V. P. Gupta & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To

The Members of Nicholas Healthcare Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Nicholas Healthcare Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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.

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

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Information other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of 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.

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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with relevant rules issued thereunder. 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.

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.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

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 SAs 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.

As part of an audit in accordance with SAs, 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 Companies Act, 2013, 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.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the management 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.

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We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

(1) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(2) 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.

(3) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

(4) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

(5) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(6) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

(7) In our opinion and according to information and explanations given to us, the managerial remuneration for the year ended March 31, 2023 has been paid by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V to the Act; and

(8) 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:

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Chartered Accountants

i. The Company didn't have any pending litigations as at March 31,2023 which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

CA V.P Gupta
Partner
Membership No.: 080557
UDIN:23080557BGYZIW6046

Place: Delhi
Date: April 28 **2023**

Annexure "B" to the independent auditor's report of even date on the financial statements of Nicholas Healthcare Limited

Report on the Internal Financial Controls under Clause (i) of sub section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of "Report on Other Legal and Regulatory Requirements" section:

We have audited the internal financial controls with reference to financial statements of **Nicholas Healthcare Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 its business, including adherence to 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.

Auditors' Responsibility

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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of Internal Financial Controls and, both 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

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Chartered Accountants

reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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 included obtaining an understanding of 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

A Company's internal financial control 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 control with reference to financial statements includes 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 unauthorized 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

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 control 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.

V.P. Gupta & Co.
FRN: 000600N
DELHI
Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

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

CA V.P Gupta
Partner
Membership No.: 080557
UDIN: 23080557BGYZIW6046

Place: Delhi
Date: April 28, 2023

NICHOLAS HEALTHCARE LIMITED
CIN - U24239DL2004PLC125888
Balance Sheet as at 31 March 2023
(All amounts in ₹ unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	2,097,500	1,072,740
(b) Right-of-use assets	40	15,075,002	20,028,928
(c) Intangible assets	3	1,795,006	2,362,962
(d) Financial assets			
(i) Others financial assets	4	3,038,945	2,074,555
(e) Deferred tax assets (net)	17	933,759	4,598,937
(f) Non-current tax assets (net)	5	62,378	3,881,385
(g) Other non-current assets	6	-	18,212
Total non-current assets		**23,002,589**	**34,037,719**
(2) Current assets			
(a) Inventories	7	62,384,526	203,337,005
(b) Financial assets			
(i) Trade receivables	8	231,120,062	214,598,398
(ii) Cash and cash equivalents	9	308,751,882	7,162,007
(c) Other current assets	10	37,894,362	62,396,253
Total current assets		**640,150,832**	**487,513,663**
Total assets		**663,153,422**	**521,551,382**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	500,000	500,000
(b) Optionally Convertible Redeemable Preference Shares	12	600,000,000	-
(c) Other equity	13	(47,473,047)	(321,658,474)
Total equity		**553,026,953**	**(321,158,474)**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(iii) Borrowings	14	47,500,000	688,261,329
(i) Lease liability	39	10,637,456	16,417,503
(ii) Other financial liabilities	15	4,000,000	4,400,000
(b) Provisions	16	1,517,654	2,137,882
Total non-current liabilities		**63,655,110**	**711,216,714**
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
Total outstanding dues to micro and small enterprises; and		2,836,620	-
Total outstanding dues of creditors other than micro and small enterprises		30,274,371	109,735,486
(ii) Lease liability	40	5,780,046	4,094,009
(iii) Other financial liabilities	19	5,695,504	5,901,733
(b) Other current liabilities	20	1,841,573	11,703,268
(c) Provisions	21	43,246	58,646
Total current liabilities		**46,471,359**	**131,493,142**
Total equity and liabilities		**663,153,422**	**521,551,382**

Summary of significant accounting policies and other explanatory information 1-43

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

For V.P. Gupta & Co.
Chartered Accountants
Firm Registration No.: [illegible]

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

CA V.P. Gupta
Partner
Membership No. [illegible]
Place : New Delhi
Date : April 28,2023
UDIN: 23080557BGYZIW6046

For and on behalf of Board of Directors of
NICHOLAS HEALTHCARE LIMITED

Kusum Sharma
Director
DIN: 02086304

Suman Singh
Director
DIN: 02326675

Pushpa Rawat
Director
DIN: 02156390

NICHOLAS HEALTHCARE LIMITED
CIN - U24239DL2004PLC125888
Statement of profit and loss for the year ended 31 March 2023
(All amounts in ₹ unless otherwise stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
INCOME			
Revenue from operations	22	453,691,454	1,276,326,438
Other income	23	302,794,810	2,463,969
Total Income		756,486,264	1,278,790,406
EXPENSES			
Purchase of stock-in-trade		204,423,635	1,570,491,110
Change in inventories of stock-in-trade	24	140,952,478	(197,059,740)
Employee benefits expense	25	52,469,341	58,666,491
Other expenses	26	46,327,785	117,524,306
Total		444,173,239	1,549,622,167
Earnings before finance costs, depreciation and amoritisation, and tax (EBITDA)		312,313,025	(270,831,762)
Finance costs	27	28,270,225	32,349,454
Depreciation and amortisation	28	7,421,428	5,099,535
Profit before tax		276,621,372	(308,280,750)
Tax expenses:			
Income Tax			
Current year		-	-
Deferred tax charge/(credit)		3,665,178	-
Total tax expense		3,665,178	-
Profit/Loss for the year		272,956,193	(308,280,750)
Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
Re-measurement gains/(losses) on defined benefit plans		1,229,234	(624,717)
Tax effect relating to these items		-	-
Other comprehensive income net of tax		1,229,234	(624,717)
Total comprehensive income [comprising of profit/ (loss) for the year and other comprehensive income/ (loss) for the year)]		274,185,427	(308,905,467)
Earnings per equity share of ₹ 10 (31 March 2022: ₹10) each			
Basic	29	5,459.12	(6,165.62)
Diluted		2,519.51	(6,165.62)

Summary of significant accounting policies and other explanatory information 1-43

