	51.03

B. Defined benefit plan - gratuity

The Company has defined benefit gratuity plan for its employees where gratuity is computed as 15 days last drawn salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement /termination /resignation. The benefit vests on the employee completing 5 years of service. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Summary for the same is as below:

(i) Present value of defined benefit obligation as at the end of the year	Year ended 31 March 2021	Year ended 31 March 2020
Non-current	70.65	58.72
Current	1.10	0.90
	71.75	59.62

(ii) Movement in the present value of defined benefit obligation recognised in the balance sheet	Year ended 31 March 2021	Year ended 31 March 2020
Present value of defined benefit obligation as at the beginning of the year	59.62	35.98
Current service costs	19.10	13.32
Interest costs	4.05	2.76
Benefits paid	(6.84)	(1.59)
Acturial loss/(gain) on obligation	(4.17)	9.15
Present value of defined benefit obligation as at the end of the year	71.75	59.62

(iii) Expense recognised in the statement of profit and loss consists of:	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	19.10	13.32
Interest costs	4.05	2.76
Net impact on profit before tax	**23.15**	**16.08**
Actuarial loss/(gain) recognised during the year in other comprehensive income	(4.17)	9.15
Amount recognised in total comprehensive income	18.98	25.23

(iv) Breakup of acturial gain/(loss)	Year ended 31 March 2021	Year ended 31 March 2020
Actuarial (gain)/loss from change in demographic assumption	-	(0.03)
Actuarial (gain)/loss from change in financial assumption	-	6.55
Actuarial (gain)/loss from experience adjustment	(4.17)	2.63
Total actuarial (gain)/loss	(4.17)	9.15

(v) Actuarial assumptions	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate	6.79%	6.79%
Rate of increase in compensation levels	5.50%	5.50%
Attrition rate:		
Upto 30 years	3%	3%
from 31-44 years	2%	2%
Above 44	1%	1%
Retirement age	58	58
Mortality rate	IALM(2012-14)	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.

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(vi) Sensitivity analysis for gratuity liability

	Year ended 31 March 2021	Year ended 31 March 2020
a) Impact of the change in		
Present value of obligation at the end of the period	**71.75**	**59.62**
Impact due to increase of 0.50%	(4.66)	4.02
Impact due to decrease of 0.50 %	5.11	4.42
b) Impact of the change in		
Present value of obligation at the end of the period	**71.75**	**59.62**
Impact due to increase of 0.50%	5.15	4.46
Impact due to decrease of 0.50 %	4.73	(4.09)

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 defind benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

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

Within next 12 months	1.10	0.90
Between 1-5 years	7.68	5.49
Beyond 5 years	62.97	53.23
	71.75	59.62

C. Compensated absences

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

37. Revenue from contracts with customers

(i) Disaggregation of revenue

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products		
Revenue from sale of manufactured goods- Pharmaceuticals	37,406.29	48,355.84
Revenue from sale of goods - others	224.51	120.43
Other operating revenue		
Job work income	839.39	1,208.08
Sale of scrap	48.87	24.96
	38,519.06	**49,709.31**

(ii) Assets and liabilities related to contracts with customers

	Year ended 31 March 2021		Year ended 31 March 2020	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	54.81	-	242.12
Contract assets related to sale of goods				
Trade receivables	-	6,242.33	-	9,436.68

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:
The change in contract assets is on account of amount charged from sale of goods and the amount outstanding at year end while there is no makpr change in the contract liabilities during the year:

	As at 31 March 2021	As at 31 March 2020
	Contract liabilities	Contract liabilities
Particulars	Advances from customers	Advances from customers
Opening balance	242.12	11.65
Addition during the year	54.81	242.12
Revenue recognised during the year	242.12	11.65
Closing balance	**54.81**	**242.12**

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.