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

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

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

CA V.P. Gupta
Partner
Membership No.080557
Place : New Delhi
Date : April 28,2023
UDIN: 23080557BGYZIW6046

For and on behalf of Board of Directors of
NICHOLAS HEALTHCARE LIMITED

Kusum Sharma
Director
DIN: 02066304

Suman Singh
Director
DIN: 02326675

Pushpa Rawat
Director
DIN: 02156390

NICHOLAS HEALTHCARE LIMITED
CIN - U24239DL2004PLC125888
Statement of changes in equity for the year ended 31st March 2023
(All amounts in ₹ unless otherwise stated)

a. Equity share capital

Particulars	Amount
As at 1 April 2021	500,000
Changes in equity share capital	-
As at 31 March 2022/ 1 April 2022	500,000
Changes in equity share capital	-
As at 31 March 2023	**500,000**

b. Other equity

Particulars	Retained earnings	Total
Balance as at 1 April 2021	**(12,753,007)**	**(12,753,007)**
Add: Profit for the year	(308,280,750)	(308,280,750)
Add: Other comprehensive income for the year, net of tax		
- Remesurement of defined benefit plans	(624,717)	(624,717)
Balance as at 31 March 2022/ 1 April 2022	**(321,658,474)**	**(321,658,474)**
Add: Profit for the year	272,956,193	272,956,193
Add: Other comprehensive income for the year, net of tax		
- Remesurement of defined benefit plans	1,229,234	1,229,234
Balance as at 31 March 2023	(47,473,047)	(47,473,047)

Summary of significant accounting policies and other explanatory information 1-43

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

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

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

CA V.P. Gupta
Partner
Membership No.080557
Place : New Delhi
Date : April 28, 2023
UDIN:23080557BGYZIW6046

For and on behalf of Board of Directors of
NICHOLAS HEALTHCARE LIMITED

KusumSharma
Director
DIN: 02086304

Suman Singh
Director
DIN: 02326675

Pushpa Rawat
Director
DIN: 02156390

NICHOLAS HEALTHCARE LIMITED
CIN - U24239DL2004PLC125888
Statement of cash flow for the year ended 31st March 2023
(All amounts in ₹ unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Cash flow from operating activities		
Net profit/ (loss) before tax	276,621,372	(308,280,750)
Adjustments for:		
Depreciation and amortisation	7,421,428	5,099,535
Bad debts	514,793	47,610,105
Provision for expected inventory	-	258,163,745
Interest expense	28,270,225	32,349,454
Interest income	(400,692)	(137,155)
Operating profit before working capital changes	11,747,026	34,804,933
Adjustments for movement in working capital changes:		
Inventories	140,952,479	(455,223,485)
Trade receivables	(17,036,457)	(520,284,012)
Other financial assets	(964,390)	(890,528)
Other assets	24,520,104	(57,565,184)
Trade payables	223,804,861	106,956,150
Other financial liabilities	(606,229)	10,922,583
Provisions	(635,628)	259,843,967
Other liabilities	(9,861,695)	11,111,203
Cash flow generated from operations (gross)	371,920,069	(610,324,373)
Less: taxes paid (net)	5,048,241	(4,506,102)
Net cash flow generated from/ (used in) operating activiti (A)	376,968,309	(614,830,476)
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including investment property, capital work-in-progres, capital advances and payable towards property, plant and equipment)	(1,422,011)	(3,378,846)
Interest received	400,692	137,155
Rent received	250,744	-
Net cash flow (used in) investing activities (B)	(770,575)	(3,241,691)
C. Cash flow from financing activities		
Proceeds from Optionally Convertible Redeemable Preference Shares	600,000,000	-
Proceeds from Borrowings	(640,761,329)	660,500,000
Payment of lease liabilities	(7,487,015)	(5,137,629)
Interest paid	(26,379,515)	(30,820,352)
Net cash flow generated from financing activities (C)	(74,627,859)	624,542,019
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	301,569,875	6,469,854
Cash and cash equivalents at the beginning of the year (refer note 7f)	7,182,007	712,153
Cash and cash equivalents at the end of the year (refer note 7f)	308,751,882	7,182,007

Components of cash and cash equivalents are as below:

	As at 30 March 2023	As at 31 March 2022
Balance with scheduled banks		
in current accounts	308,732,337	7,101,270
Cash on hand	19,545	80,737
	308,751,882	7,182,007

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

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

Particulars	Long- term borrowings	Lease liabilities	Total
Net debt as on 1 April 2021	24,500,000	14,008,725	38,508,725
Cash flows			
Repayments	(33,000,000)	(4,823,000)	(37,823,000)
Proceeds	693,500,000	-	693,500,000
Non cash changes			-
Interest on lease liability	-	1,529,102	1,529,102
New leases	-	9,796,685	9,796,685
Balance as on 31 Mach 2022	685,000,000	20,511,512	705,511,512
Cash flows			
Proceeds	87,500,000	(6,186,178)	81,313,822
Repayments	(725,000,000)	(7,087,300)	(732,087,300)
Non cash changes			
Interest on lease liability	-	1,890,710	1,890,710
New leases	-	7,288,758	7,288,758
Balance as on 31 March 2023	47,500,000	16,417,502	63,917,502

Summary of significant accounting policies and other explanatory information 1-43

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

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

CA V.P. Gupta
Partner
Membership No. 080557
Place : New Delhi
Date : April 25, 2023

For and on behalf of Board of Directors of
NICHOLAS HEALTHCARE LIMITED

Kusum Sharma
Director
DIN: 02086304

Suman Singh
Director
DIN: 02326675

Pushpa Rawat
Director
DIN: 02156390

NOTES TO FINANCIAL STATEMENTS

1 Company overview and significant accounting policies

1.1 Company overview

Nicholas Healthcare Ltd ("the Company") is a public limited Company incorporated and domiciled in India and has its registered office at Delhi, India. The Company is the subsidiary of Akums Drugs & Pharmaceuticals Ltd.
The financial statements for the year ended March 31, 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 28.04.2023.