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38. Related party disclosures in accordance with Ind AS 24

I. Relationships

a) Holding Company
- Akums Drugs and Pharmaceuticals Limited

b) Subsidiary Company
- Medibox Digital Solutions Private Limited

c) Key management personnel (KMP) of the Company or itsparent

Name	
Mr. Khyali Dutt Sharma	Director
Ms.Nidhi Sharma	Director
Mr. Parveen Soni	Director
Mr. Rohitaswa	Director
Mr. Sandeep Jain	KMP of parent company
Mr. D.C.Jain	Relative of KMP of parent company
Ms. Lata Jain	Relative of KMP of parent company
Mr. Dheeraj Kumar Arora	Director (till 5 December 2019)
Mr. Mohammad Shahbaz Ala	Director (till 10 December 2019)
Ms.Neena Vivek	Director (till 10 December 2019)

d) Fellow subsidiaries*
-Akumentis Healthcare Ltd. (w.e.f 20 March 2020)
-AVHA Lifesciences Private Limited
-Amazing Research Laboratories Limited
-Delcure Lifesciences Limited
-May and Baker Pharmaceuticals Limited
-Malik Lifesciences Private Limited
-Plenteous Pharmaceuticals Limited
-Pure and Cure Healthcare Private Limited
-Sarvagunaushdhi Private Limited
-Akums Lifesciences Limited
-Nicholas Healthcare Limited
-Unosource Pharma Limited
-Upadhrish Reserchem LLP

e) Other related party - KMP of Holding company having substantial control*
-Cure Sure Pharma

f) Entity controlled by KMP/Parent having substantial interest of the Holding Company
-Akums Health and Education society
-AUSL Pharma

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

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II **Summary of related party transactions**

Particulars	Total	
	31 March 2021	31 March 2020
(a) **Transactions during the year**		
Investment made		
Medibox Digital Solutions Private Limited	-	1,200.87
Investment sold		
Akums Drugs and Pharmaceuticals Limited	0.21	-
Inter-corporate loan receipt		
Akums Drugs and Pharmaceuticals Limited	7,079.00	2,090.00
Inter-corporate loan repaid		
Akums Drugs and Pharmaceuticals Limited	7,364.00	1,340.00
Interest paid on Inter-corporate loan		
Akums Drugs and Pharmaceuticals Limited	144.13	116.78
Sales of goods		
Amazing Research Laboratories Limited	45.96	24.81
AVHA Lifesciences Private Limited	0.52	0.99
Delcure Lifesciences Limited	88.10	137.36
Pure & Cure Healthcare Private Limited	4,381.66	3,909.55
Malik Lifesciences Private Limited	7,514.30	8,989.22
May and Baker Pharmaceuticals Limited	0.87	1.12
Plenteous Pharmaceuticals Limited	95.99	24.01
Akumentis Healthcare Limited	117.20	152.28
Akums Drugs and Pharmaceuticals Limited	6,847.79	5,055.12
AUSL Pharma	502.41	608.78
AUSL Pharma (interest)	35.33	-
Akums Lifesciences Limited	625.86	-
Sarvagunausdhi Private Limited	24.16	4.51
Cure Sure Pharma	5.55	3.61
Unosource Pharma Ltd	60.72	94.80
Upadhrish Reserchem LLP	75.74	18.00
Sales of assets		
Pure and Cure Healthcare Private Limited	1.98	-
Akums Drugs and Pharmaceuticals Limited	2.39	0.38
Purchase of goods		
Malik Lifesciences Private Limited	5.30	118.47
Pure and Cure Healthcare Private Limited	137.58	414.58
Sarvagunausdhi Private Limited	0.57	0.79
AUSL Pharma	119.55	69.58
Akums Drugs and Pharmaceuticals Limited	733.96	101.24
Upadhrish Reserchem LLP	225.90	156.94
Purchase of assets		
Malik Lifesciences Private Limited	-	1.28
Pure & Cure Healthcare Private Limited	0.24	0.16
Akums Drugs and Pharmaceuticals Limited	37.59	0.13
Expenses paid on behalf of company		
Pure and Cure Healthcare Private Limited	1.53	1.13
Medibox Digital Solutions Private Limited	9.86	-
Upadhrish Reserchem LLP	82.71	62.15
Expenses reimbursed		
Akums Drugs and Pharmaceuticals Limited	1,118.26	26.35
Medibox Digiatl Solutions Private Limited	-	9.86
Plenteous Pharmaceuticals Limited	-	0.02
AVHA Lifesciences Private Limited	-	0.15
Sarvagunausdhi Private Limited	-	0.04
Malik Lifesciences Private Limited	-	0.06
Akumentis Healthcare Limited	-	1.28
Pure & Cure Healthcare Private Limited	-	-
Unosource Pharma Limited	-	0.13
Amazing Research Laboratories Limited	-	0.34
Delcure Lifesciences Limited	-	0.13
CSR contribution paid		
Akums Heath and Education Society	-	39.00