1.2 Basis of preparation of financial statements

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

1.3 Use of judgment, estimates and assumptions

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

Judgments, estimates and assumptions

The Company based its judgments, 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 judgments 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 judgments, estimates and assumptions

Taxes

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

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

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
Based on the nature of products and the time between acquisition of assets and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classifications of assets and liabilities.

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1.5 Intangible assets

Intangible assets acquired are stated at cost less accumulated amortization and impairment, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

The Company uses a presumption that the useful life of an intangible asset is ten years from the date when the asset is available for use. The cost thereof is amortised over a period of 10 years.

Amortization methods and useful lives are reviewed in each financial year end and adjusted prospectively, if appropriate.

The cost and related accumulated amortization are eliminated from the financial statements upon de-recognition of the intangible asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

1.6 Lease

The Company as a lessee

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

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

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

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

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

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

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

1.7 Financial instruments

1.7.1 Initial recognition

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

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

1.7.2 Subsequent measurement

(i) Financial assets carried at amortised cost

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

(ii) Financial liabilities

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

1.7.3. Derecognition of financial instruments

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

1.8 Fair value of financial instruments

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

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1.9 Impairment

a. Financial assets

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

b. Non-financial assets

Intangible assets

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

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

1.10 Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. Contingent liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

1.11 Earnings per share

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

Diluted earnings per equity share is calculated by dividing the net profit or loss attributable to the equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares, if any. Dilutive potential equity shares are deemed converted at the beginning of the period, unless they have been issued at a later date.

1.12 Taxes

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

Current income tax

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

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

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for the carry forward of unused tax credits(MAT). Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the carry forward of unused tax credits can be utilised.

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

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

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

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Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilised. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

1.13 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.

1.14 Revenue Recognition

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

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

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

Revenue 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 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

License fee/royalty

License fee and royalty are recognized as and when due on the time proportion basis in accordance with the agreement between the parties and included under the head "other income" in the Statement of Profit and Loss.

Interest income

Interest income is recognized using the effective interest method.

1.15 Segment reporting

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

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

1.16 Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization(EBITDA) as a separate line item on the face of the statement of profit and loss.

The Company measures EBITDA on the basis of profit/(loss)and does not include depreciation and amortization expense, finance cost and tax expense.

1.17 Recent accounting pronouncements

The MCA has carried out amendments in the few accounting standards. The effect on adoption of said amendments were insignificant on the financial statements.

1.18 Employees Benefits

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus are recognized during the period in which the employee renders related service.

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(i) Gratuity

The Company provides for gratuity, a defined retirement benefit, covering eligible employees. The Company provides a lump-sum payment for gratuity to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.
Liabilities with regard to the Gratuity are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit(PUC) method.
The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an liability. Gains and losses through re-measurements of the net defined benefit liability/(asset), which are not subsequently be reclassified to statement of profit and loss, are recognized in other comprehensive income.

(ii) Provident fund

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

(iii)Compensated absences

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

1.19 Valuation of Inventories

Inventory comprises of traded goods and is measured at lower of cost and net realisable value. Cost includes cost of purchase 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 estimated costs of completion and the estimated costs necessary to make the sale.

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(All amounts in ₹ unless otherwise stated)

2 Property, plant and equipment. & Intangible assets

(Amount in Rs.)

Particulars	Property, plant and equipment.					
	Furniture and fittings	Office equipment	Computers	Plant & Machinery	Electrical Fittings	Total
Gross Block						
Balance as at 1 April 2021	-	-	-	-	-	-
Additions	25,600	1,181,842	69,000	-	-	1,276,442
Balance as at 31 March 2022/ 1 April 2022	25,600	1,181,842	69,000	-	-	1,276,442
Additions	18,500	576,327	816,061	10,047	1,075	1,422,011
Disposals/ adjustments	-	-	-	-	-	-
Balance as at 31 March 2023	44,100	1,758,169	885,061	10,047	1,075	2,698,453
Accumlated depreciation						
Balance as at 1 April 2021	-	-	-	-	-	-
Charge for the year	4,252	188,335	11,115	-	-	203,702
Balance as at 31 March 2022/ 1 April 2022	4,252	188,335	11,115	-	-	203,702
Charge for the year	8,496	308,706	79,703	292	55	397,251
Reversal of disposal	-	-	-	-	-	-
Balance as at 31 March 2023	12,748	497,041	90,818	292	55	600,953
Net block						
As at 31 March 2022	21,348	993,507	57,885	-	-	1,072,740
As at 31 March 2023	31,352	1,261,129	794,243	9,756	1,021	2,097,500

Notes:
(I). Refer note 40 for disclosures of contractual commitments for the acquisition of property, plant and equipment

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3. Intangible assets

Particulars	Brands /trademarks	Total
Gross carrying value		
Opening balance as at 1 April 2021	736,200	736,200
Additions during the year	2,102,404	2,102,404
Balance as at 31 March 2022/ 1 April 2022	2,838,604	2,838,604
Additions during the year	-	-
Balance as at 31 March 2023	2,838,604	2,838,604
Amortisation		
Accumulated as at 1 April 2021	194,070	194,070
Charge for the year	281,572	281,572
Balance as on 31 March 2022/ 1 April 2022	475,642	475,642
Charge for the year	567,956	567,956
Balance as on 31 March 2023	1,043,598	1,043,598
Net carrying value		
As at 31 March 2022	2,362,962	2,362,962
As at 31 March 2023	1,795,006	1,795,006

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Particulars	As at 31 March 2023	As at 31 March 2022
4. Other financial assets (Non Current)		
Security deposits	2,898,594	1,942,120
Deposit having remaining matuirty of more than 12 months*	140,351	132,435
	3,038,945	2,074,555

*pledged with government authorities and others.