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Transactions during the year (cont'd)

Particulars	Total	
	31 March 2021	31 March 2020
Rent paid		
Akums Drugs and Pharmaceuticals Limited	36.00	36.00
Sandeep Jain	3.30	3.30
Lata Jain	3.36	3.36
Professional charges paid		
D.C. Jain	7.20	6.00
Remuneration paid*		
K.D Sharma	19.57	14.80
Rohitaswa	5.34	4.04
Sitting fees		
Ms. Nidhi Sharma	0.10	0.03
Mr. Parveen Soni	0.10	0.03
Mr. Dheeraj Kumar Arora	-	0.08
Mr. Mohammad Shahbaz Ala	-	0.20
Ms Neena Vivek	-	0.20

does not include the post employment benefits as it is been considered for the Company on a whole

(b)	**Balance outstanding at the year end**		
	Inter corporate loan payable		
	Akums Drugs and Pharmaceuticals Limited	465.00	750.00
	Trade receivables		
	Amazing Research Laboratories Limited	23.88	12.94
	AVHA Lifesciences Private Limited	-	-
	Delcure Lifesciences Limited	79.95	127.50
	Plenteous Pharmaceuticals Limited	88.28	-
	Akums Health & Education Society	-	-
	AUSL Pharma	-	430.41
	May & Baker Pharmaceuticals Limited	-	1.33
	Malik Lifesciences Private Limited	2,208.17	1,128.93
	Akums Lifesciences Limited	734.99	
	Unosource Pharma Limited	36.48	33.73
	Akums Drugs and Pharmaceuticals Limited	403.16	-
	Pure & Cure Healthcare Private Limited	121.21	-
	Cure Sure Pharma	-	2.66
	Sarvagunausdhi Private Limited	28.08	4.37
	Akumentis Healthcare Limited	5.83	8.16
	Other receivables		
	Akums Lifesciences Limited	944.38	-
	Akums Drugs and Pharmaceuticals Limited	0.21	-
	Trade payables		
	Akums Drugs and Pharmaceuticals Limited	15.75	56.02
	Pure & Cure Healthcare Private Limited	15.96	-
	Upadhrish Reserchem LLP	4.95	-
	Sarvagunausdhi Private Limited	0.02	
	Malik Lifesciences Private Limited	0.01	-
	Other payables		
	Akums Drugs and Pharmaceuticals Limited	-	38.60

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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 2021	As at 31 March 2020
Financial assets measured at amortised cost:			
Loans	4	22.27	37.27
Other financial assets	5 & 13	188.52	293.03
Trade receivables	10	6,242.33	9,436.68
Cash and cash equivalents	11	940.35	1,454.32
Other bank balances	12	119.68	-
Total		**7,513.15**	**11,221.30**
Financial liabilities measured at amortised cost:			
Lease liability		-	-
Borrowings	20	1,465.00	2,747.46
Other financial liabilities	17 & 22	266.47	265.59
Trade payables	21	6,712.92	9,419.19
Total		8,444.39	12,432.24