Particulars	As at 31 March 2023	As at 31 March 2022
5. Non-current tax assets		
Advance income-tax (net of provision)	62,378	3,881,385
	62,378	3,881,385
6. Other non-current assets		
Prepaid expenses	-	18,212
	-	18,212
7. Inventories		
Stock in Trade (ref. note 1.19 on valuation of inventories)	62,384,526	203,337,005
	62,384,526	203,337,005
8. Trade receivables		
Trade receivables considered good (unsecured)	231,120,062	214,598,398
Trade receivables-credit impaired	44,590,085	47,610,105
	275,710,147	262,208,503
Less: Allowance for expected credit losses	(44,590,085)	(47,610,105)
	231,120,062	214,598,398
9. Cash and cash equivalents		
Balance with scheduled banks		
in current accounts	308,732,337	7,101,270
Cash on hand	19,545	80,737
	308,751,882	7,182,007
10. Other current assets		
Unsecured, considered good		
Advance to suppliers	-	856,248
Prepaid expenses	1,141,705	1,084,270
Other receivable	9,983	62,903
Balance with statutory authorities	36,742,673	60,392,831
	37,894,362	62,396,252

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Particulars	As at 31 March 2023	As at 31 March 2022
11. Equity share capital		
Authorised		
50,000 (31 March 2022 : 50,000) Equity Shares of (31 March 2022 Rs.10/-) each	500,000	500,000
Issued, subscribed and fully paid up		
50,000 (31 March 2022: 50,000) equity shares of ₹ 10 (31 March 2022: ₹ 10) each	500,000	500,000
	500,000	500,000

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning/end of the year	50,000	500,000	50,000	500,000

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

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

11.3 Details of shareholders holding more than 5% shares in the Company*

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
Akums Drugs & Pharmaceuticals Ltd and its (with nominee shareholders)	50,000	100.00	50,000	100.00

* Promoters of the Company. There is no change in shares held by promoters.
**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.*

11.4 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.

11.5 No shares have been reserved for issue under options.

12. Instuments entrely equity in nature

	As at 31 March 2023	As at 31 March 2022
Optionally Convertible Redeemable Preference Shares (OCRPS)		
58,377 (31 March 2022: Nil) OCRP shares of ₹ 10 (31 March 2022: ₹ Nil) each	600,000,000	-
	600,000,000	-

12.1 Reconciliation of OCRP shares outstanding at the end of the reporting period

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the end of the year	-	-		
Add: issued during the year	58,337	600,000,000	-	-
Balance as at the end of theyear	58,337	600,000,000	-	-

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12.2 Terms/Rights attached to the Optionally Convertible Redeemable Preference Shares

Below are the terms of the OCRPS at which they have been issued

- Issue price: OCRPS of face value of ₹ 10/- each will be issued at ₹ 10285/- including premium of ₹ 10275/-per OCRPS.
- Rate of Dividend: Dividend rate will be 0.01% p.a. (on the face value) which will remain fixed over the tenure of the OCPS.
- Basis of payment of dividend: The OCRPS will carry non-cumulative dividend right.
- Tenure & Conversion / Redemption Terms: The OCRPS shall be converted into Equity Shares of Rs. 10/- each in the ratio of 1 (one) Equity Share for every 1 (One) Preference Share at any time at the option of the company, but not later than 10 years from the date of issue of the OCPS, in accordance with the provisions of applicable laws including the Companies Act, 2013 as amended from time to time. The OCRPS shall be redeemed at par with the issue price i.e. ₹ 10285/- each, if the company does not exercise the conversion option.
- Priority with respect to payment of dividend or repayment of capital: The OCRPS will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital during winding up.
- Participation in surplus funds / surplus assets and profits: The OCRPS shall be non-participating in the surplus funds / surplus asset and profits on winding up which may remain after the entire capital has been repaid.
- Voting rights: The OCRPS shall carry voting rights in respect of matters as prescribed under the provisions of the Companies Act, 2013.
- Ranking of equity shares arising out of conversion: The Equity Shares to be allotted on conversion of the OCRPS shall rank pari passu in all respects with the existing equity shares of the Company.

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

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Particulars	As at 31 March 2023	As at 31 March 2022
13. Other equity		
(a) Retained earnings		
Balance as per last financial statements	(321,658,474)	(12,753,007)
Add: Profit/ (loss) for the year	272,956,193	(308,280,750)
Add: Other comprehensive income for the year - Remesurement of defined benefit plans	1,229,234	(624,717)
Balance as at end of the year	(47,473,047)	(321,658,474)

Nature of reserves

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

1.Retained earnings

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

14. Financial liabilities		
Security deposit recoverd (from CFA agent.)	4,000,000	4,400,000
	4,000,000	4,400,000

Note:- Given the continuly of business operations, the security deposits from the agents are considerd to be long term in nature.

15. Borrowings		
Term Loans		
Unsecured		
Loan from related party (refer note below)	47,500,000	688,261,329
	47,500,000	688,261,329

Note:

The loan from related party include unsecured loan taken from Holding company at an interest rate of 7.5% per annum (effective 1 October 2022, from 1 April 2022 to 30 September 2022 - 7% p.a (31 March 2022: 8% per annum) The said loan is repayable after March 2024.

16. Provisions		
Provision for employee benefits		
Gratuity (refer note 31)	1,040,832	1,573,663
Compensated absences (refer note 31)	476,822	564,219
	1,517,654	2,137,882

17. Deferred tax Assets (net)

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

Deferred tax liabilities consists of:		
Right of use assets	(3,794,378)	(3,778,288)
Accelerated depreciation and amortisation for tax purposes on property, plant and equipment and intangible assets	(64,160)	(57,822)
Deferred tax assets consists of:		
Expenses allowable under Income Tax Act,1961 on payment basis	413,515	145,761
Security Deposit	174,146	132,048
Lease liability	4,132,285	3,642,269
Unabsorbed losses	72,351	4,495,827
MAT Credit	-	19,142
Provision for diminution in value of loans given	-	-
Deferred tax Assets (net)	(933,759)	(4,598,937)

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Particulars	As at 31 March 2023	As at 31 March 2022
18. Trade payables		
Total outstanding dues of micro and small enterprises : and (refer note)	2,836,620	-
Total outstanding dues of creditors other than micro and small enterprises	30,274,371	109,735,485
	33,110,991	109,735,485
19. Other financial liabilities		
Interest accrued but not due on borrowings	-	-
Employee payables	5,695,504	5,901,733
	5,695,504	5,901,733
20. Other current liabilities		
Advance from customers	1,212,227	10,192,225
Statutory dues payable	629,346	1,511,042
	1,841,573	11,703,267
21. Provisions		
Provision for employee benefits		
Gratuity (refer note 31)	4,173	8,912
Compensated absences (refer note 31)	39,073	49,734
	43,246	58,646

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Particulars		Year ended 31 March 2023	Year ended 31 March 2022
22. Revenue from operations			
Sale of Goods			
Domestic-Sale of Traded Goods		453,691,454	1,253,982,556
Exports		-	22,343,881
		453,691,454	1,276,326,438
Refer Note 33 in terms of disclosures required under Ind AS 115			
23. Other income			
Interest income on:			
fixed deposits		8,026	6,531
Others		392,666	130,624
Foreign currency translations		-	2,326,814
Gain/(Loss) on reassessment or termination of ROU		354,318	-
Royalty Income		250,744	-
Income from duty drow back		1,359,700	-
Liabilities not payable/ writtenback		300,429,356	-
		302,794,810	2,463,969
24. Change in inventory of finished goods and work in progress			
Opening stock			
Stock-in-trade	(A)	203,337,005	6,277,265
Less: Closing stock			
Stock-in-trade	(B)	62,384,526	203,337,005
Change in inventory of stock-in-trade (A-B)		140,952,478	(197,059,740)
25. Employee benefits expense			
Salaries, wages and bonus		50,712,263	56,608,559
Contributions to provident and other funds (refer note 31)		1,437,789	1,368,744
Gratuity expense		691,664	715,113
Leave encashment expense		(1,190)	341,025
Staff welfare expense		319,289	689,188
		52,469,341	58,666,491
26. Other expenses			
Power and fuel		529,876	1,220,623
Short term leases (refer to note 40f)		212,400	149,925
Repairs and maintenance			
Repairs and maintenance - Others		1,509,593	3,998,980
Insurance		1,040,427	905,066
Printing and stationery		400,158	693,132
Travelling expense		14,901,705	16,699,072
Conveyance		309,529	714,773
Fees and subscription		419,914	45,982
Legal and professional expenses		1,756,466	151,231
Telephone expenses		70,690	20,920
Postage charges		372,427	148,989
Security expenses		351,484	145,067
Books & periodicals		35,000	60,500
Payment to auditors (refer note 30)		35,000	35,000
Provision for expected credit loss on trade receivables		-	47,610,105
Bad Debts		514,793	-
Freight and cartage outward		19,554,485	36,542,426
Commission on sales		703,203	5,287,833
Selling and distribution expenses		100,000	1,696,944
Loss Of Foreign currency translations		1,505,751	-
Director sitting fees		24,000	24,000
Bank charges		28,350	37,744
Staff recruitment		475,000	475,000
Miscellaneous expenses		1,477,534	860,995
		46,327,785	117,524,306
27. Finance costs			
Interest			
Interest on loan from related party		26,379,515	30,820,352
Interest expense on lease liability		1,890,710	1,529,102
		28,270,225	32,349,454
28. Depreciation and amortisation expense			
Depreciation on property, plant and equipment		397,251	203,702
Amortisation of right-of-use assets		6,456,221	4,614,261
Amortisation of intangible assets		567,956	281,572
		7,421,428	5,099,535

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NICHOLAS HEALTHCARE LIMITED
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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
(All amounts in ₹ unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
29 Earning per equity share (EPS)		
Profit/ (loss) attributable to equity shareholders (₹)	272,956,193	(308,280,750)
Total number of equity shares outstanding at the end of the year	50,000	50,000
Weighted average number of equity shares in calculating basic EPS	50,000	50,000
Weighted average number of equity shares in calculating diluted EPS	108,337	50,000
Nominal value per share (₹)	10	10
Basic EPS (₹)	5,459.12	(6,165.62)
Diluted EPS (₹)	2,519.51	(6,165.62)

30 Payment to auditor

(a) as auditor	35,000	35,000
	35,000	35,000

31 Employees benefits

A Defined contribution plan

The amount recognised as expense towards contribution to defined contribution plans for the year is as below:

	Year ended 31 March 2023	Year ended 31 March 2022
Company's contribution to Provident Fund	1,417,015	1,344,148
Company's contribution to Employees' State Insurance Scheme	20,774	24,596
	1,437,789	1,368,744

B Defined benefit plan - Gratuity

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

	Year ended 31 March 2023	Year ended 31 March 2022
Non-current	(39,073)	(8,404)
Current	39,073	8,912
	-	508

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

	Year ended 31 March 2023	Year ended 31 March 2022
Present value of the obligation as at the beginning of the year	1,582,575	242,745
Service cost	954,126	698,631
Interest cost	151,599	16,482
Benefits paid	-	-
Actuarial gain/ (loss) recognised during the year in other comprehensive income	(1,229,234)	624,717
Present value of the obligation as at end of the year	1,459,066	1,582,575

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

	Year ended 31 March 2023	Year ended 31 March 2022
Service cost	954,126	698,631
Interest cost	151,599	16,482
Net impact on profit before tax	1,105,725	715,113
Actuarial gain/ (loss) recognised during the year in other comprehensive income	(1,229,234)	624,717
Amount recognised in total comprehensive income	(123,509)	1,339,830

(iv) Breakup of actuarial gain/(loss):

Actuarial gain/ (loss) from change in demographic assumption	-	-
Actuarial gain/ (loss) from change in financial assumption	-	-
Actuarial gain/ (loss) from experience adjustment	(1,229,234)	624,717
Total actuarial gain/ (loss)	(1,229,234)	624,717

(v) Change in fair value of plan assets

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

(vi) Actuarial assumptions

Discount rate (per annum)	7.36%	7.18%
Future salary increase (per annum)	5.50%	5.50%
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age	58 years	58 years
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Average future service (in years)	22.34 years	22.77 years

Notes:

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

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

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Employees benefits (cont'd)

(vii) Sensitivity analysis for gratuity liability

	Year ended 31 March 2023	Year ended 31 March 2022
Impact of change in discount rate		
Present value of obligation at the end of the year	1,459,066	1,582,575
- Impact due to increase of 0.5 %	(116,074)	(111,992)
- Impact due to decrease of 0.5 %	128,073	123,020
Impact of change in salary increase		
Present value of obligation at the end of the year	1,459,066	1,582,575
- Impact due to increase of 0.5 %	129,799	124,451
- Impact due to decrease of 0.5 %	(118,559)	(114,204)

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.