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.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Investments (Current)	-	0.10	-	**0.10**
Total	-	0.10	-	**0.10**

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Investments (Current)	-	-	-	-
Total	-	-	-	-

B.2 Financial assets and liabilities measured at amortised cost

Fair value of financial assets and liabilities measured at amortised cost	Level	Carrying value	Fair value	Reference
As at 31 March 2021				
Financial assets				
Loans	3	22.27	22.27	refer note 'a'
Other financial assets	3	188.52	188.52	refer note 'a'
Trade receivables	3	6,242.33	6,242.33	refer note 'a'
Cash and cash equivalents	3	940.35	940.35	refer note 'a'
Other bank balances	3	119.68	119.68	refer note 'a'
Financial liabilities				
Lease Liability	3	-	-	refer note 'b'
Borrowings	3	1,465.00	1,465.00	refer note 'b'
Other financial liabilities	3	266.47	266.47	refer note 'a'
Trade payables	3	6,712.92	6,712.92	refer note 'a'

	Level	Carrying value	Fair value	Level
As at 31 March 2020				
Financial assets				
Loans	3	37.27	37.27	refer note 'a'
Other financial assets	3	293.03	293.03	refer note 'a'
Trade receivables	3	9,436.68	9,436.68	refer note 'a'
Cash and cash equivalents	3	1,454.32	1,454.32	refer note 'a'
Other bank balances	3	-	-	refer note 'a'
Financial liabilities				
Lease Liability	3	-	-	refer note 'b'
Borrowings	3	2,747.46	2,747.46	refer note 'b'
Other financial liabilities	3	265.59	265.59	refer note 'a'
Trade payables	3	9,419.19	9,419.19	refer note 'a'

(a) The carrying amount loans, trade receivables, other bank balances, 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 long term borrowing facilities availed by the Company 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	Loans, 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	Long-term 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, loans 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	Loans, Cash and cash equivalents, financial assets measured at amortised cost	12 month expected credit loss
Moderate credit risk	Trade receivables	Trade receivables - Life time expected credit loss
High credit risk	Trade receivable	Trade receivables - Life time expected credit loss or specific provision whichever is higher

Financial assets that expose the entity to credit risk –

Particulars	At at 31 March 2021	At at 31 March 2020
Low credit risk		
Trade receivables	6,242.33	9,436.68
Cash and cash equivalents	940.35	1,454.32
Other bank balances	119.68	-
Loans	22.27	37.27
Other financial assets	188.52	293.03
High credit risk		
Trade receivables	14.00	-
Total	7,527.15	11,221.30

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.

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(b) Expected credit losses for financial assets

(i) Financial assets (other than trade receivables)

Company provides for expected credit losses on loans other than trade receivables by assessing individual financial instruments for expectation of any credit losses.
- For cash & cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents and other bank balances and bank deposits is evaluated as very low.
- For loans and other financial assets - Credit risk is evaluated based on Company knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Company policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk.

31 March 2021	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	940.35	0.00%	-	940.35
Other bank balances	119.68	0.00%	-	119.68
Loans	22.27	0.00%	-	22.27
Other financial assets	188.52	0.00%	-	188.52

31 March 2020	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of loss allowance
Cash and cash equivalents	1,454.32	0.00%	-	1,454.32
Loans	37.27	0.00%	-	37.27
Other financial assets	293.03	0.00%	-	293.03

(ii) Expected credit loss for trade receivables under simplified approach
As at 31 March 2021 and 31 March 2020, 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 2021	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	3,351.95	0.00%	-	3,351.95
Between one to six month overdue	2,860.99	0.00%		2,860.99
Between six month to one year overdue	2.33	0.00%		2.33
Greater than one year overdue	41.06	34.09%	14.00	27.06
Total	6,256.33		14.00	6,242.33

As at 31 March 2020	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Amount not yet due	2,954.24	0.00%	-	2,954.24
Between one to six month overdue	6,343.88	0.00%	-	6,343.88
Between six month to one year overdue	63.60	0.00%	-	63.60
Greater than one year overdue	74.95	0.00%	-	74.95
Total	9,436.67		-	9,436.67

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

Reconciliation of loss allowance	Trade receivables
Loss allowance as at 1 April 2019	-
Charge in statement of profit and loss	
Release to statement of profit and loss	-
Loss allowance as at 31 March 2020	-
Charge in statement of profit and loss	14.00
Release to statement of profit and loss	-
Loss allowance on 31 March 2021	14.00

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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 2021	As at 31 March 2020
Working capital facility	9,499.99	8,499.97

(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 2021	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Short term borrowings	1,465.00	-	-	-	1,465.00
Trade payables	6,712.92	-	-	-	6,712.92
Other financial liabilities	239.50	-	-	-	239.50
Total	8,417.42	-	-	-	8,417.42

31 March 2020	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Short term borrowings	2,747.46	-	-	-	2,747.46
Trade payables	9,419.19	-	-	-	9,419.19
Other financial liabilities	243.49	-	-	-	243.49
Total	12,410.14	-	-	-	12,410.14

C.3 Market risk

(a) Foreign currency risk

The Company is usually 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 terms). However, the Company presently transacts within India due to which there is no foreign currency risk applicable to the entity.

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(All amounts in lakhs unless otherwise stated)

(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 2021 and 31 March 2020, 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 2021	As at 31 March 2020
Variable rate borrowing	1,465.00	2,747.46
Fixed rate borrowing	-	-
Total borrowings	**1,465.00**	**2,747.46**
Amount disclosed under other current financial liabilities		
Amount disclosed under borrowings	**1,465.00**	**2,747.46**

Sensitivity

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

Particulars	As at 31 March 2021	As at 31 March 2020
Interest sensitivity*		
Interest rates – increase by 50 basis points	7.33	13.74
Interest rates – decrease by 50 basis points	(7.33)	(13.74)

** 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 not exposed to significant price risk.

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 2021	As at 31 March 2020
Total borrowings (including current maturities of long term debt)	1,000.00	1,997.46
Less: Cash and cash equivalents	940.35	1,454.32
Net debt	**59.65**	**543.14**
Total equity	**9,748.07**	**9,141.15**
Equity and net debt	**9,807.72**	**9,684.29**
Gearing ratio	**0.61%**	**5.61%**

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MAXCURE NUTRAVEDICS LIMITED *

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41. Tax expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Tax expense:		
Recognised in statement of profit and loss		
Current tax	560.31	617.31
Tax earlier years	-	5.45
Deferred tax	(38.73)	134.48
Tax impact on OCI	1.05	(2.67)
Total tax expense	**522.63**	**754.57**

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 2021	Year ended 31 March 2020
Profit before tax	2,125.38	2,543.67
Income tax using the Company's domestic tax rate * (refer note below)	25.17%	29.12%
Expected tax expense [A]	534.92	740.72
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of non-deductible expenses	24.34	18.14
Others (including impact on other comprehensive income)	(36.62)	(4.29)
Total adjustments [B]	(12.28)	13.85
Actual tax expense [C=A+B]	522.63	754.57

* Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	22%	25%
Surcharge (% of tax)	10%	12%
Cess (% of tax)	4%	4%
Applicable rate of tax	**25.17%**	**29.12%**

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

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

Particulars	As at 31 March 2020	Impact due to change in tax rate	Recognised in OCI	Recognised in profit and loss	As at 31 March 2021
Deferred tax liability consists of:					
Property, plant and equipment and intangible	(226.79)	30.76	-	(9.46)	(205.49)
Deferred tax assets consists of:				-	
Employee benefits	25.37	(3.43)	(1.05)	17.33	38.22
Provision for credit losses on financial assets	-	-	-	3.52	3.52
Net deferred tax asset / (liability)	**(201.42)**	**27.33**	**(1.05)**	**11.40**	**(163.75)**