C **Compensated absences**

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

32. Related party disclosures
Related party disclosures, as required by Ind AS-24

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

I. Related parties(other than where control exists) with whom transactions were taken place during the year:
a) Parent
-Akums Drugs and Pharmaceuticals Ltd.

b.) Key management personnel of the Company and its Parent
Director of the Company:
-Kusum Pal Sharma
-Pushpa Devi
-Suman Singh

Key management personnel of Parent of the Company
-Mr. Sanjeev Jain
-Mr. Sandeep Jain

c) Other related parties-Fellow subsidiaries
- Malik Lifesciences Pvt. Ltd.
-Akumentis Healthcare Limited.
-Avha Lifesciences Pvt. Ltd.
-Plenteous Pharmaceuticals Limited
-Pure & Cure Healthcare Pvt. Ltd.
-May & Bakers Pharmaceuticals Ltd.
-Sarvagunausdhi Pvt. Ltd.
-Akums Foundation

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II Summary of related party transactions-

	Particulars	2022-23 (Rs.)	2021-22 (Rs.)
(a)	**Loan:**		
	-Loan taken during the year	87,500,000	693,500,000
	-Loan repaid during the year	725,000,000	33,000,000
	Interest on Loan:		
	- Interest for the year	26,262,679	30,682,352
	Akums Drugs and Pharmaceuticals Limited		
	Purchase of Goods		
	Akums Drugs	21,300,906	168,262,430
	Sale Of Goods		
	Akums Drugs	982,000	820,000
	Akums Foundation	59,151,650	66,000
	Akums Health & Education Society (Regd)	850,000	-
	-Expenses Paid.	9,000	9,662
	-Reimbursement of expenses	1,697,662	2,695,448
	Pure and Cure Healthcare Private Limited		
	Purchase of Goods	26,386,551	98,960,026
	Sale of Goods	1,070,450	3,603,290
	-Expenses Paid.	-	48,569
	-Reimbursement of expenses	3,540	-
	Malik Lifesciences Pvt. Ltd.		
	Purchase Of Goods	2,998,926	54,418,528
	Sarvagunausdhi Private Limited		
	Purchase Of Goods	1,748,125	42,140,458
	Sale Of Goods	9,029,268	16,381,142
	-Reimbursement of Income	176,410	-
	-Expenses Paid.	9,375	1,201
	May & Baker Pharmaceuticals Ltd.		
	-Reimbursement of expenses	27,598	-
	AVHA Lifesciences Private Limited		
	-Sales made during the year	-	1,238,097
	Purchase of property, plant and equipment	807,861	
	Purchase Of Goods	45,927,647	140,926,068
	-Reimbursement of expenses	-	60,950
	Plenteous Pharmaceuticals Limited		
	Purchase Of Goods	-	2,677,110.00
	Akumentis Healthcare Ltd		
	Purchase Of Goods	-	700,000.00
	Director sitting fees		
	-Kusum Pal Sharma	8,000	8,000
	-Pushpa Rawat	8,000	8,000
	-Suman Singh	8,000	8,000
	Rent paid		
	Sandeep Jain	70,800	76,700
	Sanjeev Jain	141,600	76,700
	Outstanding Balances at end		
	Borrowings-non current		
	Akums Drugs and Pharmaceuticals Limited	47,500,000	685,000,000
	Trade receivables		
	Sarvagunaushdhi Private Limited	-	9,921,687
	AKUMS Drugs & Pharmaceuticals Ltd (Plant 1)	-	4,480
	Trade payable		
	Pure & Cure Healthcare Pvt. Ltd.	14,883,386	2,628,905
	Malik Lifesciences Pvt. Ltd.	914,569	3,473,236
	Avha Lifesciences Pvt. Ltd.	-	29,854,028
	Akums Drugs and Pharmaceuticals Limited	4,817,981	4,648,278

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33 Disclosure required under Ind AS 115 - Revenue from customers

A Disaggregation of revenue:

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products		
Revenue from sale of goods - Stock In Trade	453,691,454	1,276,326,438
	453,691,454	1,276,326,438

B Contract balances

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

	Year ended 31 March 2023	Year ended 31 March 2022
Contract liabilities		
Advance received from customers	1,212,227	10,192,225
Total contract liabilities	1,212,227	10,192,225
Receivables		
Trade receivables	231,120,062	214,598,398
Total receivables	231,120,062	214,598,398

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
	Contract liabilities	Contract liabilities
	Advances from customers	Advances from customers
Opening balance	10,192,225.00	10,192,225.00
Addition during the year	1,212,227.00	10,192,225.00
Revenue recognised during the year	10,192,225.00	10,192,225.00
Closing balance	1,212,227.00	10,192,225.00

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

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

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34 Financial instruments

A Financial instruments by category

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

Particulars	Amortised cost	
	As at 31 March 2023	As at 31 March 2022
Financial assets		
Trade receivables	231,120,062	214,598,398
Cash and cash equivalents	308,751,882	7,182,007
Other financial assets	3,038,945	2,074,555
Total financial assets	542,910,889	223,854,960
Financial liabilities		
Borrowings	47,500,000	688,261,329
Trade payables	33,110,991	109,735,486
Lease liabilities	16,417,502	20,511,512
Other financial liabilities	9,695,504	10,301,733
Total financial liabilities	106,723,996	828,810,060

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

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

B. Fair values hierarchy

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

The categories used are as follows:
Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).
There are no assets or liabilities which have been valued at face value are requier any disclouser of face value hierarrcy

B.1 Financial Laibility measured at fair value- recurring fair value measurements.
There is no financial assets/liab at fair value.