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

Particulars	As at 31 March 2019	Recognised in OCI	Recognised in profit and loss	As at 31 March 2020
Property, plant and equipment and intangible assets	(223.40)	-	(3.39)	(226.79)
Employee benefits	14.91	2.67	7.79	25.37
Net deferred tax asset / (liability)	**(208.49)**	**2.67**	**4.40**	**(201.42)**

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42. Segment reporting

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

43. Corporate social responsibility

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

The Company has spent amount on corporate social responsibility expenses as below:	Year ended 31 March 2021	Year ended 31 March 2020
Unspent balance as at 31 March 2020	-	-
Gross amount required to be spent during the year	39.46	38.58
Amount spent during the year		
- Construction/acquisition of any Asset	-	-
- On purposes other than above	50.00	39.00
Unspent balance as at 31 March 2021	-	-

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

Particulars	As at 31 March 2021	As at 31 March 2020
(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	393.12	205.43
- 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.	-	-

45. Exceptional item	Year ended 31 March 2021	Year ended 31 March 2020
Provision for dimunition in the investment done in Medibox Digital Solutions Private Limited	1,000.00	-

During the year ended 31 March, 2021, the Company had made an assessment of the recoverable value of investment in its subsidiaries taking into account the past business performance, prevailing business conditions and revised expectations of the future performance. The recoverable value of investment in Medibox Digital Solutions Private Limited was the value in use determined as per discounted cash flow method. Basis the recoverable value computed and the future plans of the Company, management believes that provision of ` 1,000 lacs to be provided for in the books of accounts and accordingly have been disclosed under exceptional items as per applicable Ind AS.

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46. 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, but discounted at the lesses'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 1 April 2019 was 9% 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:

As on 31 March 2021 Category of asset	No of right-of-use assets	Range of remaining term (year)	Average remaining tlease erm (year)
Land	1	74	74

As on 31 March 2020 Category of asset	No of right-of-use assets	Range of remaining term (year)	Average remaining tlease erm (year)
Land	1	75	75

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

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

Particulars	Category of Right-of-use assets Land	Total
Balance as at 1 April 2019	188.42	188.42
Less: Depreciation charged on the right-of-use assets	2.48	2.48
Balance as at 31 March 2020/ 1 April 2020	**185.94**	**185.94**
Less: Depreciation charged on the right-of-use assets	2.48	2.48
Balance as at 31 March 2021	**183.46**	**183.46**

e) Lease payment not recognised as lease liability

	Year ended 31 March 2021	Year ended 31 March 2020
Expenses relating to short term leases(included in other expenses)	43.61	43.86
	43.61	**43.86**

47. The outbreak of the Novel Corona Virus (COVID-19), declared as pandemic by World Health Organization (WHO) is continuing to spread across the world and in India and has caused disruption in the social, economic and financial system of the world. Since March 2020, the Indian Government had announced periods of nationwide lockdown which was extended in multiple tranches and has now allowed resumption of economic activities with strict compliance of social distancing norms etc. in selected geographies. Subsequently, the second wave of COVID -19 has emerged in India, due to which, various state governments have also imposed lockdowns in their respective states. The Company falls under 'essential goods' category and has been operational during the year. However, the management has evaluated the possible effects on the carrying value of the financial assets, investments in subsidiary and expects to duly recover the same and believes that there is no significant impact of COVID-19 on financial position as at 31 March 2021. However, the impact of the aforementioned global health pandemic may be different from that estimated as at the date of approval of these financial statements and the management will continue to closely monitor any material changes to future economic conditions including its corresponding impact on the Company.

48. Figures for the last year have been re-grouped/ re-classified to conform the current year classification.

As per our report of even date attached

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

Tarun Gupta
Partner
Membership No: 507892

Place : New Delhi
Date : 3 September 2021

For and on behalf of Board of Directors of
Maxcure Nutravedics Limited

Nidhi Sharma
Director
DIN: 03170443

Parveen Soni
Director
DIN: 00332902

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