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

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

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

Financial risk factors
The Company's activities expose it to a variety of financial risks:
a) Market risk
b) Credit risk
c) Liquidity risk
The primary market risk to the Company is foreign exchange risk. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Liquidity risk is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

(a) Market risk
(i) Foreign currency risk

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

Foreign currency risk exposure:

Particulars	31 March 2023		31 March 2022	
	USD	INR	USD	INR
Trade receivables	1,000,252	75,826,203	1,116,277	84,621,696
Total	1,000,252	75,826,203	1,116,277	84,621,696

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Sensitivity

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

Particulars	Currency	31 March 2023		31 March 2022	
		Increase	Decrease	Increase	Decrease
INR/USD- increase by 1.%* (31 March 2022 1.47%) * Holding all other variables constant	USD	758,262	(758,262)	1,243,938.93	(1,243,938.93)

(ii) Interest rate risk

The entity's policy is to minimise interest rate cash flow risk exposures on long-term financing. As on 31 March 2023, the entity is exposed to changes in market interest rates through bank borrowings at variable interest rates.

The entity's investments in Fixed Deposits all pay fixed interest rates.

Interest rate risk exposure

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

Particulars		As at 31 March 2023	As at 31 March 2022
Variable rate borrowing	Loan from Other than holding company	-	-
Fixed rate borrowing	Loan From Holding company	47,500,000	688,261,329
Total borrowings		47,500,000	688,261,329

Sensitivity

Since there is no variable rate borrowing, the Company is not exposed to the owing to change in the intrest rate.

(b) Credit risk

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

(i) Credit risk management

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

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

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

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

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

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

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

Financial assets that expose the entity to credit risk –
31 March 2023

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	308,751,882	-	308,751,882
Other financial assets	3,038,945	-	3,038,945
Trade receivables	186,529,977	(44,590,085)	231,120,062
Total	498,320,804	(44,590,085)	542,910,889

31 March 2022

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Low credit risk			
Cash and cash equivalents	7,182,007	-	7,182,007
Other financial assets	2,074,555	-	2,074,555
Trade receivables	262,208,503	47,610,105	214,598,398
Total	271,465,065	47,610,105	223,854,960

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

As at 31 March 2023	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Less than 6 months	102,235,047	-	-	102,235,047
6 months - 1 years	27,198,530	-	-	27,198,530
More than 1 years	149,296,589	30%	44,590,085	104,706,504
Total	278,730,166		44,590,085	234,140,082

As at 31 March 2022	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Carrying amount net of loss allowance
Less than 6 months	122,098,056	-	-	122,098,056
6 months - 1 years	140,110,447	-	-	140,110,447
More than 1 years	-	-	47,610,105	(47,610,105)
Total	262,208,503		47,610,105	214,598,398

Reconciliation of loss provision – Trade receivables

Particulars	Total
Loss allowance on 1 April 2021	-
Changes in provision	47,610,105.00
Loss allowance on 31 March 2022	47,610,105.00
Changes in provision	(3,020,020)
Loss allowance on 31 March 2023	44,590,085

Trade receivables ageing

The table below analyse the outstanding trade receivables:

31 March 2023

	Particulars	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
		Outstanding for the following periods from due date of payment					
(i)	Undisputed trade receivables- considered	51,735,011	77,698,566	104,706,504	-	-	234,140,082
		51,735,011	77,698,566	104,706,504	-	-	234,140,082

31 March 2022

	Particulars	Not yet due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
		Outstanding for the following periods from due date of payment					
(i)	Undisputed trade receivables- considered	57,031,564	157,566,834	-	-	-	214,598,398
		57,031,564	157,566,834	-	-	-	214,598,398

(c) Liquidity risk

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

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

Financing arrangements

The Company has not taken any warking facility from any bank.

Maturities of financial liabilities

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

31 March 2023

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings		47,500,000	-	47,500,000
Trade payable	33,110,991	-	-	33,110,991
Lease liabilities	5,780,046	10,637,456	-	16,417,502
Other financial liabilities	5,695,504	4,000,000	-	9,695,504
Total	44,586,541	62,137,456	-	106,723,996

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31 March 2022

Particulars	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives				
Borrowings		688,261,329	-	688,261,329
Trade payable	109,735,486	-	-	109,735,486
Lease liabilities	4,094,009	16,417,503	-	20,511,512
Other financial liabilities	5,901,733	4,400,000	-	10,301,733
Total	119,731,228	709,078,832	-	828,810,060

Trade payables ageing
The table below analyse the outstanding trade payables:

31 March 2023

Particulars	Not yet due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2,836,620	-	-	-	-	2,836,620
Non- MSME	17,924,586	9,691,888	1,992,860	-	-	29,609,334
Unbilled dues	-					565,037
	20,761,206	9,691,888	1,992,860	-	-	33,010,991

31 March 2022

Particulars	Not yet due	Outstanding for the following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Non- MSME	48,173,737	60,498,869	-	-	-	108,672,606
Unbilled dues	-					1,062,880
	48,173,737	60,498,869	-	-	-	109,735,486

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current taxes		
-on profit and loss	-	-
-tax for earlier years	-	-
Total	-	-
Deferred taxes	3,665,178	-
Tax expense	3,665,178	-

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before income taxes	276,621,372	(308,280,750)
Income tax using the Company's domestic tax rate *	26.00%	26.00%
Expected tax expense [A]	71,921,557	-
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Additional benefit claimed on expenditure incurred on research and development		-
Effect of non-deductible expenses and others	(68,256,378)	-
Tax earlier years	-	-
Total adjustments [B]	(68,256,378)	-
Actual tax expense [C=A+B]	3,665,178	-

*Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	22%	25%
Surcharge (% of tax)	10%	0%
Cess (% of tax)	4%	4%
Applicable rate of tax	25.17%	26.00%

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

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b) Changes in deferred tax assets and liabilities for the year ended 31 March 2023 :-

Particulars	As at 31 March 2022	Recognised in OCI	Recognised in profit and loss	As at 31 March 2023
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(57,822)	-	(6,338)	(64,160)
Deferred tax assets consists of:				
Employee benefits	-		-	-
Provision for credit losses on financial assets	145,761	-	267,754	413,515
Lease liability	-	-	-	-
Unabsorbed losses	(3,971)	-	516,024	512,053
MAT Credit	4,495,827	-	(4,423,476)	72,351
	19,142	-	(19,142)	-
Net deferred tax asset / (liability)	4,598,937	-	(3,665,178)	933,759

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

Particulars	As at 31 March 2021	Recognised in OCI	Recognised in profit and loss	As at 31 March 2022
Deferred tax liability consists of:				
Property, plant and equipment and intangible assets	(57,822)	-	-	(57,822)
Deferred tax assets consists of:				
Employee benefits				
Provision for credit losses on financial assets	145,761	-	-	145,761
Lease liability	-	-	-	-
Unabsorbed losses	(3,971)	-	-	(3,971)
MAT Credit	4,495,827	-	-	4,495,827
	19,142	-	-	19,142
Net deferred tax asset / (liability)	4,598,937	-	-	4,598,937

36 Segment reporting

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

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure.

Operating segments

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning and expansion.

There is only one Reportable Segment for the Company which is "Trading of Pharmaceuticals Formulations", hence no specific disclosures have been made. Accordingly,

Entity wide disclosures

(a). Information about product revenue

The Company drives its product revenue mainly from pharmaceuticals formulations.

(b). Information about geographical areas

Non-current assets (Property, plant and equipment, Intangible assets and other non-current assets) are in India.

(c). Information about major customers (from external customers)

Particulars	No. of customers	Year ended 31 March 2023	No. of customers	Year ended 31 March 2022
Revenue		453,691,454		1,276,326,438
Revenue from one customers amounting to 10% or more of Company's total	1	59,151,650	1	173,143,220

37 Capital management

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

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

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

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Particulars	As at 31 March 2023	As at 31 March 2022
Long term borrowing	47,500,000	688,261,329
Less:		
Cash and cash equivalents	308,751,882	7,182,007
Net debt (A)	(261,251,882)	681,079,323
Total equity* (B)	553,026,953	(321,158,474)
Gearing ratio (A/B)	-89.54%	189.23%

*Equity includes capital and all reserves of the Company that are managed as capital.
In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it meets financial covenants and attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current period.
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

38 Ratio Disclosures

Particulars	Numerator	Denominator	Current year	Previous year	% Variance
(a) Current ratio	Current Assets	Current liab	13.78	3.71	10.07
(b) Debt - Equity ratio	Total debt	Shareholders equity	0.11	(2.19)	2.30
(c) Debt service coverage ratio	Earnings available for d	Debt Service	11.31	(8.21)	19.52
(d) Return on equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	2.35	1.93	0.43
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	2.60	13.51	(10.91)
(f) Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	204%	1190%	-986%
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	292%	2862%	-2570%
(h) Net capital turnover ratio	Net Sales	Working Capital	76%	358%	-282%
(i) Net profit ratio	Net Profit	Net Sales	60%	-24%	84%
(j) Return on capital employed	Earning before interest and taxes	Capital Employed	52%	-74%	126%
(k) Return on investment	Profit after tax	Investment	45%	-84%	129%

The above variance is on account of increase in operation of the company. However owing to high operational expenses the margins are lower.

39 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 2023	As at 31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due	2,836,620.00	-
- Interest amount due	-	-
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

40 Lease

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

(b) **Practical expedients applied**
In applying Ind AS 116 for the first time, the Company has used the practical expedients permitted by the standard:
• applying a single discount rate to a portfolio of leases with reasonably similar characteristics
• accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases

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

(d) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised as on 31 March 2023:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)
Building	2	1-4 years

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

Right-of-use assets	No of right-of-use assets leased	Range of remaining term(years)
Building	2	1-5 years

There are no leases entered by the company which have any extention, termination or purchase option and the payment of lease rentals is not based on variable payments which are linked to an index.

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

Particulars	Category of Right-	
	Building	Total
Balance as at 1 April 2021 (on account of application of Ind AS 116)	14,658,318	14,658,318
Add: Additions during the year	10,111,314	10,111,314
Less: Amortisation charged on the right-of-use assets (refer note 2a)	4,740,704	4,740,704
Balance as at 31 March 2022	20,028,928	20,028,928
Balance as at 1 April 2022	20,028,928	20,028,928
Add: Additions during the year	7,511,472	7,511,472
Less: Deletion during the year	7,511,472	7,511,472
Less: Amortisation charged on the right-of-use assets (refer note 2a)	6,456,221	6,456,221
Add: Reversal of disposal	1,502,295	1,502,295
Balance as at 31 March 2023	15,075,002	15,075,002

(f) **Lease payment not recognised as lease liability**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Expenses relating to short term leases(included in other expenses)	212,400	149,925
Total	212,400	149,925

(g) The total cash outflow for leases for the year ended 31 March 2023 was ₹ 164.17 lakhs. (31 March 2022: ₹205.11 lakhs)

(h) Future minimum lease payments as on 31 Marh 2023 are as follows:

Minimum Lease payments due	As on 31 March 2023		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	5,780,046	1,083,721	4,696,325
1-5 Year	12,701,269	980,091	11,721,178
More than 5 Year	-	-	-
Total	18,481,315	2,063,812	16,417,503

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

Minimum Lease payments due	As on 31 March 2022		
	Lease payment	Finance charges	Net Present Value
Within 1 Year	5,509,150	1,415,141	4,094,009
1-5 Year	18,481,315	2,063,812	16,417,503
More than 5 Year	-	-	-
Total	23,990,465	3,478,953	20,511,512

41 There are no loan which have been given to promoters, direcors, KMP and related parties.

42 There are no contingent liabilities and capital commitments as at the end of the year.

43 The amount for the previous year have been re-grouped/re-cassified, where applicable, to confirm the current year classification.

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

CA V.P. Gupta
Partner
Membership No.
Place : New Delhi
Date : April 28
UDIN:23080557BGYZIW6046

For and on behalf of Board of Directors of
NICHOLAS HEALTHCARE LIMITED

Kusum Sharma
Director
DIN: 02086304

Suman Singh
Director
DIN: 02326675

Pushpa Rawat
Director
DIN: 02156390